08
ANNUAL REPORT

HALCOR
METAL WORKS S.A.

Contents

The wood used to produce pulp for the paper of this form comes from Sustainable Management forests and plantations.

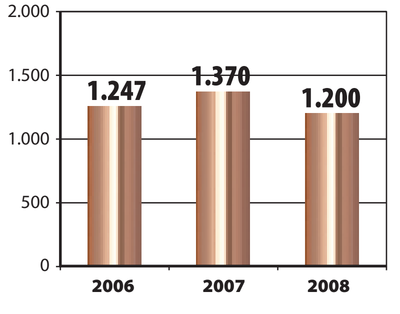
overview

Activities

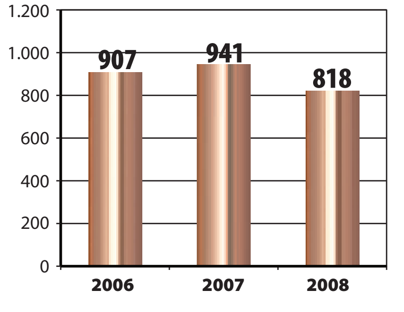
- The HALCOR Group is the copper product manufacturing and trading part of VIOHALCO.
- It focuses on the manufacture and trade of rolled and extruded copper products, copper alloys, cables and rolled zinc products.
- It encompasses 18 companies, which use 9 production plants in Greece, Bulgaria and Romania.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

Amounts in Euro million

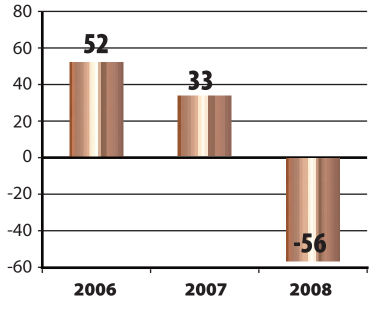
Turnover



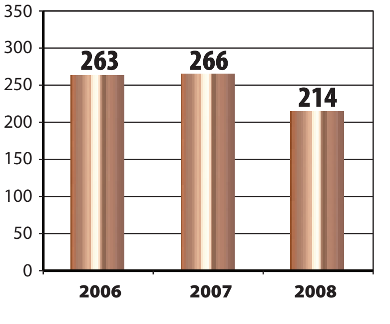
Total assets



Earnings before taxes



Shareholders' Equity



1. Message by the General Manager

In 2008, the activity and results of the HALCOR Group were dramatically affected by developments in the highly changeable macroeconomic environment, due to the international financial crisis and the resulting economic recession, which had an effect mainly in the second half of the fiscal year.

A major impact of that unexpected negative condition was a reduction in the funding provided by financial institutions, which led to reduced investments and increased levels of uncertainty. Consequently, activity in all economic sectors, including the construction sector and infrastructure works in particular, faced a steep decline. Furthermore, fluctuations in foreign exchange rates, with the Euro being reinforced in the first half of the year and undergoing correction in the second half, affected demand both in non-Eurozone and Eurozone countries, where products were imported from third countries under more favorable terms.

More specifically, in the copper and zinc product sector, a major feature in 2008 was that prices remained at high levels for the first nine months and then dropped suddenly. More specifically, in the last quarter of the fiscal year the price of copper dropped dramatically by 55.4% compared to the average 2008 price, whereas the average annual price of zinc dropped by 47.2% compared to 2007. The above drop, however, was not enough to boost development, as demand also dropped in the same period due to the wider economic recession.

The Group adhered to the implementation of its investment plan for the upgrading and expansion of its production plants, spending a total of Euro 47.1 million.

Nevertheless, a suitable strategy was formulated and implemented by the Group and as a result managed to retain its market shares both in the domestic market and in Western Europe, with its consolidated turnover amounting to Euro 1,200 million in 2008, compared to Euro 1,370 million in 2007. This drop was mainly due to an increase in the brass products percentage of the total sales, a significant drop in copper and zinc prices, and the reduced demand for installation products.

In addition, production costs increased due to high gas prices that prevailed throughout the year. That, in conjunction with malfunctions in the main country ports, affected costs significantly in terms of exporting and procurement of raw materials while inventories were affected accordingly. Therefore, the consolidated earnings before interest, tax, depreciation and amortization (EBITDA) amounted to Euro 4 million in 2008, compared to Euro 86 million in 2007. Respectively, the consolidated earnings before taxes amounted to losses equal to Euro 56.4 million, compared to profits equal to Euro 33.3 million in 2007, a drop that was also due to the one-off provision made for the impairment of inventories amounting to Euro 78.6 million due to the sharp drop of copper and zinc prices in the fourth quarter of the fiscal year.

Despite the negative developments, the Group adhered to the implementation of its investment plan for the upgrading and expansion of its production plants, spending a total of

Euro 47.1 million in 2008. Of that amount, Euro 19.8 million pertained to the parent company's plants in Inofyta, and in the Tubes Plant in particular, Euro 15.1 million pertained to the upgrading of the production facilities of the SOFIA MED subsidiary in Bulgaria, Euro 9.5 million pertained to the production facilities of HELLENIC CABLES, and Euro 2.7 million pertained to the cable manufacturing plant of ICME ECAB in Romania. It should be noted that the increase in production costs in 2008 was also due to the trials operation of important investments in the tube manufacturing, rolling and cable branches, which are expected to yield results gradually in the future.

Despite the effects of the recent crisis, the Group remains optimistic and looks forward to recovery. The measures already taken by the international community are expected to trigger a reactivation, using large infrastructure projects as a springboard. At the same time, a drop in the cost of energy and metal prices combined with a more efficient use of inventories will reduce the production and operating costs.

Having the above in mind, the main priorities for the HALCOR Group in 2009 are focusing on the development of pioneering high added value products, enhancing operating and production efficiency through the completion of investments in progress, and reinforcing its commercial presence in foreign markets. Amongst the priorities of the Group's companies are: maintaining high product quality, reducing the environmental impact of products and ensuring a human-oriented working environment with continuous opportunities for training and education.

The HALCOR Group evaluates developments in its operating markets very carefully and is determined to have a strong presence during this recovery phase by supporting and enhancing its share in targeted markets and ensuring its substantial development and evolution in the mid- and long-term.

Dr Periklis Sapountzis
General Manager

2. HALCOR Group

The HALCOR Group represents the VIOHALCO's production and trade branch for copper products. It focuses on the manufacture and trade of rolled and extruded copper products, copper alloys and cables, and is the only manufacturer of copper tubes and rolled zinc products in Greece.

In early 2009, with over 70 years of successful business activity, the HALCOR Group comprises 18 companies, with 9 production plants in Greece, Bulgaria and Romania, having therefore an important commercial presence both in Greece and in European, Asian, American and African countries.

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

HALCOR procures its raw materials mainly from Bulgaria, Chile and Kazakhstan, based on annual or spot contracts. The Group is methodically developing an expanded network for the collection and storage of copper scrap, which includes warehouses in strategic locations in Greece and in other countries in the wider Balkan region.

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

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

The HALCOR Group has a production or/and commercial presence in Greece, Bulgaria, Romania, Cyprus, the United Kingdom, Germany and Serbia, using the following companies:

Company	Participation %	Country
HALCOR S.A.	PARENT	GREECE
HELLENIC CABLES S.A.	78,71%	GREECE
DIAPEM TRADING S.A.	33,33%	GREECE
STEELMET S.A.	52,83%	GREECE
ELKEME S.A.	30,90%	GREECE
AKRO S.A.	95,74%	GREECE
SYLLAN S.A.	100,00%	GREECE
METAL AGENCIES	92,98%	UN. KINGDOM
BELANTEL HOLDINGS LTD	100,00%	CYPRUS
SOFIA MED AD	100,00%	BULGARIA
S.C. STEELMET ROMANIA S.A.	40,00%	ROMANIA
METAL GLOBE D.O.O.	53,61%	SERBIA
ENERGY SOLUTIONS S.A.	38,60%	BULGARIA
OGWELL LIMITED	100,00%	CYPRUS
VIEXAL LTD	26,67%	GREECE
COPPERPROM LTD	71,49%	GREECE
TEPRO METAL AG	43,53%	GERMANY
HABAKIS LTD	100,00%	GREECE

The Group is methodically developing an expanded network for the collection and storage of copper scrap, which includes storage areas in well-chosen areas in Greece and in other countries in the wider Balkan region.

3. Milestones in the history of HALCOR

1937	The Hellenic Copper Industry was founded with its production units located in Tavros, Attica, which in the future were to become the production unit of HALCOR.
1976	HALCOR was founded, which involved the operation of the Inofyta foundry.
1981	HALCOR took over the production units of rolled and extruded copper from its parent company VIEM S.A., thus inheriting the know-how and experience of VIOHALCO, one of the most historic and successful metal industries in the Greek market.
1990	HALCOR offered the manufacturing equipment of the rolling sector to VEKTOR S.A. METAL PROCESSING, which after its establishment in 1977, had had a limited object and volume of activity.
1991-1995	VEKTOR S.A. demonstrated vigorous industrial activities in the sectors of rolling, drawing, cutting of copper products and other alloys, as well as the production of facon for HALCOR and other companies.
1996	The shares of VEKTOR were listed in the Athens Stock Exchange.
1997	VEKTOR was merged by absorption with HALCOR and was renamed into HALCOR METAL PROCESSING S.A. HALCOR acquired a 4.99% holding in HELLENIC CABLES S.A., also listed in the Athens Stock Exchange, which focused on the production of overhead conductors, overhead and underground power cables and enamelled wires. The holding in HELLENIC CABLES increased gradually and reached 78.90% in 2006.

1999 HELLENIC CABLES acquired a majority holding in the Romanian cable industry ICME ECAB.

2000 Through its subsidiary SOFIA MED in Bulgaria, HALCOR purchased the fixed assets of KOZM and began operating its plant. The company's objective was to transfer the entire production of copper and brass rolled products there.

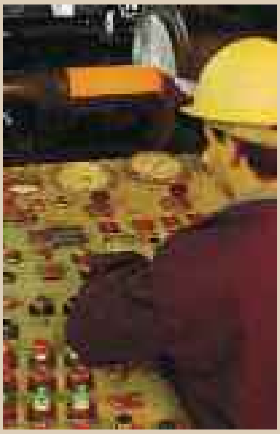
The implementation of an extensive investment plan began on the same year, which is still on going, laying the foundation for transforming HALCOR into a Group with strong presence in international markets.

2005 The Piraeus Street factory started manufacturing rolled zinc products, and the transfer of the manufacture of copper and brass rolled products to SOFIA MED was completed.

Investments in the tube PVC coating line were completed, and the Cusmart tubes — one more internationally acknowledged pioneering product — were launched in the market.

2006 FITCO was taken over by HALCOR, thus adding important economies of scale and ensuring the successful continuation of its activity, within the framework of its operation as an operational unit within HALCOR, now being the parent company.

2008 Approximately Euro 50 million was spent on the upgrading and expansion of the HALCOR Group's production plants, as part of the most important investment plan in its history.



A major pursuit is to increase production capacity and ensure an ongoing improvement of production efficiency.

4. Philosophy and Strategy

Following a successful 70-year-long course, the HALCOR Group has evolved into a multinational Group of companies with a strong position and significant shares in its operating markets.

The main ingredients for the successful course of the Group include a focus on quality, dedication to the research and development of new products, customer-oriented decision making, and a continuous competitive advantage at a production base level.

By adopting the "act local, think global" philosophy, HALCOR Group is developing and expanding its business activity by a clearly defined strategic framework, which is based on the following:

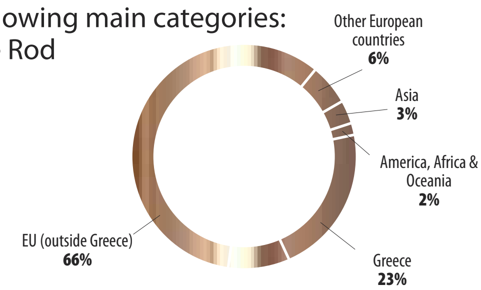
- Ongoing upgrading of the Group's production base through the implementation of extensive investment plans. A major goal is to increase production capacity and ensure an ongoing improvement of production efficiency.
- A further improvements on production costs.
- Increasing the Group's shares in the Greek market and expanding its commercial presence in Southeast Europe.
- Expand the market role of the Group through the development of new, pioneering products that ensure high added value for its customers.
- Continuous efforts to ensure the quality of manufactured products.
- Protection of and respect for the natural and social environment, with certification on the Group's social responsibility.
- Ensuring a safe and efficient working environment, which will allow and encourage employees to advance and progress along with the company.

5. Products

The HALCOR Group manufactures a wide range of products, which are sold both in the domestic and foreign markets. Thanks to the main competitive advantages of reliability, unwaveringly perfect quality and high added value, the Group's products have been successfully placed on a number of foreign markets, thus making HALCOR an export-oriented organization, which realizes 77% of its sales outside Greece.

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

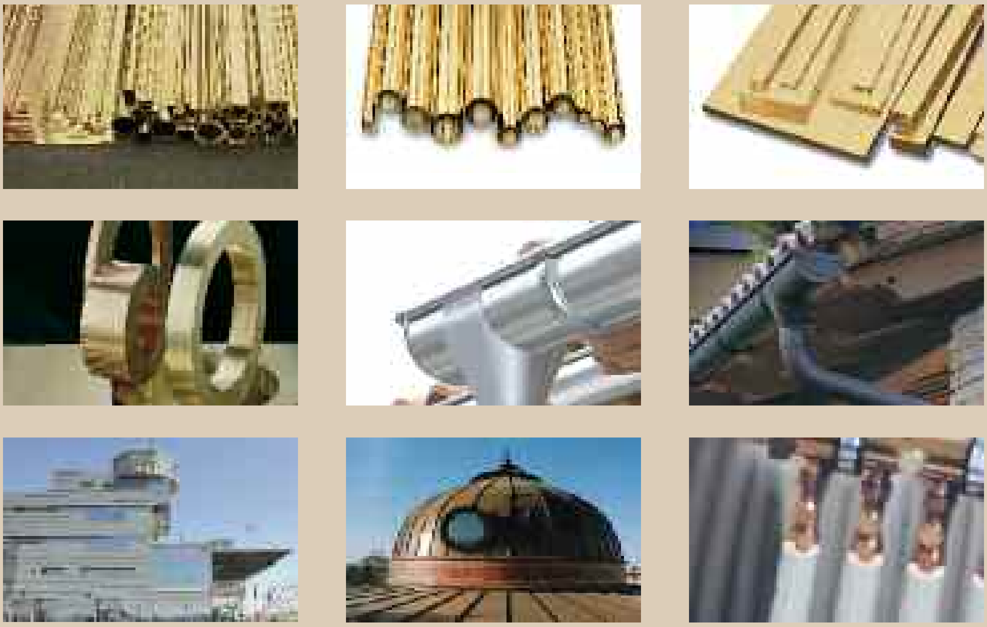
1. Copper Products: Tubes, Sheets, Strips, Circles, Ø8mm Wire Rod
2. Brass Products: Tubes, Sheets, Strips, Circles, Bars
3. Zinc Products: Sheets, Strips
4. Special alloy products: Slabs, Strips, Circles, Cups
5. Cables



Following are the main types of products:

Copper tubes

HALCOR is the sole producer of copper tubes in Greece. Its copper tubes are sold in the



international markets under the trade name TALOS® and are widely used in water supply networks, heating, floor heating, natural gas, medical gases, cooling and air conditioning installations, fire protection systems, air conditioning production, heat exchangers, cable tags and in many other industrial applications.

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

In 2003, the company developed and placed on the market coated copper tubes TALOS ECUTHERM®, which feature superior insulation, resulting in greater energy savings. These are high added value products which are a token of the company's commitment to quality.

In 2005, by investing in research and technology, HALCOR developed and placed on the market the Cusmart® copper tubes, which are distinguished for their extremely competitive cost and significant quality advantages. This particular product constitutes a new series of flexible copper tubes with a special PE compound coating.

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

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

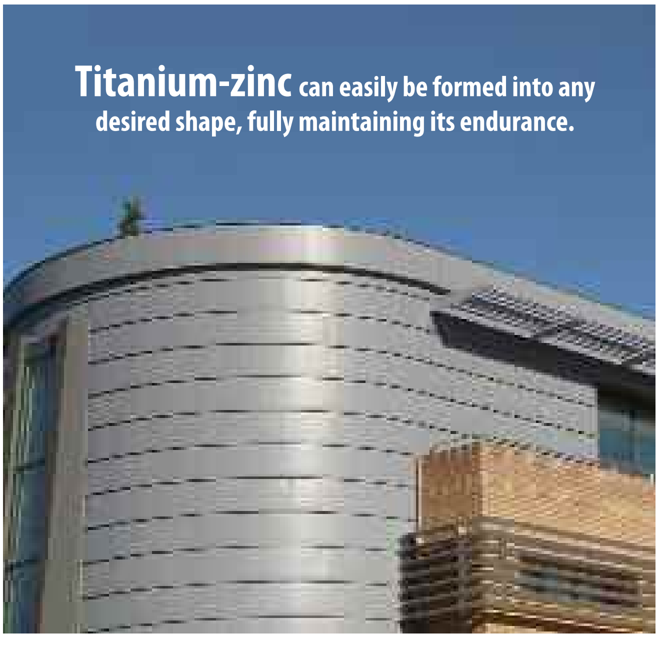
Ø8 Copper Wire Rod
The 8 mm copper wire rod is produced using the continuous casting and subsequent rolling method and is used as a raw material in the production of cables for telephony and electric power transmission.

HALCOR is one of the few companies in Europe that have the ability to produce INNER GROOVED copper tubes (ACR) with a minimum wall thickness of 0.28mm.

Special Alloys
Copper-zinc alloys are suitable for cups and circles, whereas copper-nickel alloys, copper-nickel-zinc alloys and copper-aluminium-nickel alloys are used for coin production, and copper-nickel-silicon alloys are used for electronic applications.

Copper & brass circles and copper cups
Due to their physical properties, copper circles are ideal for decoration, different forms of popular and religious art, the production of kitchen utensils and accessories, as well as for modern technological applications (boilers, etc.). Brass circles can be used at all production lines, ranging from ordinary decorations to industrial products.

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



HELLENIC CABLES has expanded its production to include ultra high voltage cables of up to 400kV and category 7 data transmission cables (Cat. 7).

facades. Furthermore, titanium-zinc sheets and strips are the raw material for manufacturing industries (gutters, etc.).

