

ANNUAL FINANCIAL REPORT

FOR THE PERIOD

01/01/2010 – 31/12/2010

(according to regulations of Article 4 of L.3556/2007)

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A. Statement by the Members of the Board of Directors

(in accordance with the article 4, par. 2 of Law 3556/2007)

Hereby, it is confirmed that to the best of our knowledge, the annual company and consolidated financial statements of CORINTH PIPEWORKS SA, for year end 2010 (1/1/2010 – 31/12/2010), have been prepared in accordance with the International Financial Reporting Standards and provide a true and fair view of the assets, the liabilities, the own capital and the financial results of the company and the entities included in the consolidated financial statements, taken as a whole.

Furthermore, it is confirmed that to the best of our knowledge, the full year Board of Directors' report presents in a true way the progress, the performance and the net equity position of the Company as well as the companies included in the consolidation in total, with a description of the major risks and uncertainties they confront.

Moreover, the full year Board of Directors' report contains the Statement of Corporate Governance, providing informations as stipulated in the paragraph 3d article 43a of Codified Law 2190/1920.

Athens, March 28, 2011

The Chairman of BoD

Vice Chairman of BoD

A member of the BoD

Konstantinos Bakouris

Meletios Fikioris

Ioannis Stavropoulos

Id.C. No : AB 649471

Id.C. No : M 326615

Id C. No: K 221209

B. BOARD OF DIRECTORS REPORT of the Company “CORINTH PIPEWORKS S.A.” on the consolidated and the Company Financial Statements for the period 1/1/2010-31/12/2010

Dear Shareholders,

Pursuant to the provisions of Law 3556/2007, of Law 2190/1920, the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission and the provisions of Law 3873/2010 we submit the Annual Consolidated Board of Directors Report of the company “CORINTH PIPEWORKS S.A.” for the Consolidated and the Company Financial Statements of FY 2010.

1) Group Financial performance

2010 was an extremely difficult year in which CORINTH PIPEWORKS had to deal with the consequences of the financial crisis, burdening the world economy, till 2009. The notable reduction of capital expenditure in the world energy markets, the prevailing protectionism (which partly is still present) in world trade, combined with the funding difficulties of major investments, led the company to an aggressive pricing policy in order to win some of the few projects, finally awarded. On the other hand, the company managed to penetrate new markets while at the same time concluded agreements, with some new customers of huge gravity in the world energy industry (ARAMCO, OMV, etc.). Furthermore, in 2010 CORINTH PIPEWORKS successfully managed the conditions of low utilization rates, increasing the flexibility of its production basis. Finally, applying an effective management of its working capital, the company reduced its net debt and accordingly its financial expenses at the lowest level of the last decade. More specifically:

Sales: Consolidated turnover amounted to EUR 155 million (2009: EUR 285,2 million), marking a 46% decrease. Sales of energy sector amounted to EUR 135,4 million (2009: EUR 265,9 million) or 49% lower, due to the decreasing capex in energy infrastructure. On the other hand and despite the weakness of the european construction sector sales of structurals amounted to EUR 19,6 million, that is 1,6% higher than 2009 (EUR 19,3 million), mainly being the result of higher prices.

Gross Profit: Consolidated gross profit decreased by 61,1% approximately versus the previous year and stood at EUR 32,8 million (2009: EUR 84,4 million). This is the result of lower sales volume (approximately 18%) and of the squeezed profit margins for the reason mentioned above. Despite the intensified efforts to further improve the production operations, above reasons resulted in gross margin of 21,1% versus 29,6 % in FY 2009.

Administrative Expenses: They increased 9,6% (EUR 6,6 million versus EUR 6,2 million in FY 2009), which is mainly attributed to the higher legal expenses, related to the collection of overdue receivables. Excluding said expenses, consolidated administrative expenses decreased 9,7% versus FY 2009.

Selling Expenses: They amounted to EUR 19,64 million, marking a 56,4% decrease versus 2009. That is the result of lower direct selling costs (freight, fees to third parties etc.) due to lower sales and the one-off costs during 2009 (pipe processing, import duties, foreign exchange differences etc.). It is noted that in 2010 selling expenses were burdened by trade receivables write down, amounting to EUR 9,5 million.

Financial Expenses (net): Further decrease of net debt at the lowest level of last decade resulted in reduced net financial expenses, 46,8% versus FY 2009, standing at EUR 2 million.

There were no notable changes in the financial performance of Russian ZAO TMK-CPW, 49 % of which is controlled by HUMBEL Ltd.. Despite the weak first half (-34,7% versus 1H 2009), the JV managed to take advantage of the gradual rebound of the vast Russian energy market and generated earnings after tax of EUR 3,1 million, almost same as of 31/12/2009.