Cables

HELLENIC CABLES S.A. produces and sells under the trade mark CABLEL® power cables, aerial copper and aluminium conductors, (copper and optical) telecommunications cables, plastic and rubber compounds. It is the sole manufacturer of enamelled wires in Greece and since 2008 it has expanded to include ultra high voltage cables of up to 400kV and category 7 data transmission cables (Cat. 7).

The main types of products manufactured by HELLENIC CABLES are:

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

6. Facilities

The HALCOR Group has a strong production base of 9 production plants in Greece, Bulgaria and Romania, which have spearheaded its dynamic international presence. The quality levels of the HALCOR products are quite high and are the foundation of the dynamic commercial development of the Group in its operating markets. To maintain quality and expand the Group's family of products, HALCOR prepares and implements extensive investment plans, to ensure the preservation of its competitive advantage at a production level.

Following are the main production plants of the Group:

HALCOR Foundry (Inofyta)
Total area: 51,213 square meters
Buildings: 11,638 square meters
Production capacity: 235,000 tons annually

The HALCOR foundry is located in the Industrial Area of Inofyta and almost all production activity in most of the company's production plants begins there, as it supplies them with semi-finished products, such as billets and slabs, for final processing.

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

- 1 line of semi-continuous melting and casting of brass billets (one for lead and

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

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

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

HALCOR Copper Tubes Plant (Inofyta)
Total area: 198,061 square meters
Buildings: 67,414 square meters
Production capacity: 75,000 tons annually

The HALCOR Tubes Plant in Inofyta produces copper tubes for heating, water supply, natural gas, air conditioning and industrial use. Its facilities are state-of-the-art and are considered as some of the most modern and efficient in Europe.

The plant has a fully vertical production organization, and copper billets coming from the company's Foundry are used as raw materials. The Tubes Plant is one of the few plants capable of producing tubes with inner grooves and low wall thickness, which are used for the production of heat exchangers.
Specifically, the Tubes Plant produces:
- Copper tubes in straight lengths and hard, semi-hard or soft coils.
- Coated copper tubes
- Copper tubes for special uses.

The facilities operate under a Quality Assurance System certified according to ISO 9001:2000.

HALCOR Brass Bars and Tubes Extrusion Plant (Inofyta)
Total area: 57,980 square meters
Buildings: 23,120 square meters
Production capacity: 40,000 tons annually

The brass extrusion plant carries out hot and cold extrusion of copper alloys using as raw material brass scrap in the form of billets.

The plant mainly produces the following:

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

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

HALCOR Titanium-zinc Rolling Plant (Athens)
Total area: 60,048 square meters
Buildings: 37,427 square meters
Production capacity: 20,000 tons annually

It was in this titanium-zinc rolling plant that VIOHALCO started its operation in 1937, which makes this plant extremely important to us.

The plant has a hot rolling mill and a cold rolling mill, which produce titanium-zinc rolled products (ZnTiCu). Furthermore, the plant also operates cutting machines used in the final processing of certain products manufactured by other companies of the VIOHALCO Group.

SOFIA MED Copper Manufacturing Plant (Bulgaria)
Total area: 250,000 square meters
Buildings: 120,000 square meters
Production capacity: 105,000 tons annually

The SOFIA MED plant produces copper, brass and special alloy flat products using three production departments: the foundry, the rolling department and the extrusion department.

The plant started its production activity in 2000, upon completion of the purchase of the equipment of the Bulgarian company KOZM. Other significant investments followed amounting to Euro 100 million, which resulted in a very large increase in its production capacity. The plant is certified according to ISO 9001:2004.

In 2007 the implementation of a new, extensive investment plan amounting to Euro 35 million began in the facilities of SOFIA MED, which included upgrades and expansions in all three production departments of the plant. The completion of this investment plan is expected in the first half of 2009.

HELLENIC CABLES Electrical Cables and Optical Fibers Plant (Thiva)
Total area: 175,082 square meters
Buildings: 38,265 square meters
Production capacity: 55,000 tons annually

The electrical cables and optical fibers plant in Thiva produces the following types

A major competitive advantage of the plant is its flexible production process, which allows for the production of different types of cables.

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

In 2008 a new production line was added to the plant for medium voltage cables, and a quality control system / degassing was established.

The raw materials used in the production process of the electrical cables and optical fibers plant are copper, aluminium, steel wires and plastic - rubber materials for cable insulation and coating. Some of the raw materials come from the parent company.

A major competitive advantage of the plant is its flexible production process, which allows for the production of different types of cables, in accordance with international specifications or/and customer requirements. The production process of the plant in Thiva is certified according to the ISO 9001 and ISO 14001.

HELLENIC CABLES Copper Conductors and Enamelled Wires Plant (Livadia)
Total area: 121,818 square meters
Buildings: 14,048 square meters
Production capacity: 14,000 tons annually

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

HELLENIC CABLES Plastic and Rubber Compounds Plant (Inofyta)
Total area: 22,032 square meters
Buildings: 6,444 square meters
Production capacity: 24,000 tons annually

The compounds plant produces rubbers and plastics necessary for the supply of insulation, filling and shielding production lines for the final wires. Part of the plant's products are supplied to HALCOR to be used in the production of Ecutherm and Cusmart copper tubes.

The production process of the plant is certified according to the ISO 9001 standard.

Cable Plant (ICME ECAB, Romania)
Total area: 268,000 square meters
Buildings: 70,000 square meters
Production capacity: 45,000 tons annually

The ICME ECAB produces cables for internal installations, energy, control, industrial uses and external installations, cables with reduced fire propagation, fire resistant and low smoke and fume cables, copper and aluminium conductors, mine cables, marine, special requirement cables, telecommunication cables, optical fiber cables, signaling, remote control and data transmission cables, as well as plastic and rubber compounds.

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

7. Research and Development of new technologies

The Group has established the Hellenic Metal Research Center (ELKEME) to enhance the quality and operating characteristics of existing products and develop new pioneering solutions for its customers.

The ELKEME is located at Piraeus Street and operates as a modern research laboratory for new production methods and checking the characteristics of end products. Amongst its objectives is to carry out basic research on advanced plans and techniques with the purpose of improving production processes, as well as identifying and eliminating any failures and deficiencies in the Group's end products.

The high skills of the scientific personnel of ELKEME and the state-of-the-art research equipment used guarantees an effective and efficient operation. The Group has invested a total of Euro 3.7 million in ELKEME, and the resulting benefits are evident both at a production and a commercial level. More specifically, the Center has helped solving problems that arise before and during the production of titanium-zinc products at the HALCOR plant, and has also contributed to the development of the new Cusmart® copper tubes.

Creating a human-oriented working environment where equal opportunities for progress are ensured for all employees, by cultivating their skills and developing their potential.

8. Human Resources

A cornerstone of the commercial and business success of the HALCOR Group is its people. The Group has more than 2,400 employees are a guarantee for its development, progress and evolution, both on a mid- term and long-term basis.

Within that framework, the Group's Management is committed towards a human-oriented working environment where equal opportunities for progress exist for all employees, upgrading their skills and developing their potential.

A series of internal training programs are delivered on an annual basis, which cover a wide range of technological and administrative matters. The goal is for each employee, irrespective of specialty and level, to participate at least in one program each year.

9. Financial figures

Consolidated Turnover

The consolidated turnover of HALCOR in fiscal year 2008 amounted to Euro 1,200 million, compared to Euro 1,370 million in 2007, reduced by 12.4%. At volume level, there was a slight drop in sales by 2.5%; however, the market shares occupied by HALCOR in Greece and the Western Europe were retained, despite the slowdown of economic development and reduced construction activity. The reduced turnover was caused by the increased percentage of brass products to total sales, in conjunction with a significant drop in the prices of copper and zinc.

In more detail, at volume level, the sales of cables in 2008 represented 34% of the total sales, the sales of tubes represented 27%, rolled products represented 18%, brass bars represented 13% and copper plates represented 8%.

Group Profitability

The Group's results dropped significantly mainly due to the one-off impairment of inventories by Euro 78.6 million, on account of the unprecedented and dramatic reduction in the prices of copper and zinc. At the same time, there was also a negative impact on profitability by the high prices of other production factors, the increased financial expenses, and the malfunction of major domestic ports.

The Group's gross profits in 2008 amounted to Euro 19.9 million, compared to Euro 105.6 million in 2007, and the consolidated earnings before interest, tax, depreciation and amortization (EBITDA) dropped by 96%, amounting to Euro 4 million. Finally, the earnings after taxes and minority interest amounted to losses equal to Euro 48.2 million in 2008.

Net Borrowing

The Group's net borrowing was significantly lower at the end of the year, amounting to Euro 423.6 million, compared to Euro 498.8 million as at 31.12.2007, and Euro 585.8 million at the end of the third quarter. This was achieved despite the unexpected drop in demand in the last quarter, which made it impossible to realize the desired reduction in inventories. Now that quantities and market prices of materials have adapted to the new circumstances, a further significant improvement of working capital is expected, resulting in an improvement of net borrowing.

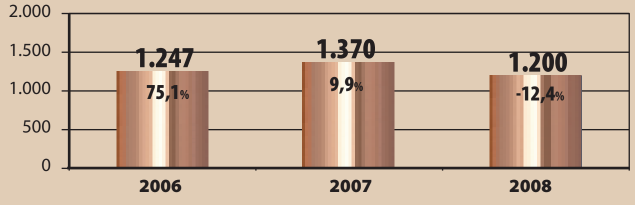
Consolidated Financial Results

amounts in Euro thousand	2006	2007	2008
Turnover	1.246.578	1.369.617	1.200.295
Gross profit	118.525	105.587	19.885
Earnings before interest, taxes, depreciation and amortization	95.287	85.775	3.613
Profits/Losses before interest and taxes	72.677	62.691	-20.930
Profits/Losses before taxes	51.887	33.310	-56.375
Profits/Losses after taxes and minority interest	35.955	20.022	-48.224

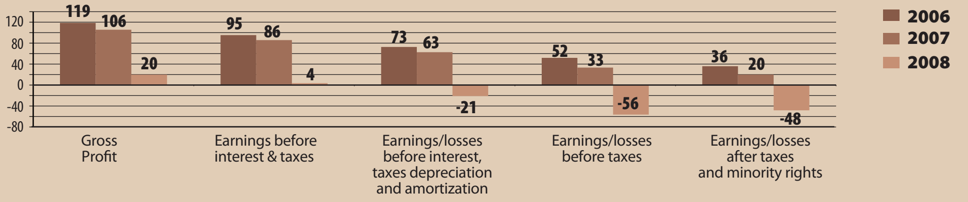
Development of figures (%)

	2006	2007	2008
Turnover	75,1%	9,9%	-12,4%
Gross profit	93,6%	-10,9%	-81,2%
Earnings before interest, taxes, depreciation and amortization	100,2%	-10,0%	-95,8%
Profits/Losses before interest and taxes	178,2%	-13,7%	n/a
Profits/Losses before taxes	314,9%	-35,8%	n/a
Profits/Losses after taxes and minority interest	930,1%	-44,3%	n/a

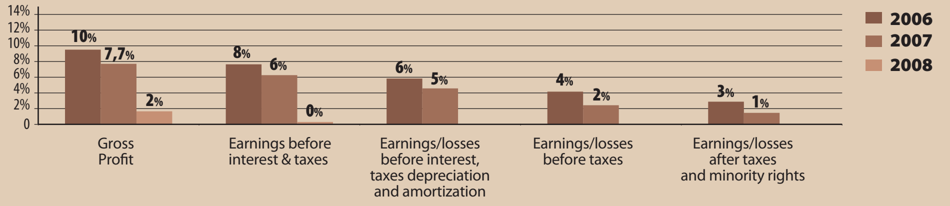
Consolidated Turnover



Consolidated Financial Results



Profit Margins



Profit Margins

	2006	2007	2008
Gross profit	9,5%	7,7%	1,7%
Earnings before interest, taxes, depreciation and amortization	7,6%	6,3%	0,3%
Profits/Losses before interest and taxes	5,8%	4,6%	
Profits/Losses before taxes	4,2%	2,4%	
Profits/Losses after taxes and minority interest	2,9%	1,5%	

Results per Business Unit (in Euro thousand)

2006	copper products	cable products	other services	non allocated
Sales	827.170	301.564	117.845	-
Profits/Losses before interest and taxes	46.087	21.246	5.344	-
Profits/Losses after taxes	46.087	21.246	5.344	-32.308

2007	copper products	cable products	other services	non allocated
Sales	898.220	364.513	106.884	-
Profits/Losses before interest and taxes	30.244	27.421	5.027	-
Profits/Losses after taxes	30.244	27.421	5.027	-38.101

2008	copper products	cable products	other services	non allocated
Sales	780.379	330.301	89.615	-
Profits/Losses before interest and taxes	-31.424	7.256	3.238	-
Profits/Losses after taxes	-31.424	7.256	3.238	-26.717

Consolidated Balance Sheet Data

(Euro thousand)	2006	2007	2008
ASSETS			
Fixed assets	321.317	330.458	349.521
Inventories	252.095	283.158	212.261
Trade receivables	296.221	284.156	185.398
Cash and cash equivalents	29.261	41.597	58.971
Other assets	7.658	1.707	11.402
TOTAL ASSETS	**906.552**	**941.078**	**817.553**
EQUITY & LIABILITIES			
Share Capital	38.486	38.486	38.486
Other data of equity of Company shareholders	200.196	199.385	149.369
Minority Interest	24.624	27.779	25.657
Total Equity	**263.306**	**265.651**	**213.513**
Long-term liabilities:			
Long-term loans	311.396	321.123	257.128
Other long-term liabilities	39.666	39.101	25.107
Total long-term liabilities	**351.062**	**360.224**	**282.235**
Short-term liabilities			
Short-term loans	191.316	219.241	225.437
Other short-term liabilities	100.868	95.962	96.368
Total short-term liabilities	292.184	315.203	321.805
TOTAL LIABILITIES AND EQUITY	**906.552**	**941.078**	**817.553**

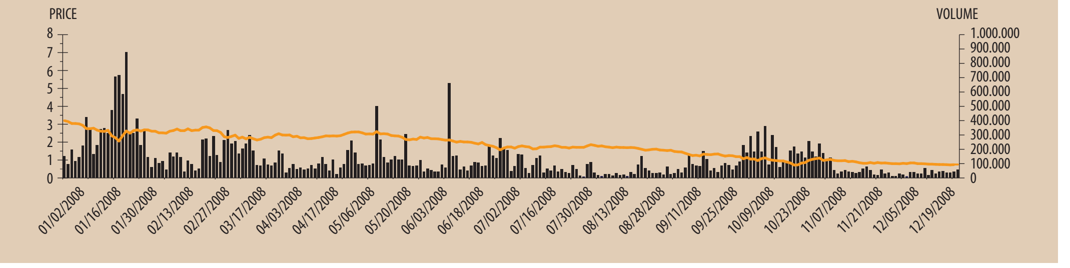
Cash Flow Statement Data

(Euro thousand)	2006	2007	2007
Cash flows			
From operating activities	-88.605	18.496	128.841
From investment activities	-23.530	-34.012	-46.145
From financial activities	125.150	27.852	-65.322
Total	13.015	12.336	17.374
Cash and Cash Equivalents at beginning of year	16.246	29.261	41.597
Cash and Cash Equivalents at end of year	29.261	41.597	58.971

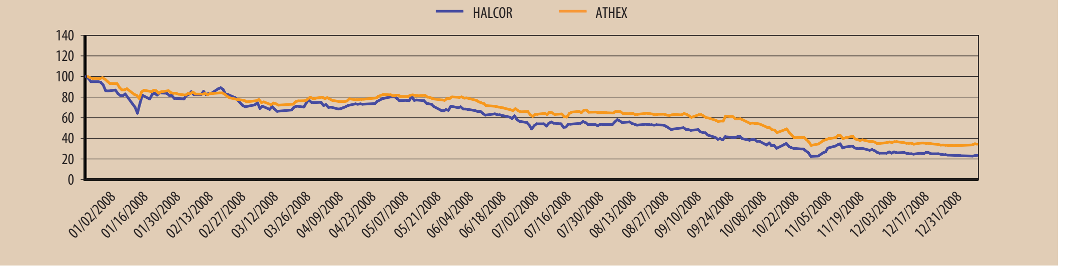
Financial Ratios

		2006	2007	2008
LIQUIDITY RATIOS				
General liquidity	Times	2,00	1,94	1,45
Special liquidity	Times	1,14	1,04	0,79
ACTIVITY RATIOS				
Receivable turnover ratio	Days	87	76	56
Accounts payable turnover ratio	Days	28	24	24
Asset turnover ratio	Times	1,38	1,46	1,47
VIABILITY RATIOS				
Coverage of Financial Expenses	Times	4,22	2,72	0,10
Debt/Equity	Times	2,44	2,54	2,83
PROFITABILITY RATIOS				
Return on equity (R.O.E.)	%	13,66%	7,54%	-22,59%
Return on assets (R.O.A.)	%	3,97%	2,13%	-5,90%

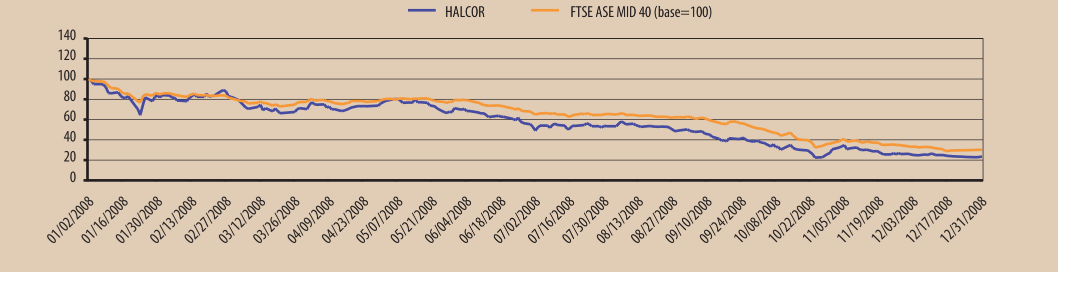
Share Evolution and Trading Volume



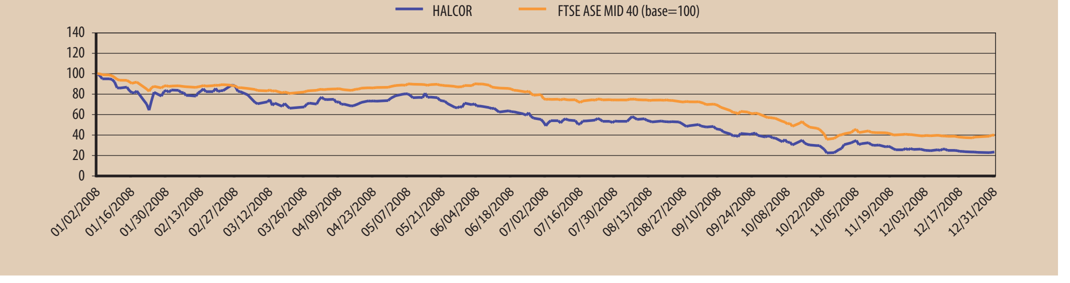
HALCOR vs ATHEX (base=100)



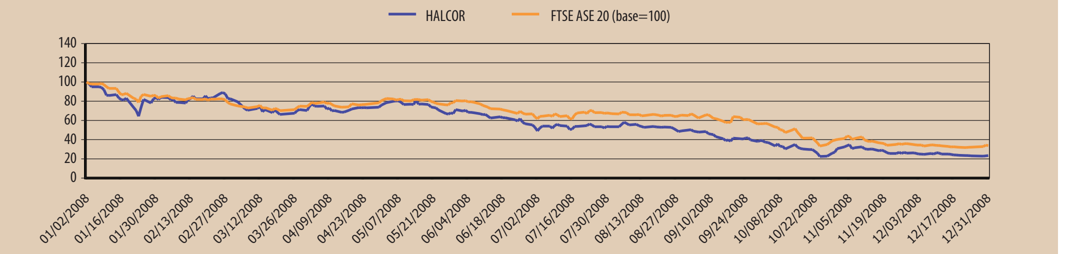
HALCOR vs FTSE ASE MID 40 (base=100)



HALCOR vs FTSE ASE SMALL CAP 80 (base=100)



HALCOR vs FTSE ASE 20 (base=100)



Investment Ratios

		2006	2007	2008
Dividend per share	Euro	0,085	0,060	0,000
EBITDA / Share	Euro	0,95	0,85	0,04
Dividend yield	%	2,44%	1,27%	0,00%
P/E (after taxes and rights)	Times	9,71	23,83	23,83
P/BV	Times	1.33	1.80	N/A
P/Sales	Times	0.28	0.35	0.15
P/EBITDA	Times	3.66	5.56	50.73

Share Information

Weighted average number of shares (in thousand)	99.992	101.280	101.280
Average price per share	3,49	4,71	1,81

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

Average price per share 2008 : Euro 1,81
Number of shares: 101,279,627
Share Symbols:
XAKOP (ATHEX)
HAL.AT (Reuters)
XAKO GA (Bloomberg)

10. Corporate Governance

HALCOR has applied Corporate Governance principles both to its day-to-day administrative function and practice, and to its mid-term and long-term strategic goals.

Within that framework, all developmental efforts are taken by the company and the Group so as to ensure effectiveness and transparency. HALCOR offers complete, valid and timely information to the investment community, while protecting the interests of its shareholders at all times.

HALCOR Board of Directors

Chairman of the BoD	Theodosios Papageorgopoulos	Economist
Vice Chairman of the BoD	Nikolaos Koudounis	Economist
Member	Periklis Sapountzis	Chemical Engineer
Member	Eftychios Kotsambasakis	Economist
Member	Efstathios Striber	Lawyer
Member	Konstantinos Bakouris,	Business Consultant
Member	Georgios Passas	Economist
Member	Andreas Katsanos	Economist
Member	Christos - Alexios Komninos	Chemical Engineer
Member	Andreas Kyriazis	Economist

11. HALCOR Corporate executives

- ***Periklis Sapountzis, General Manager***
  Chemical Engineer, graduate of the Technical University of Munich, holder of a doctor's degree (TUM).
  He has been one of the VIOHALCO Group's executives since 1995.
- ***Spyridon Kokkolis, CFO of the HALCOR Group***
  Economist, graduate of the Athens University of Economics and Business (ex ASOEE).
  He has been one of the VIOHALCO Group's executives since 1993.
- ***Stylianos Theodosiou, Technical Manager***
  Electrical Engineer, graduate of the National Technical University of Athens. He has worked for the company since 1969.
- ***Antonis Logaras, Foundry Technical Manager***
  Chemical Engineer, graduate of the National Technical University of Athens. He has worked for the company since 1989.
- ***Ioannis Papadimitriou, Tubes Plant Technical Manager***
  Holder of a Doctor's degree from the Technical University of Hannover.
  He is a graduate of the Technical University of Hannover with specialization in "Information Processing" and has served as a scientific advisor at the "Institute of Semiconductors and Electrical Material Technology" of the above Technical University. He has worked for the Company since 1991.
- ***Vasilis Gontzes, Brass Bars and Tubes Plant Technical Manager***
  Chemical Engineer. He has been one of the VIOHALCO Group's executives since 1985.
- ***Emmanuel Gavalas, Piraeus Plant Technical Manager***
  Electrical Engineer, graduate of the National Technical University of Athens. He has been one of the VIOHALCO Group's executives since 1977.
- ***Ioannis Biris, Marketing and R&D Manager***
  Architect – Engineer. He has worked for the Company since 2002.
- ***Lakis Mavropoulos, Marketing and R&D Manager***
  Physicist, graduate of the McGill Univesrity, holding a postgraduate and a doctor's degree in applied metal mechanics from the above university. He has worked for the VIOHALCO Group since 1997.
- ***Nikolaos Tarnaridis, Extruded Products Commercial Export Manager***
  Economist, graduate of the University of Piraeus, and holder of a Masters degree in Economic Sciences from the University of London. He has been one of the VIOHALCO Group's executives since 1987.
- ***Georgios Katsambis, Rolled Products Commercial Export Manager***
  Economist, graduate of the Economic School of the University of Athens and the Legal School of the University of Thessalonica, holder of an M.Sc. from the London School of Economics. He has been one of the VIOHALCO Group's executives since 1995.
- ***Antonis Karadeloglou, Domestic Sales Manager***
  Chemist, graduate of the University of Piraeus, School of Statistics. He has been one of the VIOHALCO Group's executives since 1986.
- ***Eftychios Kotsambasakis, Inofyta Plants Directing Manager***
  Economist. He has been one of the VIOHALCO Group's executives since 1965.
- ***Ioannis Markakis, Internal Audit Supervisor***
  Economist, graduate of the University of Piraeus, Department of Business Organization and Administration. He has been one of the VIOHALCO Group's executives since 1973.
- ***Georgios Mavraganis, Strategic Planning Manager***
  Chemical Engineer, holder of an MBA and MEng in Process Control from the University of Wales. He has worked for large multinational companies in Great Britain for 11 years.
  He started working for HALCOR in September 2008.
- ***Gerasimos Moschopoulos, IT Manager***
  Graduate of the School of Computer Engineering of the University of Concordia in Montreal, Canada, holder of a Postgraduate degree in Digital systems from the above school. He has worked for the Group since 2000.

- ***Ioannis Dousis, Supply Chain Manager***
  Economist, graduate of the National & Kapodistrian University of Athens.
  He has worked for the Group since 2000.
- ***Giorgos Tzortzos, Human Resources Manager***
  Economist. He has worked for the Group since 2008.
- ***Georgios Tsinopoulos, Quality Assurance and Environment Manager***
  Chemical Engineer, graduate of the National Technical University of Athens, holder of a postgraduate degree in metallurgy (University of Sheffield) and a doctor's degree in the same discipline (Department of Metallurgy, University of Sheffield). He has worked for the Group since 1991.
- ***Georgios Karantinos, Quality Assurance and Environment Manager***
  Marine Engineer, graduate of the Technical University of Berlin. He has worked for the Group since 1986.
- ***Giorgos Vogiantzis, Metal Department Manager***
  Graduate of the Department of Business Administration of the University of Paris 13, holder of a postgraduate degree in International Trade (Paris 13), a postgraduate degree in Shipping and Transport (Plymouth - UK), and a postgraduate degree in Logistics (Surrey - UK).

CORPORATE RESPONSIBILITY FOR HALCOR

Corporate Responsibility is not a new concept for HALCOR. It is our voluntary commitment towards an effective balance of our different stakeholders needs and expectations.
In recognition of the complexity of today's business activities, HALCOR is determined to create added value through its operations, for the Economy, the Environment and the Society.
By recognizing the triple effect of our activity, we believe that we are able to set up a better business model which will take into account not only economic development, but also the importance of environmental responsibility and social solidarity.
The business development of HALCOR is based on its commitment to

- adopting transparent, honest procedures;
- manufacturing quality products;
- ensuring a safe environment both for its human resources and the local communities in its areas of activity.

The Corporate Responsibility of HALCOR includes the following top priorities: Environment, Safety & Health, and Quality.

Environment
We make a commitment that our business development will be environmentally responsible and will not endanger the development and standard of living of future generations.

Occupational Safety & Health
We make a commitment that we will keep working towards minimizing and controlling the risks that may arise from our activity.

Quality
We are fully committed to the manufacture of top quality products, by using state-of-the-art technology, employing specialized personnel and creating new pioneering products.
HALCOR understands Corporate Responsibility as an inseparable part of its activity. Consequently, it was considered necessary to include its first Corporate Responsibility and Sustainable Development action report as an independent part of the annual report, indicating therefore the great emphasis placed by the company on that subject.

12. Invitation

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

In accordance with the law and the company's Articles of Incorporation, the Board of Directors of the "HALCOR METAL PROCESSING SOCIÉTÉ ANONYME" hereby invites its shareholders to an Ordinary General Assembly on Thursday, 18 June 2009, at 12:30, at the ATHENS IMPERIAL Hotel, Karaiskaki Square, Athens.

ITEMS OF THE AGENDA

1. Approving the annual financial statements of the fiscal year 2008, along with the relevant reports prepared by the Board of Directors and the Certified Auditors.
2. Relieving the members of the Board of Directors and the Certified Auditors of any indemnification liability for the fiscal year 2008.
3. Electing the ordinary and deputy Certified Auditors for the fiscal year 2009 and approve their fees.
4. Ratifying the selection of temporary advisors.
5. Modifying article 11, par. 1 of the company's Articles of Incorporation on the number of the members of the Board of Directors.
6. Electing the new members of the Board of Directors.
7. Appointing the audit committee members pursuant to article 37 of Law No. 3693/2008.
8. Miscellaneous announcements.

Any shareholders wishing to attend the General Assembly are required, at least five (5) days prior to the Assembly date, namely until Friday, 12 June 2009, to deposit their share commitment certificates, along with the relevant authorization documentation if they are to be represented, at the company's offices, at 16 Cheimaras Str., Marousi (tel.: 210-68 61 349, fax: 210 - 68 61 347), in accordance with the provisions laid down in the Law and in the company's Articles of Incorporation.

Athens, 25 May 2009
THE BOARD OF DIRECTORS

Annual Financial Report

(1st January 2008 – 31st December 2008)

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE FINANCIAL MANAGER OF THE GROUP
THEODOSIOS PAPAGEORGOPOULOS ID Card No. AE 135393	GEORGE PASSAS ID Card No. Φ 020251	PERIKLIS SAPOUNTZIS ID Card No. K 473915	SPYRIDON KOKOLIS ID Card No. X 701209

HALCOR S.A.
COMPANY REGISTRATION No. 2836/06/B/86/48
Address: Athens Tower, 2nd Building, 2-4 Messogeion Avenue, 11527, Athens

CONTENTS

HALCOR METAL WORKS S.A.

FINANCIAL DATA AND INFORMATION for the year from January 1, 2008 to December 31, 2008 (In terms of article 135 of Law 2190/20, for companies publishing annual statements in accordance with IAS/IFRS)

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

Address: Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens **NO. Corp. Reg. No.** 2836/06/B/86/48, **Competent Prefecture:** Ministry of Development (department for limited companies), **BoD members:** Th.Papageorgopoulos (Chairman, executive member),N. Koudounis (Vice-Chairman, executive member), P. Sapountzis, E. Kotsambasakis (executive members), G.Passas,K.Bakouris,Ch.-A.Komninos,A.Katsanos (non executive members), A.Kyriazis & E.Strimber (Independent, non excecutive members) **Certified Auditor:** Michael Kokkinos (Reg.No. SOEL 12701), **Approval date of Financial Statements**: 24 March 2008 **Auditing company:** KPMG Kyriakou Certified Auditors, S.A., **Type of auditors' audit report:** Unqualified opinion, **Company website:** www.halcor.gr

BALANCE SHEET
(Amounts in Euro)

	GROUP		COMPANY	
	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07
ASSETS				
Own use Fixed assets	332.292.304	313.453.440	146.973.289	138.853.031
Investments in real estate	2.152.565	2.471.230	-	-
Intangible Assets	1.127.298	1.541.565	215.417	371.943
Other non current assets	13.948.825	12.992.207	114.340.293	96.970.890
Inventories	212.260.580	283.157.775	96.334.817	108.537.391
Trade receivables	150.575.981	237.722.408	55.565.191	109.017.858
Other current assets	46.224.097	48.141.565	34.928.476	27.207.644
Cash and cash equivalents	58.971.221	41.597.499	40.767.188	24.068.894
TOTAL ASSETS	**817.552.871**	**941.077.689**	**489.124.671**	**505.027.651**
EQUITY AND LIABILITIES				
Share capital (101,279,627 of Euro 0.38)	38.486.258	38.486.258	38.486.258	38.486.258
Other Company's shareholders equity	149.369.471	199.385.107	141.096.004	155.261.119
Company's shareholders equity (a)	187.855.729	237.871.365	179.582.262	193.747.377
Minority interests (b)	25.657.120	27.779.160	-	-
Total equity (c) = (a) + (b)	213.512.849	265.650.524	179.582.262	193.747.377
Long term borrowings liabilities	257.127.581	321.132.830	171.000.000	186.799.998
Provisions / Other long term liabilities	25.107.457	39.091.427	18.496.366	30.936.964
Short term borrowings liabilities	225.443.227	219.248.886	70.658.501	59.882.329
Other short term liabilities	96.361.757	95.954.022	49.387.542	33.660.983
Total liabilities (d)	**604.040.022**	**675.427.165**	**309.542.409**	**311.280.274**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**817.552.871**	**941.077.689**	**489.124.671**	**505.027.651**

STATEMENT OF CHANGES IN EQUITY
(Amounts in Euro)

	GROUP		COMPANY	
	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07
Net equity at the beginning of the Fin.Year (1/1/2008 and 1/1/2007 respectively)	265.650.524	263.306.491	193.747.377	200.247.752
Profit / (loss) for the period after taxes	(47.646.830)	24.590.185	(15.184.349)	9.785.502
	218.003.694	**287.896.676**	**178.563.028**	**210.033.254**
Increase / (decrease) of share capital	-	-	-	-
Dividends distributed (profit)	(6.076.778)	(8.608.768)	(6.076.778)	(8.608.768)
Net income recognised directly in equity	1.585.932	(13.637.383)	7.096.012	(7.677.109)
Purchases / (sales) of own shares	-	-	-	-
Net equity at the end of the year (31/12/2008 and 31/12/2007 respectively)	**213.512.849**	**265.650.524**	**179.582.262**	**193.747.377**

CASH FLOW STATEMENT
(Amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2008	1.01 - 31.12.2007	1.01 - 31.12.2008	1.01 - 31.12.2007
Operating activities				
Profits before taxes	(56.375.126)	33.310.035	(23.372.632)	13.096.716
Plus / less adjustments for:				
Depreciation of assets	24.911.513	23.687.726	10.963.108	10.271.790
Grants amortization	(368.326)	(603.990)	(205.887)	(341.963)
Provisions	68.369.221	(2.189.464)	37.733.665	(136.632)
Results (income, expenses, profits, losses) from investing activities	(1.354.270)	(2.732.393)	(4.824.316)	(4.216.361)
Interest payable and related expenses	36.490.134	31.528.204	16.625.425	13.752.067
(Profit)/loss from the sale of fixed assets	(94.393)	(72.416)	(10.290)	(13.887)
(Profit)/loss from the sale of investment in real estate	(5.948)	-	-	-
(Profit)/loss from the fair value of derivatives	-	(362.302)	-	-
Loss from destruction/impairment of assets	302.220	869.964	17.194	-
Loss from impairment of investments	-	-	309.501	-
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	2.595.802	(30.835.403)	(25.477.107)	12.025.839
Decrease / (increase) of receivables	98.342.145	12.565.856	54.564.637	4.439.962
(Decrease) / Increase of obligations (except banks)	(2.470.084)	(5.402.343)	11.740.133	(13.558.772)
Less:				
Interest payable and related expenses paid	(37.073.856)	(29.635.648)	(17.754.193)	(12.610.698)
Taxes paid	(4.427.702)	(11.631.129)	(539.410)	(7.140.936)
Total cash (used in) generated from operating activities (a)	**128.841.328**	**18.496.699**	**59.769.829**	**15.567.122**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(408.000)	(17.312)	(17.400.699)	(101.382)
Purchase of tangible and intangible fixed assets	(47.148.620)	(35.495.231)	(19.767.242)	(12.046.089)
Receivables from sale of tangible and intangible fixed assets	600.143	479.821	391.019	295.215
Receivables from sale of investments in real estate	85.728	-	-	-
Interest received	627.990	956.823	272.022	374.296
Dividends received	97.579	63.989	4.552.295	3.842.064
Total cash (used in) generated from investing activities (b)	**(46.145.180)**	**(34.011.909)**	**(31.952.605)**	**(7.635.895)**
Financing activities				
Issue of common shares	-	-	-	-
Receivables from issued / assumed loans	62.709.820	178.198.179	55.000.000	75.000.000
Loans paid up	(120.508.870)	(140.545.995)	(60.023.826)	(69.315.632)
Repayments of financial leasing liabilities (capital installments)	(11.858)	(5.358)	-	-
Dividends paid	(7.511.518)	(9.795.133)	(6.095.104)	(8.604.006)
Total cash (used in) generated from financing activities (c)	**(65.322.426)**	**27.851.693**	**(11.118.930)**	**(2.919.638)**
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	**17.373.722**	**12.336.482**	**16.698.294**	**5.011.589**
Cash and cash equivalents at the beginning of the year	41.597.499	29.261.016	24.068.894	19.057.305
Cash and cash equivalents at the end of the year	**58.971.221**	**41.597.499**	**40.767.188**	**24.068.894**

FINANCIAL DATA AND INFORMATION for the year from January 1, 2008 to December 31, 2008 (In terms of article 135 of Law 2190/20, for companies publishing annual statements in accordance with IAS/IFRS)