Profit before tax amounted to EUR 2,9 million (EUR 28,1 million in FY 2009), that is a 90% decrease. However the after tax result was a loss of EUR 1,6 million versus profit of EUR 20,2 million in FY2009. It is worth being noted that in 2010 the Company and Group were burdened with an amount of EUR 2,6 million (EUR 0,54 million in 2009) related to the “extraordinary contribution of Social Responsibility”, according to L 3845/2010.

Furthermore, the efficient working capital management and the reduced capital expenditures, resulted in further decrease of net debt, which as of 31/12/2010 amounted to EUR 5,2 million (31/12/2009: EUR 39,1 million). Own Equity stood at EUR 148,5 million, while the gearing ratio was further reduced to 3%.

Finally, it is noted that the company wrote down 50% of overdue receivables amounting to EUR 18,6 million. A set of legal and non-legal actions have been taken, both in Greece and abroad, in order to secure the faster collection of the due amount. Based on all information available to the company, management considers that any potential loss will not exceed the impaired amount of EUR 9,5 million.

The following table illustrates the evolution of the key financial ratios:

| | 31/12/2010 | 31/12/2009 |
|---------------------------------|-------------------|-------------------|
| General Liquidity | 1,32 | 1,58 |
| Own Capital/Total Assets | 59% | 57,3% |
| EBITDA/Sales | 9,2% | 14,4% |
| Earnings per share | -0,0125 | 0,163 |

2. Risks and uncertainties

Due to the nature of its activities, the Group is exposed to a series of risks: financial and business ones. As far as it concerns the financial risks (a detailed analysis can be found in notes section), the most important of which are the foreign exchange risk, the interest rate risk, the credit and liquidity risk, as well as the capital risk, several guidelines have been issued, based on which, the Financial Dept manages them. More specifically:

i) Foreign exchange risk

The Group operates internationally (94% of the sales are to abroad, while all raw materials are imported) and is exposed to foreign exchange risk arising from various currencies, but mainly from the US dollar. The Group follows a full hedging policy, either with natural hedging (purchase of resources priced in the sale currency) or with FX forwards or with both.

(ii) Interest rate risk

The Group has borrowings both with fixed and variable interest rates. The Group's respective policy in the last years, dictates that a considerable part (40% - 50%) of debt not to bear interest rate risk.

iii) Credit risk

Credit risk arises from deposits, derivative financial instruments (banks and financial institutions credit risk), as well as credit, granted to customers. The Group is banking with some of the largest and healthiest financial institutions of the Greek market, whose credit rating is at least BB+ (Fitch).

The Group has adopted strict procedures for credit control and management of political risk, reviewing data like financial statements, payments' record, possible counter guarantees they can provide etc. A considerable part of sales is against LCs or down payments. When this is not possible, the company uses credit insurance, factoring and when required political risk insurance.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the ability of funding each project that the Group undertakes through an adequate amount of committed credit facilities. Because of the different cash flow cycle of each project, the Treasury Dept. analyzes the needs and whenever it is necessary, uses the committed credit lines with banks and other financial institutions. It is noted that on 31/12/2010 the Group had EUR 21,5 million in cash.

v) Capital risk

The said risk is related to the possibility of operations' interruption, in such a way that the Group will not be able to yield satisfactory returns to its shareholders and other stakeholders. The Group is always trying to achieve the best mix of funds, in order to minimize its cost of capital. Therefore, in the prevailing conditions of increased uncertainty, the target gearing ratio ranges from 40%.

vi) Business risks

Regarding business risks, the Group operates in the international energy markets, which makes it more vulnerable to the prevailing competition. Possible decrease on capital expenditures undertaken by major energy companies and the protectionism of local companies are likely to hinder the competitive position of CORINTH PIPEWORKS. Furthermore, the fact that many core markets, as well as the cost structure of some major competitors are dollar based, in conjunction with a potential euro appreciation, ceteris paribus, dictates a more aggressive pricing policy, that may lead to squeezed profit margins.

Sales in the energy sector are on a project basis, where both selling prices and cost of raw materials are fixed throughout the execution period. However, the market of structurals is often subject to major fluctuations of prices and materials cost.

The Group's activities in the vast Russian energy market and its neighbouring countries, through its participation in ZAO TMK-CPW, beyond the obvious advantages, expose the Group to the economic conditions shaping these countries. Given Russia's dependency on the international commodity prices and especially on energy prices, potential return to the levels of 2009 will certainly have an impact on ZAO TMK-CPW's sales turnover and profitability.