INCOME STATEMENT

(Amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2008	1.01 - 31.12.2007	1.01 - 31.12.2008	1.01 - 31.12.2007
Total turnover	**1.200.295.367**	**1.369.616.569**	**635.252.436**	**755.974.008**
Gross Profit / (loss)	**19.885.436**	**105.587.106**	**7.242.463**	**41.476.624**
Profit / (loss) before taxes, financing and investing results	**(20.929.761)**	**62.691.155**	**(11.262.022)**	**22.632.421**
Profit / (loss) before taxes	**(56.375.126)**	**33.310.035**	**(23.372.632)**	**13.096.716**
Less: Taxes	8.728.296	(8.719.850)	8.188.282	(3.311.213)
Profit / (loss) after taxes	**(47.646.830)**	**24.590.185**	**(15.184.349)**	**9.785.502**
Distributed to:				
Company's shareholders	(48.224.358)	20.021.567	(15.184.349)	9.785.502
Minority shareholders	577.528	4.568.618	-	-
	(47.646.830)	**24.590.185**	**(15.184.349)**	**9.785.502**
Profit per share after taxes - basic (in Euro)	(0,4762)	0,1977	(0,1499)	0,0966
Earnings after tax per share - diluted (in Euro)	(0,4762)	0,1971	(0,1499)	0,0963
Proposed dividend per share (in Euro)	-	-	-	0,060
Profit / (loss) before taxes, financing and investing results & depreciation	**3.613.426**	**85.774.892**	**(504.801)**	**32.562.248**

Additional data and information:

1. The Company and the Group run off a provision for inventories impairment amounting Euro 78.6 million and Euro 44.2 million respectively, due to the considerable drop of copper and zinc prices during the 4th Quarter of 2008.
2. The Group's companies and theirs addresses, their percent participation of their share capital that the Group owns as well as the consolidation method used to incorporate them in the consolidated financial statements of the year 2008, are analytically presented in Note No. 32 of the financial statements.
3. On July 2008 the company sell percentage of 100% of the participation of the subsidiary company EVITE S.A. For this reason the company EVITE S.A is not included in the consolidated financial statement of the current year.
4. The HELLENIC CABLES' subsidiary, DE LAIRE L.T.D, was consolidated for the first time during 2008 by applying the full consolidation method while the equity method had been employed so far.
5. There is a pending appeal regarding the fine imposed to the Company by the European Competition Commission for transgression of the rules on competition in the market of copper tubes for water supply.
6. 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	55,59%	Full consolidation

7. There are no pending court decisions or claims under arbitration, which may have a significant effect on the financial position of the Company and the Group.
8. The number of the personnel at the end of the current year was: Company 742 (FY 2007 : 769) , Group 2,424 (FY 2007: 2,386)
9. There are mortgages, amounting in total to Euro 4,1 mil on the real estate property of the subsidiary SOFIA MED S.A. in Bulgaria. There are no encumbranies of fixed assets of the parent Company.
10. There has been provision accounted for tax unaudited fiscal years of the Group: Euro 760 thousand, of the Company: Euro 500 thousand. The remaining provisions as of 31.12.2008 amount for the Group Euro 300 thousand and for the Company Euro 107 thousand. Regarding the fine imposed on the Company by the European antitrust comission, the Company has accounted for provision amounting Euro 5.97 million.
11. The cumulative amounts of sales and purchases at the beginninmg of the financial year and the balances of receivables and obligations of the company at the end of the year, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales	130.640.151	161.273.320
ii) Purchases	76.760.736	120.565.584
iii) Receivables	20.638.612	23.748.580
iv) Obligations	14.022.600	2.669.805
v) Transactions & fees of higher executives and managers	3.416.525	1.934.967
vi) Receivables from higher executives and managers	24.269	24.269
vii) Liabilities to higher executives and managers	-	-

12. The income tax in the income statement is analysed as follows (amounts in Euro):

	GROUP		COMPANY	
	1 Jan -31 Dec 2008	1 Jan - 31 Dec 2007	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
Income tax for the year	(2.553.621)	(7.182.924)	(626.153)	(2.628.631)
Deferred tax for the year	11.281.917	(1.536.926)	8.814.436	(682.582)

13. The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 32 of the financial statements.
14. An amount of Euro 1,586 thousan was accounted for directly at the Group's net Shareholders Equity, which concernes derivatives valuation from cash flow hedging, foreign exchange differences from consolidation of foreign subsidiaries and earnings distribution of subsidiaries and the Company amounting Euro 7,096 thousand, which refers to derivatives valuation from cash flow hedging (see statement of changes in equity at the Financial Statements.
15. At the end of the current year, there are no shares of the parent Company owned either by the same or any of the subsidiaries and affiliated companies.
16. At the Group's and Company's Income Statement for the year 2007 were made restatements in order to be comparable with that of the current year.

Athens, 26 March 2009

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE FINANCIAL MANAGER OF THE GROUP
THEODOSIOS PAPAGEORGOPOULOS	GEORGE PASSAS	PERIKLIS SAPOUNTZIS	SPYRIDON KOKOLIS
ID Card No. AE 135393	ID Card No. Φ 020251	ID Card No. K 473915	ID Card No. X 701209

Statements By Members Of The Board Of Directors
(pursuant to Article 4(2) of Law 3556/2007)

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

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors
2. Nikolaos Koudounis, Board Member, specifically appointed to that end by Decision dated 24 March 2009 of the Company's Board of Directors;
3. George Passas, Board Member, specifically appointed to that end by Decision dated 24 March 2009 of the Company's Board of Directors

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

(a) the attached annual company and consolidated financial statements for the company HALCOR S.A. for the period from 1 January 2008 to 31 December 2008, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2008 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4(3) to (5) of Law 3556/2007; and

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

Athens, 24 March 2009

Confirmed by

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

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2008 (1 January 2008-31 December 2008). This report was prepared in line with the relevant provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007) and the decisions of the HCMC issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of HALCOR S.A.-METAL PROCESSING (hereinafter referred to for the purpose of brevity as "Company" or "HALCOR") for year 2008, important events that took place during the said year and their effect on annual financial statements. It also stresses the main risks and uncertainties with which Group companies were faced and finally sets out the important transactions between the issuer and its affiliated parties.

A. Financials - Business report - Major events

For HALCOR Group, 2008 was a very difficult year especially due to the unprecedented crisis that struck the global financial system and global economy, which had a major impact on its financial results.

The consolidated turnover stood at Euro 1,200 million compared to Euro 1,370 million in 2007, thus registering a 12.4% decrease. The decrease in turnover was mainly due to the rise in the ratio of brass products to total sales in conjunction with the considerable decrease in copper and zinc prices.

Despite the adverse circumstances in the domestic and European market, and specifically the slowdown of economic growth and contraction of building activity, the volume of sales was contained to approximately the same levels with 2007, registering a slight drop by 3%. The slight increase of the volume registered until the first nine months of the year was inversed during the last quarter since demand was plummeted as a direct effect of the intensity of the credit crisis. It is worthwhile noting that the volume of building activity was reduced by 17% in Greece only compared to 2007. In detail, in terms of volumes, during 2008 the sales of cables accounted for 34% of total sales, the sales of pipes for 28%, rolling products for 17%, brass bars for 13% and copper strips for 8%.

Average copper price in Euro was reduced by 10.3% during 2008 and stood at Euro 4,663 per ton compared to Euro 5,198 per ton in 2007. Following deterioration of the global financial crisis, during the last quarter of the year, copper price fell sharply and at year-end came at Euro 2,080 per ton, namely 55.4% lower than the average price of the year. In addition, average zinc price was considerably reduced by 47.2% and came to Euro 1,260 per ton compared to Euro 2,385 per ton in 2007.

Group results were also reduced with gross profit coming to Euro 19.9 million compared to Euro 105.6 million in 2007, thus registering a 81% drop. In 2008, consolidated earnings before interest, tax, depreciation and amortization (EBITDA) came to Euro 4 million compared to Euro 86 million during last year, thus being reduced by 96% while earnings before interest and tax (EBIT) were reduced by 133% and came to losses equal to Euro 20.9 million.

This drop in results is mainly due to the one-off provision for inventories depreciation that is equal to Euro 78.6 million and was made by the Group mainly during the 4th quarter since both copper and zinc prices were plummeted at unprecedented levels during the said period. The decrease in demand for facilities products intensified competition and led to a decrease in processing prices. In addition, the increase in production cost due to the high prices of natural gas throughout the year doubled by malfunctions in main Greek ports, which affected both exports and receptions of raw materials in quantity and cost accounting terms, as well as the total inventories of raw materials and finished products had also a negative impact on results. The drop in oil price that took place during the last quarter did not affect positively the results due to the lag between the change in the price of oil and natural gas. It is worthwhile noting that production cost was also increased on a short-term basis by the commencement of trial operation of significant investments in the sectors of pipes, rolling and cables, the productive operation of which coincided with the deterioration of the crisis.

Consolidated results before taxes were considerably reduced and in 2008 stood at losses equal to Euro 56.4 million compared to profits of Euro 33.3 million in 2007, since they were also affected by increased financial expenses given that loans and inter-bank rates were at high levels practically throughout the year. Finally, results after taxes and minority interests came in 2008 to losses equal to Euro 48.2 million or Euro 0.476 per share compared to profits of Euro 20 million during last year.

Amid negative international financial circumstances and despite the deterioration of business and financial climate, HALCOR managed to maintain the market shares held in Greece and Western Europe. Concurrently and despite the unexpected drop in demand over the last quarter due to which the desired reduction of inventories did not take place, HALCOR managed to reduce considerably net loans which at year-end came to Euro 423.6 million at consolidated level compared to Euro 498.8 million at the beginning of the year and Euro 585.8 at the end of the 3rd quarter. Given that the quantities and prices of materials purchases have been adjusted to new circumstances, a significant further improvement of working capital and, thus, of net loans, is expected. Finally, net cash flows from operating activities came to Euro 128.8 million compared to Euro 18.5 million in 2007.

In 2008, the Group pursued the implementation of the investment plan of production units upgrade and extension, the total cost of which amounted to Euro 47.1 million approximately for the year, out of which the amount of Euro 19.8 million concerned the plants of the parent company at Inofyta focusing mainly on the Tubes Plant; Euro 15.1 million concerned the upgrade of the production units of subsidiary SOFIA MED in Bulgaria; Euro 9.5 million concerned the production facilities of HELLENIC CABLES in Greece and Euro 2.7 million referred to the cables plant of ICME ECAB in Romania.

In May 2008, HALCOR participated in the share capital increase of its wholly-owned subsidiary in Bulgaria named SOFIA MED SA, by paying Euro 17 million and assuming all of two hundred twenty-three thousand seven hundred thirty-six (223,736) new shares that were issued. The share capital increase of SOFIA MED will be used to improve its financial structure.

Respect to the environment is a fundamental principle for HALCOR Group. A concrete proof of the interest of the parent company and its subsidiaries in the

TABLE 1.1

RATIOS	GROUP		COMPANY	
	2008	2007	2008	2007
Liquidity				
Current Assets / Current Liabilities	1,45	1,94	1,90	2,87
Leverage				
Equity / Bank Loans	0,44	0,49	0,74	0,78
Return of Invested Capital				
Profit Before Taxes and Financial Expenses/ Equity / Bank Loans	-2,9%	7,9%	-1,7%	6,0%
Return on Equity				
Net Profits / Equity	-25,7%	8,4%	-8,5%	5,1%

environment lies in the development of an organized Management System of its activities having an impact on environment in order to control and regulate them in good time. ISO 14001 certificate is another proof of the Group's sensitivity in this sector, since it believes that operation based on the rules of this international standard deals with the issue more realistically. Competent departments monitor the factors having a direct or indirect effect on environment, taking steps to improve environmental performance in each production facility. An amount equal to Euro 2.0 million was invested in 2008 in more effective environmental protection.

Personnel health and safety is a key priority of HALCOR. Minimizing and controlling risks in all Company activities are a concern of the Management and all employees. During 2008, further steps were taken to improve the culture in safety issues and employee training was intensified in order to create a safe working environment. The principle of HALCOR is to record and report near misses, this being a main factor contributing to the improvement and progress of employee safety.

B. Financial standing

The ratios showing the financial standing of both Group and Company are presented in Table 1.1.

C. Main risks and uncertainties

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

Credit Risk

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

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

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

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

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Note that on 31 December 2008, the Group had an amount of € 59 mio as cash and the necessary credit lines that are approved but are not used so as to meet its short- and medium-term obligations easily.

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

Market Risk

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

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

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

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

Exchange rate risk

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

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

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

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

Interest rate risk

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

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

Capital management

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

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

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

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

D. Outlook and prospects for 2009

The conditions having affected 2008 are still strong in early 2009. The crisis of the financial system that broke out in the last quarter of 2008 is still a reality and now affects the performance of real economy. Estimates for growth ratios are constantly revised, consumption expenses are contracted and foreign exchange markets are volatile. Thus, recession is expected for developed markets during this year together with a considerable slowdown of growth in developing countries. In the context of this particularly volatile and fluid environment, it is very difficult to make forecasts. This is why we remain cautious about the performance of the financials of HALCOR Group in 2009.

Amid this difficult macroeconomic environment, the Group pursues the implementation of its strategic plan consisting in strengthening its activity outside Greece in new markets where it was not operating to date, in the development of products of higher added value subject to minor or nil substitution and in improvement of production cost. Together with the foregoing, optimum management of working capital, maintenance of positive cash flows and further reduction of loans are the main

TABLE 1.2 Transactions of the parent company with subsidiaries — AMOUNTS IN THOUSAND EURO

Companies	Sales of goods, services and non-current assets	Purchases of goods, services and non-current assets	Receivables	Liabilities
HELLENIC CABLES GROUP	33.071	22.299	2.447	949
STEELMET GROUP	-	4.204	-	457
SOFIA MED S.A.	23.943	63.869	7.368	-
METAL AGENCIES L.T.D.	35.088	41	3.626	114
OTHER AFFILIATES	2.377	45	2.175	39
Total Affiliates	**94.479**	**90.458**	**15.616**	**1.559**

TABLE 1.3 Transactions of the parent company with other affiliated companies — AMOUNTS IN THOUSAND EURO

Companies	Sales of goods, services and non-current assets	Purchases of goods, services and non-current assets	Receivables	Liabilities
MKC GMBH	42.377	174	2.518	56
STEELMET ROMANIA S.A.	17.490	11	3.055	-
TEKA SYSTEMS S.A.	39	1.801	10	174
ANAMET S.A.	2.142	22.053	90	-
VIEXAL LTD	-	609	6	-
CPW AMERICA CO	1.805	1	334	-
VIOHALCO S.A.	33	1.009	14	-
TEPRO METAL AG	-	416	-	184
ELVAL S.A.	518	2.022	244	157
SIDENOR S.A.	1.086	192	184	44
OTHERS	1.304	1.821	1.677	495
Total	**66.794**	**30.108**	**8.133**	**1.111**

priority for this year.

E. Important transactions with affiliated parties

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

Transactions between affiliated parties within the meaning of IAS 24 are presented in Table 1.2

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

STEELMET Group provides HALCOR with administration and organization services.

SOFIA MED S.A. buys from HALCOR billets and copper plates and alloys. It also sells semi-finished copper and brass rolls for further processing to HALCOR. HALCOR processes brass billets for Sofia Med and provides technical and commercial support services.

METAL AGENCIES LTD acts as merchant - central distributor of HALCOR Group in Great Britain (Table 1.3).

MKC GMBH trades HALCOR products in the German market.

STEELMET ROMANIA trades HALCOR products in the Romanian market.

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

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

VIEXAL Ltd. provides HALCOR with

TABLE 1.4 Transactions of HALCOR Group with other affiliated companies				AMOUNTS IN THOUSAND EURO
Companies	**Sales of goods, services and non-current assets**	**Purchases of goods, services and non-current assets**	**Receivables**	**Liabilities**
MKC GMBH	72.028	211	4.907	56
STEELMET ROMANIA S.A.	22.445	12	4.327	-
TEKA SYSTEMS S.A.	41	6.745	97	503
ANAMET S.A.	2.622	30.237	285	(1)
VIEXAL LTD.	5	1.159	6	41
CPW AMERICA CO	2.252	1	334	-
VIOHALCO S.A.	131	1.343	22	-
TEPRO METAL AG	58	639	-	275
ETEM S.A.	1.878	2.530	1.038	106
ELVAL S.A.	6.959	8.509	2.190	2.270
SIDENOR S.A.	5.514	3.541	986	3.346
CORINTH PIPEWORKSS.A.	2.347	1.376	1.471	832
SYMETAL S.A.	759	7.689	362	2.729
STOMANA INDUSTRY S.A.	2.281	2.747	296	3.318
STEELMET BULGARIA S.A.	6.380	27	1.080	93
OTHERS	4.941	9.995	3.239	456
Total	**130.640**	**76.761**	**20.639**	**14.023**

travelling services.

CPW AMERICA CO trades HALCOR products in the American market.

VIOHALCO S.A. provides HALCOR with buildings - industrial premises for renting.

TEPRO METALL AG trades (through its subsidiary MKC) HALCOR products and represents the latter in the German market Table 1.4).

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

TABLE 1.5 Fees of Executives and Board members	AMOUNTS IN THOUSAND EURO	
	Group	**Company**
Total fees of management executives & Board members	3.417	1.935
Receivables from executives & Board members	24	24

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

a) Structure of share capital

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

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

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

b) Restrictions on the transfer of Company shares

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

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

The major holdings (over 5%) known on 31 December 2008 were as follows:

- VIOHALCO S.A. 56.09% of voting rights of which it directly holds 50.43% of share capital
- Mr. Evangelos Stasinopoulos: 9.33% of voting rights (to which the 7.37% holding of WHEATLAND HOLDINGS LTD has been added).
- WHEATLAND HOLDINGS LTD: 7.37% of the share capital

d) Shares granting special rights of control

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

e) Restrictions on voting rights

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

- Each share entitles its holder to one (1) vote at the General Meeting.

- In order to obtain a right to attend a General Meeting, shareholders are obliged at least five (5) days before the date of the meeting to present a certificate from the Central Securities Depository (Athens) to the company's offices on the number of shares entered in their name and to block those shares until the date of the General Meeting. They shall also submit powers of attorney for their representatives to the Company's offices within the same deadline.

f) Agreements between Company shareholders

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

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

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

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

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.
- In pursuance of Article 13(9) of C.L. 2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 19 of the Annual Financial Report for year 2008.

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

The bank loans of both the Company and HALCOR Group, taken out fully by Banks and set out in Note 18 of the Annual Financial Report (Group: Euro 246.6 million on a long-term basis and Euro 142.07 million short-term and Company: Euro 171 million long-term and Euro 68.3 million short-term) include clauses of change in control granting lenders the right to early terminate them.

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

j) Agreements with Board of Directors members or Company staff

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

The Chairman of the Board
of HALCOR S.A.