Furthermore, freight, which is a major cost item for the Group, has been extremely volatile in the last few years. Even though the Group may conclude contracts on a project basis, for a big part of its transportation requirements, in cases when this is not possible, chartering is on the spot market, that in turn may affect projects' profitability.

3. Prospects – Estimations

The business environment in which CORINTH PIPEWORKS operates has become extremely competitive. The weakness of some major markets (eg. North Africa) and the increased capacity in some others (eg. North America) led, the last two years, to increased competition and a lower profitability. Even if protectionism seems to contract, following the economic recovery in many parts of the world, international trade remains distorted and hinders the company's competitive position. Finally, the recent strengthening of Euro versus US Dollar, and the increased volatility of raw material prices and freight costs, create a complex environment in which the company is called to make use of all its know-how in order to maintain profitability in satisfactory levels.

On the other hand, the world economy seems to come out of the recession, even at low pace, which gradually leads to an increase of energy demand. In addition, the increase of oil prices, even before the unrest in the Middle East, allows the energy companies to increase their investment programs and undertake infrastructure projects in drilling and transmission of energy resources. This trend is supported by drilling natural gas from unconventional sources (eg. shale gas), as well as the development of technology related to CO2 caption and storage. The said developments are beneficial to companies, such as CORINTH PIPEWORKS, that are in possession of advanced technology, taken into consideration the strict specifications required in the production and processing of steel. Corinth Pipeworks is trying to tap this opportunity and it has done successfully so far, as proven by the portfolio of projects already undertaken for the current and the next year.

Leaving behind a particularly difficult year, the Group is called to maintain its competitive edge, having a solid financial structure, a competitive and flexible cost basis and an established position as one of the most reliable pipe manufacturers worldwide. Moreover, the successful completion of the first 26" ERW/HFI and the upgrade of the said production line to produce pipes with wall thickness up to 25 mm, further broadens the range of solutions offered to its worldwide clientele.

Finally, health and safety in the workplace, harmonious coexistence with the local society, protection of the environment and corporate responsibility in general, constitute non-negotiable targets, fully integrated in company's operations. The 25th position of CORINTH PIPEWORKS at the "Accountability Rating Greece

2009”, constituted a basis for further improvement in 2010, as proved by the 6th place in the relative assessment conducted by the Aegean University

4. Transactions with related parties (IFRS 24)

SIDENOR SA owns 78,55% of CORINTH PIPEWORKS SA shares, while the remaining 21,45% is free float. The ultimate shareholder of the Group is VIOHALCO SA. During the year 2010, the transactions of the company with the related parties were carried out with the usual market conditions and within its normal course of business.

In the following tables, are illustrated the important intra-company sales and other transactions with related parties (according to IAS 24), during the full year 2010. The related parties are members of VIOHALCO Group.:

| | | |
|----------------------------------|--------------------------|--------------------------|
| Sale of goods to | <u>31/12/2010</u> | <u>31/12/2009</u> |
| ANAMET SA | 1.339.544,16 | 664.422,96 |
| METAL AGENCIES LTD | 629.510,95 | 483.429,92 |
| METAL GLOBE | 10.523,00 | 24.708,00 |
| PROSAL TUBES SA | 30.882,70 | 5.254,56 |
| SID PAK BULGARIA | 17.585,96 | 47.878,40 |
| SID PAK ROMANIA | 0,00 | 13.694,70 |
| SIDEBALK STEEL | 48.455,60 | 0,00 |
| STOMANA INDUSTRY | 121.924,32 | 0,00 |
| TEPROMETAL SA | 1.328.110,22 | 430.176,17 |
| HELLENIC CABLES SA | 13.421,76 | 2.940,00 |
| SIDENOR SA | 222.879,35 | 54.236,16 |
| SIDMA SA | 0,00 | 57.256,85 |
| SOVEL SA | 10.521,10 | 1.800,00 |
| HALKOR SA | 17.768,28 | 438,09 |
| | | |
| Sale of services to | <u>31/12/2010</u> | <u>31/12/2009</u> |
| BELANTEL HOLDINGS LTD | 26.183,89 | 103.476,55 |
| BOZETTI LTD | 96.682,30 | 0,00 |
| STEELMET (CY) LTD | 9.000,00 | 7.000,00 |
| TEPROMETAL SA | 52.131,55 | 33.211,51 |
| DIAVIPETHIV SA | 434.540,86 | 502.582,43 |
| HELLENIC CABLES SA | 28.292,20 | 18.000,00 |
| ETEM SA | 11.971,73 | 0,00 |
| METALOURGIA KORINTH SA | 16.529,91 | 0,00 |
| SIDENOR SA | 48.452,21 | 44.147,91 |
| | | |
| Sales of Fixed assets to | <u>31/12/2010</u> | <u>31/12/2009</u> |
| DIAVIPETHIV SA | 0,00 | 8.383,94 |
| SIDENOR SA | 7.147,42 | 6.301,12 |
| | | |
| Purchase of goods from | <u>31/12/2010</u> | <u>31/12/2009</u> |
| LESCO | 80.702,25 | 24.751,45 |
| SOFIA MED | 40.576,55 | 12.066,81 |
| ELVAL SA | 670,35 | 1.154,11 |
| HELLENIC CABLES SA | 1.928,26 | 6.944,40 |
| ERLIKON | 1.958,92 | 3.175,69 |
| SIDENOR SA | 281.461,83 | 357.550,71 |
| SIDMA SA | 5.347,17 | 33.636,67 |
| HALKOR SA | 409.173,72 | 265.885,67 |
| | | |
| Purchase of services from | <u>31/12/2010</u> | <u>31/12/2009</u> |

| | | |
|---|--------------------------|--------------------------|
| METAL AGENCIES LTD | 10.773,48 | 45.719,99 |
| METAL GLOBE | 0,00 | 5.746,01 |
| NOVAL SA | 243.323,25 | 207.820,00 |
| STEELMET (CY) LTD | 109.529,93 | 355.409,67 |
| TEPROMETAL SA | 119.603,83 | 143.820,57 |
| AEIFOROS SA | 2.660,34 | 3.576,35 |
| ANTIMET SA | 1.401,39 | 2.281,19 |
| VIEXAL SA | 260.698,30 | 292.131,13 |
| DIAVIPETHIV SA | 826.217,19 | 1.027.334,14 |
| ELKEME | 66.000,00 | 66.000,00 |
| HELLENIC CABLES SA | 7.901,39 | 0,00 |
| ETIL SA | 1.700,00 | 13.284,00 |
| PRAXIS SA | 89.718,83 | 67.761,84 |
| SIDENOR SA | 137.383,54 | 96.313,85 |
| SIDMA SA | 141.973,34 | 95.225,60 |
| STILMET SA | 423.687,77 | 469.385,35 |
| Purchase of fixed assets from | <u>31/12/2010</u> | <u>31/12/2009</u> |
| TEKA SYSTEMS | 11.878,26 | 0,00 |
| DIAVIPETHIV SA | 0,00 | 10.695,63 |
| ERGOSTIL SA | 466.435,38 | 520.136,50 |
| ETIL SA | 6.970,00 | 0,00 |
| SIDENOR SA | 1.436,80 | 0,00 |
| SIDMA SA | 1.362,82 | 2.753,84 |
| Receivables from related parties | <u>31/12/2010</u> | <u>31/12/2009</u> |
| ANAMET SA | 415.708,85 | 9.805,01 |
| ANTIMET SA | 47.580,09 | 87.877,10 |
| BELANTEL HOLDINGS LTD | 0,00 | 103.476,55 |
| BOZETTI LTD | 96.682,30 | 0,00 |
| METAL AGENCIES LTD | 716.808,88 | 671.068,63 |
| NOVAL SA | 904.961,20 | 1.152.000,00 |
| SID PAK BULGARIA | 12.809,76 | 1.848,00 |
| SIDBALK STEEL | 28.787,40 | 0,00 |
| STEELMET (CY) LTD | 3.651,71 | -698,29 |
| TEPROMETAL SA | 494.299,96 | 437.312,46 |
| DIAVIPETHIV SA | 3.616.173,67 | 3.616.173,67 |
| ELVAL SA | 0,00 | 7.927,52 |
| HELLENIC CABLES SA | 34.703,18 | 3.570,01 |
| ETEM SA | 14.725,23 | 0,00 |
| METALOURGIA KORINTH SA | 138.169,32 | 28.000,00 |
| SIDENOR SA | 27.623,23 | 0,00 |
| SIDMA SA | 969.235,05 | 757.539,64 |
| HALKOR SA | 0,00 | 1.577,87 |
| Payables to related parties | <u>31/12/2010</u> | <u>31/12/2009</u> |
| ANTIMET SA | 4.384,10 | 2.660,38 |
| LESCO | 35.417,85 | 10.520,25 |
| METAL AGENCIES LTD | 57.735,41 | 45.376,69 |
| NOVAL SA | 0,00 | 1.203.660,52 |
| SOFIA MED | 20.923,70 | 0,00 |
| STEELMET (CY) LTD | 0,00 | 104.365,12 |
| TEKA SYSTEMS | 14.426,87 | 0,00 |
| TEPROMETAL AE | 109.686,85 | 69.619,85 |