Theodosios Papageorgopoulos

I. Income Statement

AMOUNTS IN EURO

	GROUP		COMPANY	
	2008	2007	2008	2007
Sales	**1.200.295.367**	**1.369.616.569**	**635.252.436**	**755.974.008**
Cost of goods sold	(1.180.409.931)	(1.264.029.464)	(628.009.972)	(714.497.383)
Gross profit	**19.885.436**	**105.587.106**	**7.242.463**	**41.476.624**
Other operating income	13.071.538	9.412.172	6.690.514	6.793.346
Selling expenses	(17.081.115)	(17.649.913)	(7.983.546)	(8.650.700)
Administrative expenses	(24.038.068)	(24.800.143)	(12.680.058)	(13.055.262)
Other operating expenses	(12.767.552)	(9.858.067)	(935.312)	(3.931.586)
Operating results	**(20.929.761)**	**62.691.155**	**(11.262.022)**	**22.632.421**
Finance income	627.990	956.823	272.022	374.296
Finance expenses	(36.799.635)	(31.528.204)	(16.934.926)	(13.752.067)
Dividends	97.579	63.989	4.552.295	3.842.065
Financial result	**(36.074.066)**	**(30.507.392)**	**(12.110.609)**	**(9.535.706)**
Share of profit/loss of associates	628.702	1.126.272	-	-
Profit before income tax	**(56.375.126)**	**33.310.035**	**(23.372.632)**	**13.096.716**
Income tax expenes	8.728.296	(8.719.850)	8.188.282	(3.311.213)
Net profit for the period from continued operations	**(47.646.830)**	**24.590.185**	**(15.184.349)**	**9.785.503**
Attributable to:				
Shareholders of the Parent	(48.224.358)	20.021.567	(15.184.349)	9.785.503
Minority interest	577.528	4.568.618	-	-
	(47.646.830)	**24.590.185**	**(15.184.349)**	**9.785.503**
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in Euro per share)				
Basic profit/loss per share	(0,4762)	0,1977	(0,1499)	0,0966
Reluted profit/loss per share	(0,4762)	0,1971	(0,1499)	0,0963

II. Balance Sheet

AMOUNTS IN EURO

	GROUP		COMPANY	
	2008	2007	2008	2007
ASSETS				
Non-current assets				
Property, plant and equipment	332.292.304	313.453.440	146.973.289	138.853.031
Intangible assets	1.127.298	1.541.565	215.417	371.943
Investments properties	2.152.565	2.471.230	-	-
Participations	6.881.712	7.470.710	111.974.934	95.258.736
Financial assets available for sale	1.679.181	1.211.181	1.349.346	974.346
Derivatives	39.130	437.993	39.130	307.208
Other receivables	1.578.706	787.182	976.883	430.600
Deferred tax claims	3.770.096	3.085.140	-	-
	349.520.991	**330.458.443**	**261.528.999**	**236.195.864**
Current assets				
Inventories	212.260.580	283.157.775	96.334.817	108.537.391
Trade and other receivables	185.398.015	284.156.496	80.956.124	135.660.091
Derivatives	11.393.833	1.699.246	9.537.543	565.410
Financial assets at fair value through the profit and loss statement	8.231	8.231	-	-
Cash and cash equivalents	58.971.221	41.597.499	40.767.188	24.068.894
	468.031.880	**610.619.247**	**227.595.672**	**268.831.787**
Total assets	**817.552.871**	**941.077.689**	**489.124.671**	**505.027.651**
EQUITY				
Equity attributable to Shareholders of the Company				
Share capital	38.486.258	38.486.258	38.486.258	38.486.258
Share premium account	67.138.064	67.138.064	67.138.064	67.138.064
Foreign Exchange differences from the consolidation of foreign subsidiaries	(4.206.267)	(718.243)	-	-
Other reserves	78.319.258	67.175.911	72.685.235	64.425.389
Profit carried forward	8.118.415	65.789.374	1.272.705	23.697.666
Total	**187.855.729**	**237.871.365**	**179.582.262**	**193.747.377**
Minority interest	25.657.120	27.779.160	-	-
Total equity	**213.512.849**	**265.650.524**	**179.582.262**	**193.747.377**
LIABILITIES				
Long-term liabilities				
Loans	257.127.581	321.122.901	171.000.000	186.799.998
Financial Leasing liabilities	-	9.929	-	-
Derivatives	-	385.676	-	385.676
Deferred income tax liabilities	17.802.086	25.934.834	14.321.839	20.770.937
Personell retirement benefits payable	4.819.750	4.581.733	2.615.178	2.559.886
Government Grants	1.553.534	1.921.860	1.059.349	1.265.236
Provisions	932.087	6.267.324	500.000	5.955.229
	282.235.038	**360.224.257**	**189.496.366**	**217.736.963**
Short-term liabilities				
Suppliers and other liabilities	76.715.531	80.710.756	37.605.113	26.553.429
Current tax liabilities	6.548.875	7.548.941	684.888	1.112.081
Loans	225.437.158	219.240.888	70.658.501	59.882.329
Financial Leasing liabilities	6.069	7.998	-	-
Derivatives	7.016.212	7.086.875	5.016.403	5.388.022
Provisions	6.081.139	607.450	6.081.138	607.450
	321.804.984	**315.202.908**	**120.046.043**	**93.543.311**
Total liabilities	**604.040.022**	**675.427.165**	**309.542.409**	**311.280.274**
Total equity and liabilities	**817.552.871**	**941.077.689**	**489.124.671**	**505.027.651**

III. Statement of Changes in Equity

AMOUNTS IN EURO

	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Foreign exchange differences	Total	Minority interest	Total Equity
GROUP									
Balance as of January 1, 2007	**38.486.258**	**67.138.064**	**5.350.189**	**62.835.535**	**62.970.463**	**1.901.584**	**238.682.093**	**24.624.399**	**263.306.491**
Foreign exchange differences	-	-	-	-	-	(2.619.826)	(2.619.826)	(715.526)	(3.335.352)
Transfer of reserves L. 3220	-	-	-	(63.225)	63.225	-	-	-	-
Profit distribution	-	-	-	-	-	-	-	(1.815.118)	(1.815.118)
Hedging result minus tax	-	-	(9.519.702)	-	-	-	(9.519.702)	108.436	(9.411.266)
Other transactions	-	-	-	-	-	-	-	924.352	924.352
Net profit for the period	-	-	-	-	20.021.567	-	20.021.567	4.568.618	24.590.185
Decrease in holdings percentage in subsidiary companies	-	-	-	(608)	724.122	-	723.513	(723.513)	-
Total recognised net profit for the period	-	-	(9.519.702)	(63.833)	20.808.914	(2.619.826)	8.605.553	2.347.249	10.952.801
Transfer of reserves	-	-	-	8.573.723	(9.381.235)	-	(807.512)	807.512	-
Dividend	-	-	-	-	(8.608.768)	-	(8.608.768)	-	(8.608.768)
	-	-	-	8.573.723	(17.990.003)	-	(9.416.280)	807.512	(8.608.768)
Balance as of December 31, 2007	**38.486.258**	**67.138.064**	**(4.169.513)**	**71.345.424**	**65.789.374**	**(718.243)**	**237.871.365**	**27.779.160**	**265.650.525**
Balance as of January 1, 2008	**38.486.258**	**67.138.064**	**(4.169.513)**	**71.345.424**	**65.789.374**	**(718.243)**	**237.871.365**	**27.779.160**	**265.650.525**
Foreign exchange differences	-	-	-	-	53.585	(3.488.024)	(3.434.439)	(969.028)	(4.403.467)
Transfer of special taxed reserves	-	-	-	(440.857)	440.857	-	-	-	-
Profit distribution	-	-	-	-	-	-	-	(2.260.331)	(2.260.331)
Hedging result minus tax	-	-	8.404.870	-	-	-	8.404.870	(155.140)	8.249.730
Net loss for the period	-	-	-	-	(48.224.358)	-	(48.224.358)	577.528	(47.646.830)
Total recognised net profit for the period	-	-	8.404.870	(440.857)	(47.729.916)	(3.488.024)	(43.253.926)	(2.806.971)	(46.060.898)
Capitalization of subsidiaries reserves	-	-	-	(935.100)	935.100	-	-	-	-
Transfer of reserves	-	-	-	4.114.434	(4.799.365)	-	(684.932)	684.932	-
Dividend	-	-	-	-	(6.076.778)	-	(6.076.778)	-	(6.076.778)
	-	-	-	3.179.334	(9.941.043)	-	(6.761.709)	684.932	(6.076.778)
Balance as of December 31, 2008	**38.486.258**	**67.138.064**	**4.235.357**	**74.083.901**	**8.118.415**	**(4.206.267)**	**187.855.729**	**25.657.120**	**213.512.849**
COMPANY									
Balance as of January 1, 2007	**38.486.258**	**67.138.064**	**4.001.300**	**62.556.674**	**28.065.455**	**-**	**200.247.752**	**-**	**200.247.752**
Hedging result minus tax	-	-	(7.677.109)	-	-	-	(7.677.109)	-	(7.677.109)
Transfer of reserves L. 3220	-	-	-	(63.225)	63.225	-	-	-	-
Net profit for the period	-	-	-	-	9.785.503	-	9.785.503	-	9.785.503
Total recognised net profit for the period	-	-	(7.677.109)	(63.225)	9.848.727	-	2.108.394	-	2.108.394
Transfer of reserves	-	-	-	5.607.748	(5.607.748)	-	-	-	-
Dividend	-	-	-	-	(8.608.768)	-	(8.608.768)	-	(8.608.768)
	-	-	-	5.607.748	(14.216.516)	-	(8.608.768)	-	(8.608.768)
Balance as of December 31, 2007	**38.486.258**	**67.138.064**	**(3.675.809)**	**68.101.198**	**23.697.666**	**-**	**193.747.377**	**-**	**193.747.377**
Balance as of January 1, 2008	**38.486.258**	**67.138.064**	**(3.675.809)**	**68.101.198**	**23.697.666**	**-**	**193.747.377**	**-**	**193.747.377**
Hedging result minus tax	-	-	7.096.012	-	-	-	7.096.012	-	7.096.012
Transfer of special taxed reserves	-	-	-	(440.857)	440.857	-	-	-	-
Net loss for the period	-	-	-	-	(15.184.349)	-	(15.184.349)	-	(15.184.349)
Total recognised net loss for the period	-	-	7.096.012	(440.857)	(14.743.492)	-	(8.088.338)	-	(8.088.338)
Transfer of reserves	-	-	-	1.604.691	(1.604.691)	-	-	-	-
Dividend	-	-	-	-	(6.076.778)	-	(6.076.778)	-	(6.076.778)
	-	-	-	1.604.691	(7.681.469)	-	(6.076.778)	-	(6.076.778)
Balance as of December 31, 2008	**38.486.258**	**67.138.064**	**3.420.203**	**69.265.032**	**1.272.705**	**-**	**179.582.262**	**-**	**179.582.262**

IV. Cash Flow Statement

AMOUNTS IN EURO

	GROUP		COMPANY	
	2008	2007	2008	2007
Cash flows from operating activities				
Profit / (loss) before taxes	**(56.375.126)**	**33.310.035**	**(23.372.632)**	**13.096.716**
Adjustments for:				
Depreciation of tangible assets	24.911.513	23.687.726	10.963.108	10.271.790
Depreciation of grants	(368.326)	(603.990)	(205.887)	(341.963)
Previsions	68.369.221	(2.189.464)	37.733.665	(136.632)
Investing activities result (income, expenses, profits and losses)	(1.354.270)	(2.732.393)	(4.824.316)	(4.216.361)
Interest charges & related expenses	36.490.134	31.528.204	16.625.425	13.752.067
(Profit) / Loss from sale of tangible assets	(94.393)	(72.416)	(10.290)	(13.887)
(Profit) / Loss from the sale of fixed assets in properties	(5.948)	-	-	-
(Profit) / loss from the fair value of derivatives	-	(362.302)	-	-
Loss from the destruction of fixed assets	302.220	869.964	17.194	-
Impairment of participations	-	-	309.501	-
Decrease / (increase) in inventories	2.595.802	(30.835.403)	(25.477.107)	12.025.839
Decrease I (increase) in receivables	98.342.145	12.565.856	54.564.637	4.439.962
(Decrease) I Increase in liabilities (minus banks)	(2.470.084)	(5.402.343)	11.740.133	(13.558.772)
Interest charges & related expenses payed	(37.073.856)	(29.635.648)	(17.754.193)	(12.610.698)
Payed taxes	(4.427.702)	(11.631.129)	(539.410)	(7.140.936)
Net Cash flows from operating activities	**128.841.328**	**18.496.699**	**59.769.829**	**15.567.122**
Cash flows from investing activities				
Purchase of tangible assets	(46.856.780)	(34.738.392)	(19.715.606)	(11.883.577)
Purchase of intangible assets	(291.840)	(453.682)	(51.636)	(162.512)
Investment properties	-	(303.156)	-	-
Sales of tangible assets	600.143	479.821	391.019	295.215
Sales of investments in real estate	85.728	-	-	-
Sales of holdings	60.000	-	60.000	-
Dividends received	97.579	63.989	4.552.295	3.842.064
Interest received	627.990	956.823	272.022	374.296
Increase of participation in affiliated	-	-	(17.085.699)	(89.438)
Increase of participation in subsidiaries	(468.000)	(17.312)	(375.000)	(11.944)
Net Cash flows from investing activities	**(46.145.180)**	**(34.011.909)**	**(31.952.605)**	**(7.635.895)**
Cash flow from financing activities				
Dividends paid to shareholders of the parent	(6.098.750)	(8.635.392)	(6.095.104)	(8.604.006)
Loans received	62.709.820	178.198.179	55.000.000	75.000.000
Loans settlement	(120.508.870)	(140.545.995)	(60.023.826)	(69.315.632)
Changes in financial leases	(11.858)	(5.358)	-	-
Dividends paid to minority interest	(1.412.769)	(1.159.741)	-	-
Net cash flows from financing activities	**(65.322.426)**	**27.851.693**	**(11.118.930)**	**(2.919.638)**
Net (decrease)/ increase in cash and cash equivalents	**17.373.722**	**12.336.482**	**16.698.294**	**5.011.590**
Cash and cash equivalents at the beginning of period	41.597.499	29.261.016	24.068.894	19.057.305
Cash and cash equivalents at the end of period	**58.971.221**	**41.597.499**	**40.767.188**	**24.068.894**

Independent Auditors' Report
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 of HALCOR METAL WORKS S.A. (the "Company") which comprise the stand-alone and consolidated balance sheets as of 31 December 2008, and the stand-alone and the consolidated statements of income, statements of changes in equity and cash flows statements 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 misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on out 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, we consider 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 opinion.

Opinion

In our opinion, the stand-alone and consolidated financial statements give a true and fair view of the stand-alone and consolidated financial position of the Company as of 31 December 2008, 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

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying financial statements within the scope set by articles 37, 43a and 107 of C.L. 2190/1920

Athens, 26 March 2009
KPMG Certified Auditors S.A.

Michael Kokkinos, Certified Auditor Accountant
AM SOEL 12701

INVESTOR RELATIONS

Shareholders Service Officer:	Katerina Kapeleri
Communication Address:	57^{th} klm Athens-Lamia National Highway, 32011 Viotia
Telephone:	22620 - 48758
Fax:	22620 - 48696
E-mail:	kkapeleri@halcor.vionet.gr

ACTION PUBLIC RELATIONS & PUBLICATIONS, www.actionprgroup.com, ART DIRECTION: SIMON PITSILLIDES

08

CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT REPORT 2008

HALCOR

METAL WORKS S.A.

Contents

The wood used to make the pulp for this publication's paper comes from Sustainable Management forests and plantations.

1. ABOUT THE REPORT

The Corporate Responsibility Report, which you hold in your hands, is the first HALCOR Responsibility Report and covers the company's activity for the year 2008.

This Report's goal is to record the effect of our business activities on the Economy, the Environment and on Society. More specifically, it aims at informing our institutional investors, employees and other stakeholders, as well as all those who are interested in our company, or in Corporate Responsibility issues in general, on our business philosophy and on the way in which we perceive and confront today's financial, environmental and social challenges.

The report presents the activities of the HALCOR Group as a whole, however, the data mentioned in the above three sectors only concern the HALCOR S.A. production facilities in Greece. Additionally, in certain cases, the corresponding details at Group level are mentioned.

The report has been drafted in accordance with the international standards for recording and evaluating the effect of organisations and more specifically, in accordance with the G3 Guidelines of the GLOBAL REPORTING INITIATIVE standard.

As our first attempt to draw up a Report, it does not include a verification procedure of the details, by a third party. However, HALCOR is considering applying such a procedure in the future.

Our goal is to develop a more comprehensive and systematic Corporate Responsibility administration, as well as to record the impact we have on the Economy, the Environment and on Society, in a transparent and reliable way.

The report is HALCOR's self commitment to Sustainable Development and has been verified by the international organization, GLOBAL REPORTING INITIATIVE.

Contact:
HALCOR S.A.
George Mavraganis,
Strategic Planning Manager responsible for Corporate Responsibility
57th km Athens-Lamia National Highway,
Inofita, 32011
Tel.: +30 22620 48632
Fax: +30 22620 48910
gmavraganis@halcor.vionet.gr
www.halcor.gr

2

2. MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

HALCOR's operation is based on a development model, which places particular emphasis on the concepts of Competitiveness, Quality, Sustainable Development and Social Responsibility, as well as ensuring Safe Work Conditions for its Human Resources.

As our main goal is the production of quality products, to satisfy even the most demanding of customers and consequently the development of our company, we evaluate each business investment, taking into consideration our total effect, not only on the Economy, but also on the Environment and on Society.

Acknowledging the possible consequences of our activity, we implement suitable policies and systems and proceed with continuous investments, which assist in achieving our goal of Sustainable Development.

We feel that we cannot aim at financial growth without taking into account our environmental footprint and supporting the social development of the regions in which we are active.

For us, Corporate Responsibility is based mainly on Quality, the Environment, Health and Safety. It is these three points that we endeavour upon, through investments, training and monitoring the consequences of our actions, to protect, promote and ensure in the most effective manner.

It is a challenge for all of us, for management, for employees and associates to create the conditions, which will allow us to achieve these goals for a safer and more sustainable environment, through responsible Financial Growth.

Theodosios Papageorgopoulos,
Chairman of the Board of Directors

3. HALCOR AND CORPORATE RESPONSIBILITY

3.1

Corporate Responsibility is not a new concept for HALCOR. It is the responsible manner, in which our company has grown, throughout its creative course.

Acknowledging the complexity of business activities today, we aim to create added value through our operation, both for the Economy, the Environment and for Society.

By acknowledging the threefold impact of our activity, we believe that we can contribute to creating a better business model, which will not be focused just on financial growth, but will acknowledge the importance of environmental responsibility and social solidarity.

HALCOR's business development is based on its commitment to:
- ***adopt*** transparent, honest procedures,
- ***produce*** quality products,
- ***ensure*** a safe environment, both for its workforce, as well as for the local communities in which it is involved. The main issues of the Environment, Health & Safety and Quality are included as priorities in HALCOR's Corporate Responsibility.

QUALITY

We are focused on producing high-quality products, using advanced technology, employing specialised personnel and creating new and innovative products, through the implementation of large investment programs, aimed at constant innovation.
During 2008, we invested Euro 19.8 million.

HEALTH & SAFETY

We are steadily committed towards minimising and monitoring the consequences which may arise from our operations. The utilisation of this commitment, is carried out mainly, through a systematic plan to change the general mindset on issues of safety, with investments in equipment for safer work, as well as with procedures and programs on Health and Safety issues, which aim at creating a safe work environment.
During 2008, we invested Euro 350,000 in this area.

ENVIRONMENT

We are committed to ensuring that our business growth is environmentally responsible and will not pose a threat to the development and living standard of future generations. Proof of this commitment is our operation in an environment of complete transparency and compliance with current environmental legislation, our commitment to investments, which will minimise our environmental footprint, as well as the policies, the systems, and the development of expertise for environmentally responsible Sustainable Development.
In this area, during 2008, we invested a total of Euro 1.8 million.

Code of Conduct for Sustainable Development

HALCOR S.A. has adopted the Code of Conduct of the SEV Council for Sustainable Development and in doing so:

1. Respects the principles of Sustainable Development and incorporates them in its decision making processes.
2. Promotes the adoption of environmentally friendly and scientifically established methods of designing its activities
3. Focuses on manufacturing products and rendering services with positive environmental impact.
4. Promotes production methods that emphasize recycling, conservation of natural resources and proper management of waste products.
5. Trains and orientates suitably its workforce and invests in natural, technological and financial resources aimed at sustainable development.
6. Engages in continuous improvement of its performance in the fields of health, safety and environmental protection.
7. Provides accurate information to Authorities and Society about its activities and aims at a sincere dialogue with all involved stakeholders.
8. Contributes to the social, cultural and overall economic development of the communities in which it is active.
9. Adopts modern practices of corporate governance.
10. Meets its institutional obligations in a spirit of transparency and business ethics.

3.2 OUR STAKEHOLDERS

HALCOR's business development is implemented through cooperation with all stakeholders: Employees, Customers, Society, Suppliers, Shareholders, Public Authorities. We have already developed procedures to communicate and exchange opinions, with certain of these groups, which affect or are affected by our operation, such as customers, employees and suppliers, while we are currently recording issues and opening avenues of communication with the rest of the groups, for a better cooperation on issues of mutual interest.

4. FINANCIAL IMPACT

OUR COMMITMENT

We are steadily focused on producing high-quality products, using advanced technology, employing specialised personnel and creating new and innovative products, through the implementation of large investment programs, aimed at constant innovation and financial development.

HALCOR's operation, is based on a development model, which places particular emphasis on the concepts of Competitiveness, Quality, Sustainable Development and Social Responsibility, as well as ensuring Safe Work Conditions for its Human Resources.

As our main goal is the production of quality products, to meet our customers' demands and the development of our company, we evaluate each business investment taking into consideration our total effect, not only on the Economy, but also on the Environment and on Society.

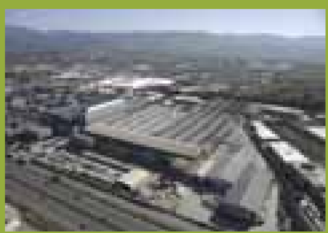
4.1 PROFILE

HALCOR Group is active in the production and trade of copper, copper and zinc alloys products. It is an international Group of 20 companies with:

- Nine production facilities in Greece, Bulgaria and Romania,
- major export activity in Europe, Asia, America and Africa and
- a dynamic presence in Greece and, through subsidiaries, in Bulgaria, Romania, Cyprus, the United Kingdom, France, Germany, Italy and Serbia.

The parent company HALCOR S.A., as well as its subsidiary, HELLENIC CABLES S.A., are listed on the Athens Stock Exchange. The share composition of HALCOR S.A. is: VIOHALCO S.A. 55.59%, free float 44.41% (as at 31/12/2008).

The company's head office is located at: 2-4 Mesogeion Ave, Pyrgos Athinon, Building B, 115 27, Athens.



4. FINANCIAL IMPACT

Company	Participation %	Country
HALCOR S.A.	PARENT	GREECE
HELLENIC CABLES S.A.	78.71%	GREECE
DIAPEM EMPORIKI S.A.	33.33%	GREECE
STEELMET S.A.	52.83%	GREECE
ELKEME S.A.	30.90%	GREECE
AKRO S.A.	95.74%	GREECE
SYLL.AN. S.A.	100.00%	GREECE
METAL AGENCIES LTD.	92.98%	UNITED KINGDOM
BELANTEL HOLDINGS LTD	100.00%	CYPRUS
SOFIA MED AD	100.00%	BULGARIA
S.C. STEELMET ROMANIA S.A.	40.00%	ROMANIA
METAL GLOBE D.O.O.	53.61%	SERBIA
ENERGY SOLUTIONS S.A.	38.60%	BULGARIA
OGWELL LIMITED	100.00%	CYPRUS
VIEXAL S.A.	26.67%	GREECE
COPPERPROM S.A.	71.49%	GREECE
TEPRO METAL AG	43.53%	GERMANY
HAMBAKIS S.A.	100.00%	GREECE

The Group's main production installations are the following:

Installation	Region	Total area (sq.m)	Built-up area (sq.m)	Annual production capacity (tons)
HALCOR Casthouse	Inofita	51,213	11,639	235,000
HALCOR Copper Tubes Plant	Inofita	198,061	67,414	75,000
HALCOR Extrusion Plant for Brass Bars and Tubes	Inofita	57,980	23,120	40,000
HALCOR Titanium Zinc Rolling Plant	Athens	60,048	37,427	20,000
SOFIA MED Copper Processing Plant	Bulgaria	250,000	120,000	105,000
HELLENIC CABLES Power and Fibre-Optic Cables Plant	Thiva	175,000	36,957	55,000
HELLENIC CABLES Copper and Enamelled Wires Plant	Livadia	121,818	13,890	14,000
HELLENIC CABLES Plastic and Elastomeric Compounds Plant	Inofita	22,032	6,636	24,000
ICME ECAB Cable Plant	Romania	268,000	70,000	45,000

4.2 THE RESULTS OF OUR OPERATIONS

HALCOR's operation produces a social product, which benefits both the local society in which it is active, as well as the National economy in general, as 77% of the Group's sales take place outside Greece. With its products available in over 50 countries worldwide, HALCOR is one of the largest Greek export companies, significantly contributing to the country's trade balance. Total HALCOR Group exports from Greece, as displayed in the relevant chart, during 2008, were Euro 604.3 million which corresponds to approximately 3.5% of total Greek exports.

The drop in results, in 2008, is due to the non-recurring depreciation of inventory by Euro 44.2 million at parent company level and by Euro 78.6 million at Group level, due to the unprecedented and rapid drop in the price of copper and zinc, the high prices of other production factors, increased financial expenses, as well as the dysfunction of Greece's main ports.

4.2.1 Trademarks & Products

Our Group's products, available on the international market, depending on the company that produces them, are separated into the following main categories. Also, the products which have a trade logo are noted:

HALCOR S.A. PRODUCTS:

- Copper Products: copper tubes (TALOS & CUSMART), circles, 8mm wire.
- Brass Products: tubes, circles, rods.
- Zinc Products: sheets & strips (DOMAZINC).
- Special Alloy Products.

SOFIA MED S.A. PRODUCTS:

- Copper Products: sheets and strips (DOMA), circles and flat bars.
- Brass Products: sheets and strips (DOMA), circles and flat bars.

HELLENIC CABLES S.A. – CABLEL PRODUCTS:

- Power & Telecommunications Cables
- Magnet Wires (enamelled)
- Plastic & Elastomeric Compounds
- Copper and Aluminium Pipes

The HALCOR S.A. financial figures, for 2008, are as follows:

Turnover:		Euro 635.3 million
EBITDA:		Euro 505,000
Net Loss:		Euro 15.2 million
Investments:		Euro 19.8 million
Clients:	foreign	338
	domestic	1,586
	total	1.924
Suppliers :		1,088
Exports:		Euro 483.5 million
Workforce:		742
Personnel remuneration:		Euro 24.3 million
Employer social security contributions:		Euro 6.3 million
Personnel private insurance:		Euro 254,000

The HALCOR Group consolidated financial figures, for 2008, are as follows:

Turnover:	Euro 1,200 million
EBITDA:	Euro 3.6 million
Net loss:	Euro 47.7 million
Investments:	Euro 47.2 million
Exports:	Euro 604.3 million
Workforce:	2,424

4. FINANCIAL IMPACT

ICME ECAB S.A. – CABLEL PRODUCTS:

- Power & Telecommunications Cables
- Plastic & Elastomeric Compounds
- Copper and Aluminium Pipes

4.2.2 Participation in Organisations

We participate in a large number of associations, the biggest of which are the following:

- The Hellenic Federation of Enterprises (SEV)
  SEV aims to represent Greek businesses and industries and protect their interests, mainly on a national level. SEV is a member of BUSINESS EUROPE, the Confederation of European Business, the corresponding body which represents businesses and industries on a European level.
- The Viotia Industries Association (SBB) which aims to support its members through promoting business enterprise, competitiveness, sustainable development and the environmental protection of the region.
- The Hellenic Copper Development Institute (H.C.D.I.). It was founded and operates aiming to promote and develop copper applications.
- Through the H.C.D.I., HALCOR is a member of the European Copper Institute (E.C.I.), whose primary goal is the planning, coordination and management of

resources to promote copper in the European markets. The E.C.I. belongs to the International Copper Association.

- The International Wrought Copper Council (IWCC), whose purpose is to facilitate communication within the sector and represent the interests of the copper industry.
- The European Committee for Standardisation (CEN).

4.2.3 Achievements-Distinctions

During 2008, our company achieved the following distinctions:

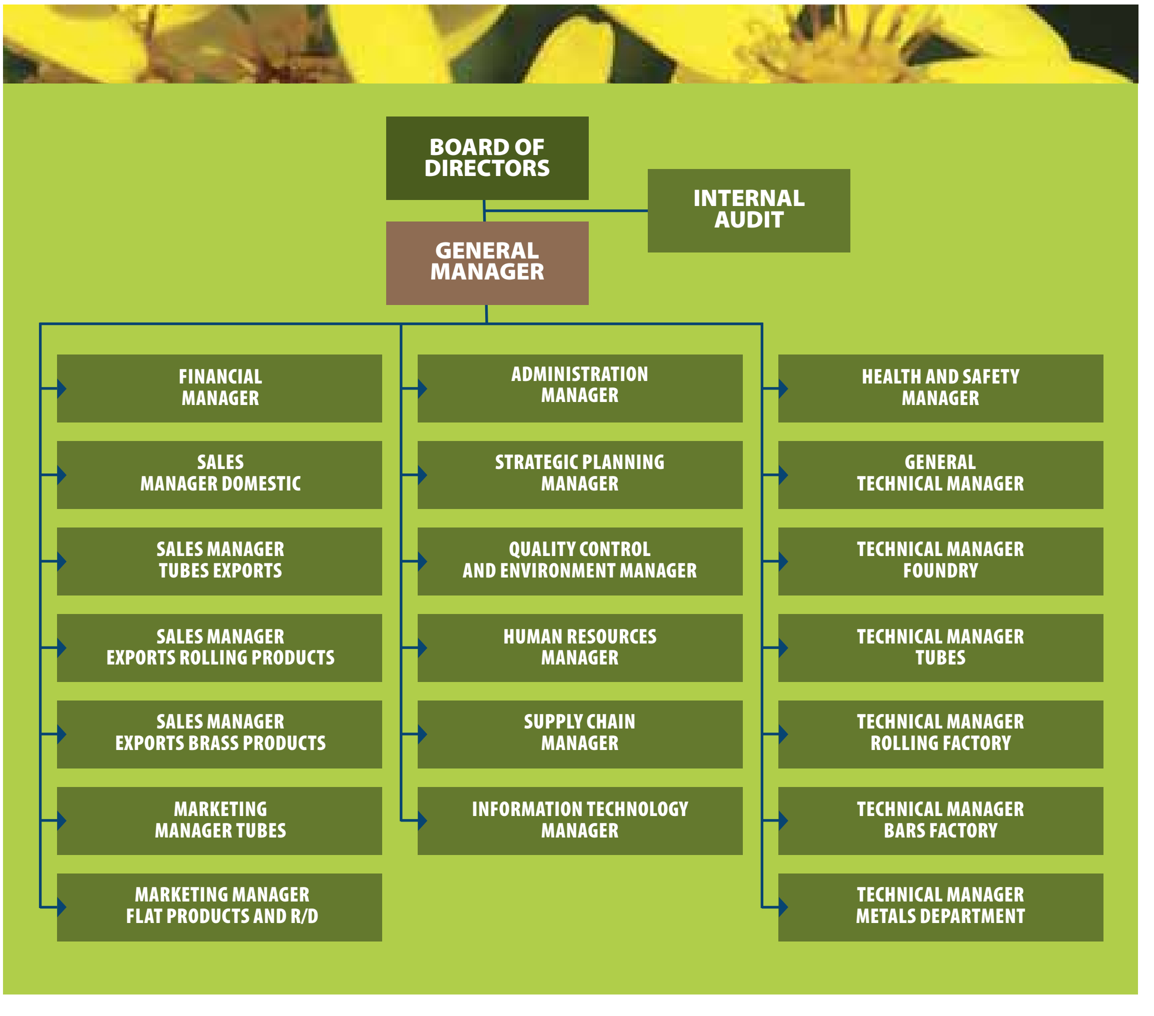
- Following a positive evaluation, HALCOR was listed on the official registers of the London Metal Exchange (LME) of Authorised Producers-Evaluators of grade A copper cathodes, for use in electrical conductors.
- An honorary distinction by TUV HELLAS, for HALCOR's contribution to society and the consumer, through providing quality products and services and through its continuous improvement effort.

4. FINANCIAL IMPACT

4.3 MANAGEMENT STRUCTURE - CORPORATE GOVERNANCE

Business development at HALCOR is based on our commitment to adopting transparency in our business activities.
For us, Social Responsibility begins with management attitude and our operational structures.

HALCOR's main management bodies are the Annual General Meeting of Shareholders and the Board of Directors.



A significant reinforcement to corporate transparency and our company's auditing bodies is the Internal Operation Regulation, as well as the establishment and operation of the Internal Audit Department which reports directly to the Board of Directors.

The Internal Audit Department is responsible for drafting a transaction schedule, implementing inspections, evaluating the efficiency of monitoring systems, evaluating the effectiveness of the existing procedures, the implementation and adherence to the Internal Operation Regulation and company by-laws, and the legislation relevant to the Athens Stock Exchange and incorporated companies.

4.3.1 Distinct management role of auditing bodies

Internal auditing is carried out by a special company body. The internal auditors are independent, they do not answer to any other corporate body and are supervised by three non-executive members of the Board of Directors.

4.3.2 Mission and values

Social Responsibility is HALCOR's primary aim and is fully in tune with its philosophy and its everyday operation.
Its principles can be summarised as follows:

- development of business activities with honesty, respect and integrity
- respect for the law and the adoption of business ethics and transparency principles
- the achievement of creativity and innovation
- co-operation and the cultivation of a team spirit
- upholding promises
- focusing on action and results.

4.3.3 Board of Directors supervision procedures relating to the Company's sustainability

The Board of Directors supervises issues relating to the company's sustainability, as well as the procedure for covering risks due to currency fluctuations and the price of metals in the LME, as well as the effects of its business operation on the Environment and on Society.

4.3.4 Independent and non-executive members of auditing bodies

The Board of Directors consists of executive and non-executive members. Amongst the non-executive members, at least two members are independent. The Annual General Meeting of Shareholders elects the Board of Directors and appoints the independent members. The Board of Directors then appoints the executive and non-executive members. The independent members of the Board of Directors, either individually or as a whole, may submit reports separate to those of the Board of Directors, towards the Ordinary or Extraordinary General Meeting of Shareholders, if it is considered necessary.

4.3.5 Procedures for evaluating the operation of the Board of Directors

During the Annual General Meeting, the Board of Directors is evaluated by the shareholders, on its activity, during the previous year, based mainly on the Annual Report which is submitted to the Annual General Meeting. The members of the Board of Directors are judged on the integrity, objectivity, diligence and effectiveness they displayed while performing their duties.

4.3.6 Relationship between the Board of Directors remuneration and the company's performance

The Board of Directors remuneration is directly linked to the company's financial results and consequently, it increases when profits are up and decreases when profits are down.

4.3.7 Procedures to avoid conflict of interest

In order to ensure transparency, the company by-laws, as well as the Internal Operation Regulation, provide terms and principles which should be followed by the members of the Board of Directors, or the managers, involved in company management.

4.3.8 Procedure to define the qualifications and specialised knowledge of the members of the Board of Directors

The criteria for electing members of the Board of Directors are: experience, specialisation, university level degrees, awards for excellence, administrative skills, creative ability, composition and analysis, social recognition and honesty. The final decisions on all the above are made by the Annual General Meeting of Shareholders.

4. FINANCIAL IMPACT

4.4 RISK MANAGEMENT

The company's industrial activity involves the production of copper, copper and zinc alloy products, materials which are environmentally friendly and contribute to the infrastructure development, of modern society. Consequently, we take very seriously possible effects on the Environment and the Safety of our workforce.

Therefore, all the necessary risk assessment studies, required in legislation, are completed, while at the same time, measures have been taken, in accordance with the requirements of the production processes and HALCOR's circumstances (from production until delivery to the customer).

Also, HALCOR has a performance index recording system, for all departments and directorates, in order to cover production in its entity on issues concerning the Environment, Health & Safety and Quality. These indexes are constantly monitored and made public, at all company levels.

Acknowledging the possible consequences of our activity, we implement suitable policies and systems and proceed with continuous investment in research and the development of know-how, which assist in achieving our goal of Sustainable Development.

4. FINANCIAL IMPACT

4.5 MARKET OPERATION

Focused on producing high-quality products, we use advanced technology and employ specialised personnel, creating new and innovative products, through the implementation of large investment programs, aimed at constant innovation.

4.5.1 Product Quality

HALCOR products are subject to strict quality control, through all production stages and are covered by a written warranty of 20 to 30 years.

The adherence to quality control procedures is confirmed by frequent inspections by Greek

Copper and Health

HALCOR has taken initiatives and, during the past 10 years, has actively participated, through the ECI (European Copper Institute), in significant studies concerning the effect of copper on health and the environment. These studies, have been completed to a large degree. Conclusions of these studies prove the long-standing conviction, that the use of copper has neutral to positive effects on humans and on the environment. These findings were submitted to the competent environment agencies of the European Union to be ratified.

The European Union, with the REACH regulation (an initiative which has been in force since June 2007), seeks to create a wide database which will include all the substances in circulation and which will record their effect on humans and the environment.

The aforementioned studies of the effects of copper on health and on the environment are in tune with the spirit and the letter of this regulation. They bring HALCOR to the forefront of the European industries, as it has implemented the requirements of the new regulation, in a most effective way.

and International Certification Bodies, while special programs achieve the daily participation of our employees, in ensuring quality. The Quality Assurance System which is implemented, complies with the requirements of ISO 9001:2000, which has been certified by TUV Hellas.

All our products have quality marks, as well as certificates, with reference to the origin of the materials and packaging suitability.

4.5.2 Ensuring health and safety during the use of products and services

For the copper, copper and zinc alloy products which we produce, we issue a safety bulletin which informs the end users that contact with these products is safe.

All our company's information leaflets mention the optimum operating parameters of the products. For the requirements of the Greek market, there are operating manuals for the water and natural gas tubes, which state the guarantee of good operation that the company provides.

Seeking to fully cover the consumers, all the products and merchandise we handle, are covered by product liability insurance.

4.5.3 Research and development of new technologies

The Hellenic Research Centre for Metals S.A. (ELKEME) was founded to support the Greek metals industry, contributing to its technological upgrading and the improvement of its quality and competitiveness. ELKEME carries out basic research into advanced plans and techniques, which aim at improving the production process and eliminating mistakes and deficiencies. Staffed with highly specialised scientific personnel and using modern research equipment, it functions as a modern laboratory for monitoring the behaviour of end products and by-products.

Its positive contribution, to the development of the range of products produced by HALCOR, has been proved by the solutions it has provided to problems which appeared before, but also during, the production of copper, copper and zinc alloy products at the plants, as well as by the development of the new Cusmart® copper tubes.

4.5.4 Supply Chain & Procurement Policy

The Procurement Directorate of the HALCOR group, through its Social Responsibility strategy that it has developed over the recent years, aims to upgrade the role of its suppliers/associates by incorporating them into the quality policy that it follows and expects them to apply suitable business ethics practices. It also aims to achieve a high level of social and environmental awareness.

4. FINANCIAL IMPACT

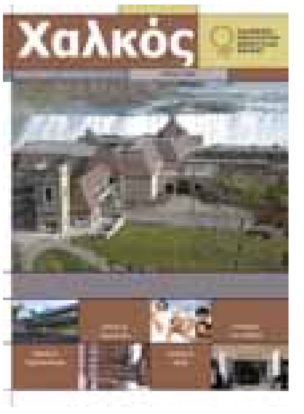
4.5.5 Customer Satisfaction

As regards customer satisfaction, we implement a procedure to measure customer satisfaction and manage complaints, while the Quality Control Departments of the plants, maintain a file of customer complaints, including a record of the complaints indices, for at least three years.

4.5.6 Responsible Marketing Practices

The Company is active in a competitive environment, both in Greece and abroad, a fact which makes any unilateral initiative impossible. Therefore, the sales terms for each order are negotiated with the customers.

4.5.7 Information on the use of copper
Hellenic Copper Development Institute



Within the framework of its Social Responsibility, HALCOR participates in the activities of the Hellenic Copper Development Institute (H.C.D.I.), on issues relating to training and to promoting the use of copper, in sensitive areas such as health and the environment.
More specifically and in relation to training and education, HALCOR participates in organising H.C.D.I. programs, either in the form of providing material and premises to hold the classes, or in the form of funding for the implementation of certain programs, all over Greece.
In 2008, HALCOR participated in the creation of a new concept: the New Plumber Competition, which the H.C.D.I. began, as a pilot program, in Thessaloniki.

Copper and Public Health

Within the framework of informing scienctists on the uses of copper in public health, HALCOR supported the first World Congress, which took place under the auspices of the Ministry of Health, whose subject was "Copper and Public Health" and was organised by the Hellenic Copper Development Institute, at a central hotel, in Athens, in November 2008.
Recognised Greek and foreign scientists from the health sector participated in the conference and presented and documented, in a fully scientific manner, the effect of copper and its alloys on certain bacteria responsible for the spread of intra-hospital infections, hazardous to public health. The conference's findings proved that copper can be another effective weapon in the battle against germs and intra-hospital infections, which have caused many fatalities worldwide.
Furthermore, the use of copper is beneficial in other applications, such as large air conditioning units and water tubes, according to the results of a study by the Dutch Water Quality Research Institute, which found that the concentration of bacteria in water, transferred through copper tubes, was 10 times less than that carried in other tube materials.

Copper and Hospital Equipment

Experts in the area of hospital equipment presented the potential for manufacturing materials made of copper and its alloys, suitable for hospital equipment. HALCOR supported the whole venture, as the company which is able to provide the suitable material to support the use of copper in non-renewable materials, widely used in hospitals.

5. ENVIRONMENTAL IMPACT

5.1 OUR COMMITMENT

Our business development is committed to respecting the environment and adhering to the principles of Sustainable Development, operating in an environment of transparency and full compliance to current environmental legislation.

Our environmental policy represents the management's commitment to operate with full respect for the environment and its social partners. Environmental protection is implemented with significant investments in comprehensive pollution prevention measures and in optimising the production processes, using the Best Available Techniques set by the European Union and the Ministry of the Environment.

The actions which prove the company's commitment to Sustainable Development are the following:

- The operation of an Environmental Department, staffed with specialised personnel, to implement the company's environmental management program.
- The monitoring of the company's environmental performance, with the implementation of a model Environmental Management organization, based on international standards.
- The systematic monitoring and recording of all the parameters which may have an impact on the environment, by the company's competent personnel, as well as its intervention when deemed necessary, in order to ensure adherence to the emissions limits, set by relevant legislation.
- The use of pollution abatement technology systems in order to minimise emissions, both air and aqueous into the environment.
- The installation and operation of by-product recycling and recovery systems in order to maximise natural resource conservation and correspondingly minimise the environmental footprint of the production.
- The organising of interdepartmental recycling of paper, wooden boxes, plastics, batteries, electric and electronic waste, metallic packaging and tyres.
- The certification of all the production facilities, according to ISO 14001:2004 or EMAS, ensures the company's systematic effort to monitor and continuously improve its environmental performance.

5. ENVIRONMENTAL IMPACT

Our company's Environmental Policy is based on the following fundamental principles, on which the environmental management program has been developed.

1. **Compliance with existing legislation**
   Operation must be fully compliant with existing European and national environmental legislation and the emission limits of our environmental license must always be adhered to.
2. **Responsible operation**
   We must have full knowledge of the environmental impacts of the production process and take all necessary measures to minimise them, as well as take measures to prevent environmental incidents.
3. **Cooperation with licensed contractors**
   All contracting companies on waste management issues (collection, transportation, recovery, disposal) must have all the necessary licenses and follow management practices in accordance with relevant legislation.
4. **Continuous improvement**
   Our goal is to continuously improve our environmental performance and reduce the environmental footprint of our activities.
5. **Transparency**
   We participate in an open dialogue on environmental issues with all our partners, state or non-governmental organisations, academic institutions, local communities and society as a whole.
6. **Training**
   Our company's personnel is informed and actively participates in environmental management issues. The company's goals may be achieved only with the participation of every employee.
7. **Environmental Management System (EMS)**
   Through the Environmental Management Systems at our facilities, we are able to effectively implement environmental management programs, prevent environmental pollution and create ways of improving and monitoring environmental parameters.

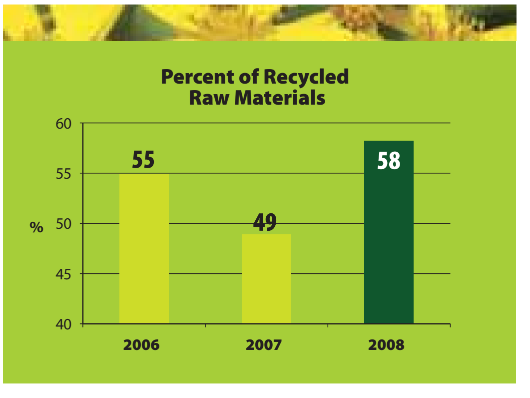
During 2008, the new pollution abatement technology system (bag filter system) became fully operational, for the environmentally sound recycling of copper scrap. The new filter, due to its increased ability to retain particular matter and other pollutants, provides HALCOR with the potential to increase the use of copper scrap as a raw material (i.e. by utilizing lower grade scrap), significantly contributing to conserving natural resources and energy. Furthermore, the new filter significantly reduces (over 99%) the emission of particles and other gaseous pollutants produced during the melting of primary, but mainly secondary, copper.

The environmental impact of HALCOR's four production installations [1) copper tube production plant, 2) brass rods and tubes production plant, 3) recycling-melting and casting in Inofita and 4) rolled products production plant in Tavros] which are monitored in this Report, is different, as each plant has a different production process. The company monitors the environmental performance of each plant separately. The indices which follow refer to comparative figures for the three year period 2006-2008, of the four plants as a whole, except in cases where it is mentioned that they exclusively concern a specific production installation. The figures are included in other reports that are submitted to official authorities.

5.2 USE OF RECYCLED RAW MATERIALS

HALCOR has one production installation capable to use recycled materials which is the recycling-melting and casting plant. As regards the company's raw materials as a whole, there was an increase in the use of recycled materials (copper and zinc alloy scrap) from 24% in 2006, to 28% in 2008, while the use of recycled materials including the return of internal scrap, marked an increase from 55% in 2006, to 58% in 2008.

The use of recycled copper contributes significantly to conserving energy, since it conserves approximately 85% of the energy required to produce primary copper, with obvious benefits for the global reduction of greenhouse gas emissions, but also wider benefits for society and the environment.

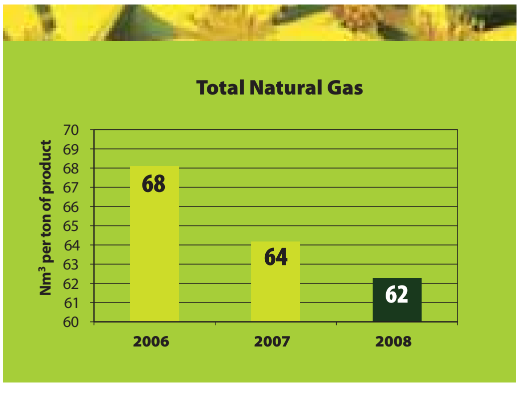


5.3 ENERGY

Direct energy consumption based on the primary energy source

Thermal energy
The requirements of the production process in thermal energy are covered by natural gas at a percentage of over 95%, while the remaining requirements (transport and heating) are covered by LPG and diesel.

During 2008, HALCOR consumed a total of 364 TJ for its various production processes, including the energy for internal transportation. Specific energy consumption was reduced by 6.5%, over the last three years, reaching



5. ENVIRONMENTAL IMPACT

2.65 GJ per ton of product. The reduction is mainly due to the reduced use of furnaces using natural gas as fuel and to the corresponding increase in the use of furnaces operating with electrical energy, due to the product mix of the company.

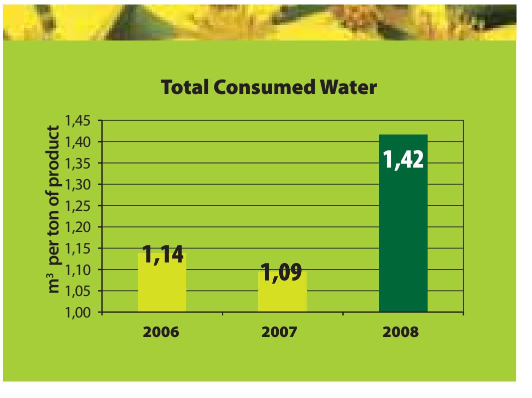
Electrical energy

During 2008, HALCOR consumed a total of 199 TJ (55.200 MWh) for its various production processes. Specific electrical energy consumption increased by approximately 4.5%, over the last three years, reaching 1.4 GJ (402 KWh) per ton of product.

5.4 Water

Specific water consumption, in all the production installations, increased by 24% over the last three years. This was due to production needs to reject cooling water at regular intervals, due to specific production requirements at the copper tube production plant, which had an increase in specific consumption of 174%.

On the contrary, the other production installations had a reduction (the rolling plant by 36%, the rod production plant by 35% and the recycling-melting and casting plant by 1%). During 2008, specific water consumption was approximately 1.4 m^3 of water per final ton of product.



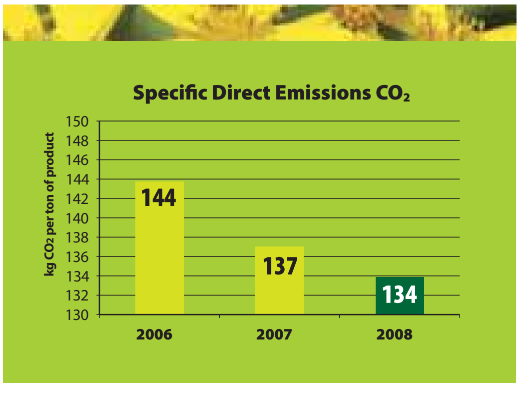
HALCOR has already begun a study for a unit to process industrial water, in order to create a closed circuit management system at the recycling-melting and casting plant, but also at the rod production plant in Oinofita, Viotia. These two projects are expected to conserve approximately 60,000 m^3 of water per year.

5. ENVIRONMENTAL IMPACT

5.5 Air emissions, liquid & solid waste

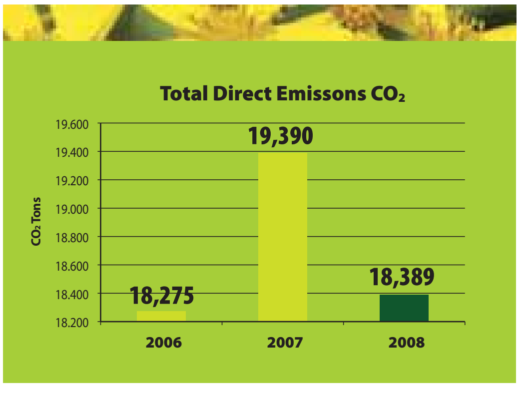
HALCOR's carbon footprint is especially low, since its total direct emissions comprise just 0.01% of the country's total emissions. Direct emissions are derived from the combustion of hydrocarbons, mainly for the thermal requirements of the plants (melting furnaces, preheating, etc), while indirect emissions are derived from the consumption of electricity for the requirements of the plants' equipment.

It must be noted that none of HALCOR's installations participates in the European Emission Trading System, due to their low CO_2 emissions capacity, as well as the nature of our production activity.



5.5.1 Total direct and indirect greenhouse gas emissions

As regards the specific direct emissions (emissions from the combustion of natural gas, LPG and heating and transport diesel) there was a reduction of emissions per ton of product by 6.9%, during the last three years, in the production installations as a whole. The reduction was mainly achieved in the recycling-melting and casting plant (a reduction of 4.9%) which was responsible for approximately 2/3 of the total direct emissions of the company, for the reasons mentioned in the relevant chapter. The reduction is also due to the efforts to conserve energy and increase productivity, which are at the implementation phase at the rod production plant (a reduction of 40%).



The direct carbon footprint of HALCOR's production procedure amounted to 134 kg of CO_2 per ton of final product.

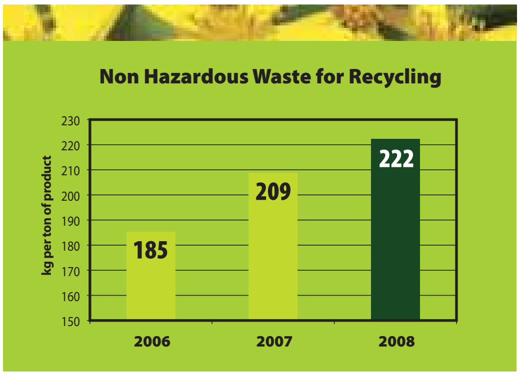
As regards the specific indirect emissions, there was an increase of 4.7% in the production facilities as a whole. The increase is exclusively due to the recycling-melting and casting plant which marked an increase of 19.8%, due to the increased consumption of electrical energy, for the reasons mentioned above.

During 2008, the total specific direct and indirect greenhouse gas emissions remained at the same levels, as the previous years. The total direct emissions amounted to 18,400 tons of CO_2 and the total indirect emissions to 52,400 tons of CO_2.

5. ENVIRONMENTAL IMPACT

5.5.2 Management of non-hazardous waste

The company monitors cautiously all of its waste transfers. The quantity of non-hazardous waste increased by 19%, as regards the quantity generated per ton of final product, during the last three years, but it should be noted that this increase is due, on one hand, to the increased quantity of waste which was directly recycled and, on the other hand, to waste which was used as a raw material in other production processes.



More specifically, the proportion of non-hazardous waste, which was either recycled or recovered, remained fixed at 97% and an amount of only 3% was forwarded to licensed disposal areas. The very high levels of recycling and recovery of non-hazardous waste have been achieved, through the development of an extensive recycling program at all our plants and also due to the training of the company's workforce.

5. ENVIRONMENTAL IMPACT

5.6 Environmental Compliance

During 2008, there were no violations of environmental legislation at any of the HALCOR facilities. Our facilities were repeatedly inspected by various government agencies and in all cases, were in full compliance with national and EU environmental law, as well as with their environmental licences.

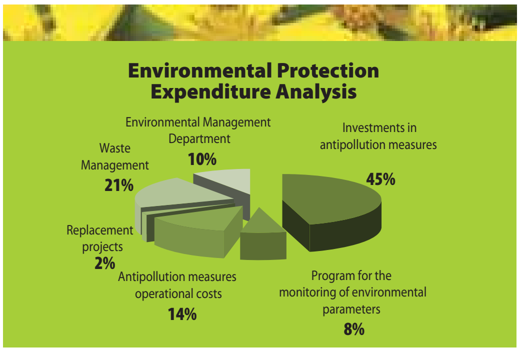
As regards the fine imposed on the company, during 2007 for two violations, it must be mentioned that the violations concerned administrative issues and did not involve any form of environmental damage.

5.7 Investments and Expenditure for Environmental Protection

Our commitment to Sustainable Development continued in 2008, with significant investments aimed at improving the environmental performance of our facilities. HALCOR's environmental expenditures during 2008 amounted to Euro 1.8 million, of which 45% concerned new investments in pollution abatement equipment and in reducing the volume of waste.

Indicatively, during 2008, the following amounts were spent:

- For the operation and maintenance of existing pollution abatement measures, Euro 253,000.
- For new environmental infrastructure and pollution abatement systems, Euro 800,000. The investments mainly concerned pollution abatement measures at the casting plant (new filter unit) and measures to conserve natural resources at the copper tube production plant.
- For waste management by contractors, Euro 364,000.
- For environmental monitoring (chemical analysis of water, atmospheric pollutants, etc), Euro 134,000.
- For supporting the environmental management department, consultancy services, studies, etc Euro 171,000.



6. SOCIAL IMPACT

6.1 OUR COMMITMENT

We are fully committed towards operating safely, with responsibility and full respect for our employees and for society, minimising any risks which may arise through our operation.

HALCOR's interest in the local community, but also in the wider society of which it is a part, is expressed in its support of initiatives that cover people's needs.

6.2 OUR PEOPLE

One of our competitive advantages is the quality of our workforce. There are over 2,400 employees in our Group who are a valuable asset and a necessary prerequisite for our mid and long-term development. HALCOR S.A. and SOFIA MED S.A. employees number 1,261 individuals and make up 53% of the total, while 1,139 individuals are employed in the Group's subsidiaries and represent 47% of the total.

PERSONNEL	TOTAL
HALCOR S.A.& SOFIA MED S.A.	1,261
HALCOR S.A.(GREECE)	60%
SOFIA MED S.A. (BULGARIA)	40%

Distribution of Human Resources in Greece

The industrial and commercial activity of our company is concentrated mainly in the regions of Attiki, Viotia and Thessaloniki. The employment provided by our company, in these specific areas, contribute greatly to the development of the local communities, in which we are active. For this reason, our priority concerning the hiring of new associates is first enquiring through the local competent bodies. More specifically, we publicise our personnel needs in the local press (local newspapers), as well as in the local public employment bodies (OAED).

6. SOCIAL IMPACT

GEOGRAPHICAL DISTRIBUTION OF HALCOR S.A. PERSONNEL	
ATTIKI	62.5%
VIOTIA	36.3%
THESSALONIKI	1.2%

HALCOR S.A.: Personnel distribution – Level/Region

Personnel Category	Viotia Region	Attiki Region
Managers	3.5%	96.5%
Department heads	13%	87%
Other personnel	39.3%	60.7%

6.2.1 Additional Benefits

We reward the performance and commitment of our employees through a comprehensive package of additional benefits which includes:

- private life and health insurance coverage for all personnel
- a wedding gift for newlyweds
- a meal per day for all employees
- emergency financial aid in the event of serious health issues
- clothing and individual protection equipment for the plant workers
- transporting the personnel who are employed outside urban centres to and from their place of residence

- a Christmas gift (gift voucher) for all employee children under the age of 12
- free stay at a summer camp for all employee children under the age of 14
- loans and financial aid in accordance with corporate policy
- a company car in accordance with corporate policy
- a mobile phone in accordance with corporate policy
- a residense in accordance with corporate policy. HALCOR provides its plant workforce with five apartments with a total area of 240 sq. m. in apartment blocks in the village of Inofita, free of charge, as well as a house in Oropos.

6.2.2 Support of Internal Networks-Events
- Annual New Year event.
- Annual Christmas party for employee children under the age of 12.
- Events for former company employees (pensioners) and recognition of their contribution to the company.

System to Submit New Ideas and Suggestions
Employees can actively participate with their suggestions, both in improving production processes and in improving the operation of the company in general.
Proposals that are implemented are awarded a token monetary reward.

6.2.3 Development of In-House Voluntary Work
The company has a blood bank, to which employees can voluntarily donate blood, which is used to meet the needs of themselves and their families.

6.3 TRAINING
Our goal is to fulfill our training needs at every end.
HALCOR invests in the ongoing orientation and development of its human resources.
During 2008, 475 individuals were trained and the training hours amounted to 5,293.
The average training time for each employee was 11.15 hours.
Also, within the framework of continuously educating its personnel, HALCOR secured places for a significant number of young executives at the ALBA Business Management School.

6.4 THIRD-PARTY TRAINING
Within the framework of its Corporate Responsibility, HALCOR participates in the activities of the Hellenic Copper Development Institute (H.C.D.I.) on issues relating to training and to promoting the use of copper in the areas of Health and the Environment. More specifically, displaying its awareness in the area of training and education, HALCOR participates in organising H.C.D.I. programs, either in the form of providing material and premises to hold the classes, or in the form of funding certain programs all over Greece.

6. SOCIAL IMPACT

6.5 HEALTH & SAFETY

HALCOR's constant goal is to operate safely, responsibly and with full respect for its employees and for society. Its goal is to continuously improve in the areas of Health and Safety in the workplace and eliminate accidents.

This commitment is displayed in the systematic plan to change the general mindset on issues of safety, with investments in equipment for safer work, as well as with procedures and programs on Health and Safety issues, which aim at creating a safe work environment.

Based on company policy:

- We have set as our primary and constant goal the achievement of the highest possible level of Health and Safety for our employees.
- We support the supply of the necessary resources (financial, human, organisational, etc) in order to achieve that level.
- We acknowledge the promotion of Health and Safety as an optimum business practice and we commit to its continuous improvement.
- We commit to adhering to the relevant legislation and to implementing the highest standards on Health and Safety issues.
- We acknowledge Health and Safety to be the main criteria in evaluating and reaching any business decision.
- We place absolute priority on accident prevention and controlling dangerous situations before they develop.
- We acknowledge the importance of the human factor on Health and Safety issues and are working towards the constant education and upgrading of the company's human resources in this area.
- We support the active participation of all the company's human resources, no matter what their place in the corporate structure, in the effort to upgrade their performance concerning Health and Safety issues.
- We aim to promote a safety mindset in all company activities, including the activities of our associated companies, contractors, etc.

6. SOCIAL IMPACT

Within the framework of the best possible organisation on issues concerning Health and Safety, HALCOR reviews and continuously develops all the infrastructure relating to the Health and Safety of its employees and has begun the procedure to certify the company according to OHSAS 18001, which is expected to be completed soon.

HALCOR follows a program which aims to improve administration and technical issues relating to employee Health and Safety, which is based on 15 guidelines, on which the efforts to improve its plants are centred.

6.5.1 Training on Health & Safety issues

Within the framework of this effort, HALCOR, in 2007, began a training and inspection program with the collaboration of external bodies, aimed at creating a new philosophy, in approaching all the issues relating to personnel Health and Safety. The new mindset, which HALCOR is attempting to create, is primarily aimed at eliminating all injuries and incidents relating to personnel safety.

The main elements of this effort are the following:

- Educating personnel and aiming to change their mindset.
- Training on specific high-risk technical issues.
- Carrying out weekly inspections concerning the adherence to safety regulations and the use of individual protection equipment, by a group of engineers, in all plant departments.
- Redefining the risk levels, for work carried out, at the company, by using reliable risk assessment tools.

Training on safety issues is carried out by training bodies in or outside the company, on general or specific topics, according to the requirements and at all personnel levels. An example is the training provided by a consultant company and international groups that specialise in industry Health and Safety issues, as, for example, the intra-business seminars "Hygiene and Safety in the workplace", "Electrical Inspections and Safety for Electricians" and "Introduction-5S Methodology".

Plant	Training hours (safety)	Average number of employees
Copper tube	165	460
Recycling-melting & casting	300	100
Brass rod and tube	90	110
Rolled titanium zinc	240	75
HALCOR*	860	820

*the total includes third-party crews

The training subjects relating to Safety for 2008 concerned the following categories:
General Safety Instructions, Use of Individual Protection Equipment, Accident Prevention, Fire Safety - Firefighting, First Aid, Working under Stress, Managing Electrical Energy, Charge Safety, Harmful Factors and Prevention, Management of Chemical Substances, Safe Handling of Machinery and Tools, Safe Transport of Loads, Noise, etc.

6.5.2 Investment Program

Through our commitments towards continuous improvement, Halcor is implementing an investment program to eliminate/monitor risks, to upgrade work conditions and prevent accidents.
Recent investments included in the above program include:

- The installation of automatic fire detection/extinguishing systems in substations, pumping stations and carpenters' workshops.
- The purchase of a firefighting vehicle.
- The completion of a study to upgrade the electrical installations at all HALCOR's plants.

6.5.3 Continuous Improvement Program

Besides targeted actions and investments to solve specific problems, the company is implementing a Continuous Improvement Program in each production facility. The program concerns the maintenance and upgrading of the plants' electrical installations (improving access, installing protective railings, placing signs, etc), equipment (planned maintenance or direct intervention) and improvement of procedures (material management, product storage). Implementation of this program is part of our everyday practice and a part of the plant's normal operation.

Pinpointing problems and suggesting solutions, is one of the most important ways in which employees can participate in the company's efforts to improve its performance concerning Health and Safety. An effort is made to involve all personnel in inspections and improvement suggestions. The effort to directly implement proposals, is used as motivation, in order to further reinforce the awareness and participation of the personnel.

6. SOCIAL IMPACT

6.5.4 Incident Rates

As a result of our continuous effort to prevent and monitor risks, the company, during the past years, has managed a continuous reduction both in the number of incidents (as expressed by the Incident Frequency Rate), as well as in the loss of work time due to incidents (as expressed by the Incident Severity Rate).

The company considers the improvement of the above rates to be the result of the concentrated effort to train personnel, upgrade the plants and improve communication with the staff, on issues regarding Health and Safety, through planned or emergency inspections.

Because the company is committed to continuing this effort, we expect the rates to improve further, until we achieve the goal of eliminating accidents altogether.

Incident percentage and loss of work days

Incident Rates	2007	2008
Incident Frequency Rates with lost man-hours	13	10
Safety Incident Severity Rates	405	300
Lost work days per year	813	567

Note: HALCOR has not had a fatality.

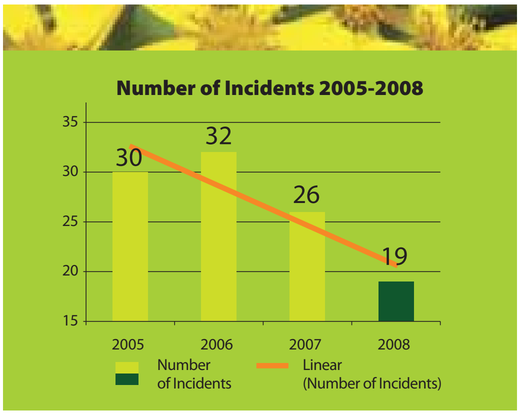
$$\text{Frequency rates} = \frac{\text{number of incidents (LTI)} \times 10^6}{\text{number of implemented work man-hours}}$$

$$\text{Severity rates} = \frac{\text{number of days unable to work} \times 10^6}{\text{number of implemented work man-hours}}$$

6.5.5 Employee Participation

Since October 2008, HALCOR has been implementing the "5S" program which aims at improving the health and safety, the environment, the ergonomics, productivity and the appearance and aesthetics of the workplace.

The "5S" program, involves the formation of work groups, consisting of mid-level executives and employees, which submit proposals relating to the improvement of the health and safety, the environment, the ergonomics, productivity and the appearance and aesthetics of the workplace, combined with the analysis and opinion of specialised experts. Many of these ideas are put into action as, for example, the replacement of old chairs with new, ergonomically designed ones, the use of collection bowls in certain areas where leakages occur, the placement of signs to keep areas clear in order to ensure access to control panels, fire extinguishers, etc and many other little ideas which become useful initiatives. All these are posted on the announcement boards in the plants and made public to the workforce.



Also, as part of the program, HALCOR is replacing part of the old equipment, recycling the materials and better organises the external areas and storage areas of its plants.

It is also carrying out diagnostic inspections, conducted by international specialised consultants on Health and Safety issues.

The "5S" program is being completed in some areas of all four plants and is expanding at a rapid pace in the remaining areas.

6. SOCIAL IMPACT

6.6 THE WORLD AND US

HALCOR's interest in society and the local community, of which it is a part, is displayed in the long run through its support of initiatives that cover people's needs.

Relieving Afflicted Areas

In an effort to help the inhabitants of afflicted areas, HALCOR has delivered a fire engine to the Municipality of Zacharo, Ilia, which was severely damaged by fires.

It also financially supported three families who lived in the Municipality of Zacharo and had relatives in HALCOR, by depositing a token amount, for each of the three families.

Supporting the Local Community

- HALCOR, always aiming to support local communities, in 2008, proceeded to donate copper tubes to the Special Professional Training and Orientation Workshop of Kallithea-Ag.Dimitrios.
  The workshop's aim is to train individuals with mental and other disabilities and help them, through the program, to become more independent and provide them with work skills. Every day, 150 students attend the workshop.
- Through the Viotia Industries Association, HALCOR supported the necessary repairs made to the Dilesi primary school in the Municipality of Inofita.
- Support through donations for the Work Centre for Disabled Individuals. The Centre for Special Individuals Hara (Happiness) was founded in 1983 by parents and in 1986 acquired a building in Pallini. The centre provides lifelong board, specialised care and indoor and outdoor activities for its patients.
- Support through donations for the initiatives of the Association "The Smile of the Child".
- HALCOR, support in the local community actively supports the local authorities, the Police Department and the Traffic Police of Schimatari, the Fire Department, the Customs Office, the Municipality and the Parent Associations of the area.

7. GRI CONTENTS INDEX

Main and Additional Indicators		Paragraph Mention
Strategy and Analysis		
1.1	Message from the Chairman of the Board of Directors	2
1.2	Important consequences, risks and opportunities	4.4
	Corporate profile	
2.1	Name of the organisation publishing the report	4.1
2.2	Trade logos, products and/or services	4.2.1
2.3	Organisation chart	4.3
2.4	Organisation headquarters location	4.1
2.5	Countries of business	4.1
2.6	Ownership status	4.1
2.7	Markets in which the organization is active	4.1
2.8	Organisation size (sales, number of employees, etc)	4.2/6.2
2.9	Significant changes in the organisation	4.1
2.10	Awards	4.2.3
Report parameters		
3.1	Report period	1
3.2	Previous report	1
3.3	Report time cycle	1
3.4	Communication point for questions	1
3.5	Content definition	1
3.6	Report limits	1
3.7	Restrictions on the object of the report	1
3.8	Consortiums, subsidiary companies and surrendered projects	4.1
3.9	Data measurement techniques	1
3.10	Results of any re-stated information	(new report)
3.11	Changes from previous reports	(new report)
3.12	Locating basic GRI requirements	7
3.13	External verification	1
Governance, commitments and participation		
4.1	Governance structure	4.3
4.2	Role and responsibility of the Chairman of the Board of Directors	4.3.4
4.3	Independent/non-executive members of the Board of Directors	4.3.4
4.4	Communication with the Board of Directors	4.3.3
4.5	Executives' performance and salaries	4.3.6
4.6	Conflict of interest on the Board of Directors	4.3.7
4.7	Board of Directors experience on sustainable development issues	4.3.3
4.8	Mission and values statements	4.3.2
4.9	Governance by the Board of Directors	4.3.3

Continued on next page

Main and Additional Indicators		Paragraph Mention
4.10	Evaluation of the Board of Directors' performance	4.3.5
4.11	Prevention approach/prevention principle/risk management	4.4
4.12	Principles/externally developed regulations	4.2.2
4.13	Participation in associations	4.2.2
4.14	List of interested parties	3.2
4.15	Defining interested parties	3.2
4.16	Approach for the participation of the interested parties	4.5.3/4.5.4/4.5.5/ 4.5.6/4.5.7/6.1/ 6.2.2/6.3/6.4/6.5.5/6.6
4.17	Issues raised by interested parties	6.6

MANAGEMENT PRACTICES

Economy	The results of our activity	4.2
	Indirect financial impact	6.2
	Market operation	4.5
	Responsible Marketing	4.4.6
	Supply chain	4.5.4
Environment	Our Commitment	5.1
	Materials	5.2
	Energy	5.3
	Water	5.4
	Gas emissions, liquid & solid waste	5.5
	Environmental Compliance	5.6
	Expenses for the Environment	5.7
Society	Our Commitment	6.1
	The World and Us	6.6
	Work Our People - Employment	6.2
	Workplace Health & Safety	6.5
	Training	6.3/6.4
Human Rights	Customer Satisfaction	4.5.5
	Ensuring Health	4.5.2
Product Responsibility	Research and Development of New Technologies	4.5.3
Product Quality		4.5.1

Continued on next page

Main and Additional Indicators		**Paragraph Mention**
Financial performance indicators		
Publication of Management approach		4.1
EC1	Clear financial position	4.2
EC2	Consequences due to climate change	4.4
EC6	Management of local suppliers	4.5.4
EC7	Hiring personnel from local communities	6.2
EC8	Infrastructure investments	4.2/3.1
EC9	Indirect financial impact	6.2
Environmental performance indicators		
Publication of Management approach		5.1
EN2	Percentage of recycled materials	5.2
EN3	Direct energy consumption (primary energy source)	5.3
EN5	Energy conservation	5.3
EN8	Total water pumping based on source	5.4
EN16	Total direct and indirect greenhouse gas emissions	5.5.1
EN22	Total weight of waste products	5.5.2
EN28	Monetary value of significant fines and total number of non-monetary sanctions	5.6
EN30	Total expenditure and investments for environmental protection	5.7
Social performance/employment indicators: Work practices and high standard employment conditions		
Publication of Management approach		6.1
LA1	Human resources data	6.2
LA3	Benefits for full-time employees	6.2.1
LA6	Participation of workforce represented in health and safety committees	6.2.2/6.5.5
LA7	Injury rates, work-related diseases, loss of days	6.5.4
LA8	Information on serious disease issues	6.5.1
LA10	Average training hours per year/employee	6.5.1/6.3
LA11	Programs for managing employee career development	6.3
Social performance indicators: Society		
Publication of Management approach		6.1
S01	Evaluation and management of the impact on local communities	6.6
Social performance indicators: Product responsibility		
Publication of Management approach		4.5
PR1	Compliance with health and safety standards	4.5.1/4.5.2
PR3	Product and service labeling	4.5.1
PR5	Practices relating to customer satisfaction	4.5.5

Data handling, consultancy,
GRI indicators structure:

epikinonia