| | | |
|------------------------------|--------------------------|--------------------------|
| AEIFOROS SA | 1.208,50 | 4.255,86 |
| VIEXAL SA | 5.725,04 | 11.448,61 |
| DIAVIPETHIV SA | 512.275,35 | 436.512,93 |
| ELKEME | 13.530,00 | 13.090,00 |
| HELLENIC CABLES SA | 10.059,47 | 2.867,90 |
| ERGOSTIL SA | 215,51 | 155.293,72 |
| ERLIKON SA | 1.147,96 | 1.710,52 |
| ETIL SA | 0,00 | 7.292,42 |
| PRAXIS SA | 6.307,66 | 3.568,67 |
| SIDENOR SA | 310.969,02 | 371.244,61 |
| SIDMA SA | 34.617,91 | 15.857,04 |
| SOVEL SA | 0,00 | 11.664,07 |
| STILMET SA | 31.912,63 | 239.108,35 |
| Income from dividends | <u>31/12/2010</u> | <u>31/12/2009</u> |
| VIOHALCO SA | 0,00 | 2.572,26 |

Finally, the remuneration to the members of the Board and the Management of the company, as well as the receivables and the payables from and to them, are illustrated below:

| | | |
|--|--------------------------|--------------------------|
| | <u>31/12/2010</u> | <u>31/12/2009</u> |
| Remuneration to the BoD and Management | 626.176,00 | 876.304,00 |
| Employment termination fees | 156.750,10 | 184.630,72 |
| Amounts payable to the BoD and Management | 8.667,75 | 11.353,48 |

5. Facilities and branches

The privately owned facilities of the plant are located in the industrial zone of Thisvi Viotia, on a total surface of 496.790 sq.m.

The Company has the following branches:

Warehouse and branch in Thisvi plant.

Headquarters in Athens.

Branch in the United Arab Emirates to support sales in the Persian Gulf market.

Furthermore, the Group, besides Greece, has operations in the U.S., Cyprus and Poland, through its subsidiaries, and participates at 49% in the share capital of ZAO TMK-CPW seated in Russia

6. Major events following 31/12/2010

There are no post balance sheet events that are likely to affect the financial statements of the Group and the parent company.

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

(according to article 4 of L. 3556/2007)

a) Share Capital Structure

The Company's share capital amounts to EUR 96.852.756,78 divided into 124.170.201 ordinary registered shares with a nominal value of EUR 0,78 per share. All shares are listed for trading on the Athens Exchange, in the Small and Mid Cap Categories. The company's shares are intangible, registered and with a right to vote.

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

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

b) Restrictions in the Transfer of Company Shares

The transfer of Company shares is carried out in accordance with the provisions of Law, and the Articles of Association do not stipulate any restrictions as to their transfer.

c) Significant Direct or Indirect Participations Pursuant to Law 3556/2007

The significant participations (over 5%) as of 31-12-2010 were as follows:

SIDENOR SA 78,55% of voting rights

d) Shares that offer Special Control Rights

There are no issued shares of the Company that offer special control rights.

e) Restrictions in voting rights

No voting right restrictions, arising from its shares, are stipulated by the Company's Articles of Association. The rules of the Company's Articles of Association regulating voting issues are given under Article 24 which states that:

- Every share grants the right to one vote in the General Meeting.

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

f) Agreements between Company Shareholders

To the Company's knowledge, there are no such agreements.

g) Rules of appointment and replacement of the Members of the Board of Directors and amendment of the Company's Articles of Association.

The rules provided by the Company's Articles of Association regarding, both the appointment and replacement of members of the Board of Directors, as well as the amendment of its provisions, are not differentiated from the statutory provisions of Codified Law 2190/1920.

h) Jurisdiction of the Board of Directors for the Issuance of New or the Purchase of Own Shares

- Pursuant to the provisions of Article 13, paragraph 1, sections b and c of Codified Law 2190/1920, the Company's Articles of Association stipulate that only the General Shareholder Meeting has the authority to increase the Company's share capital by issuing new shares, following a resolution taken by a majority vote of at least 2/3 of the votes represented in the meeting.
- The Board of Directors may purchase own shares within the framework of a General Meeting resolution pursuant to Article 16, paragraphs 5 to 13 of Codified Law 2190/20.
- Pursuant to the provisions Article 13, paragraph 9, of Codified Law 2190/1920 and following a relevant resolution by the General Meeting to introduce a share offering plan for company BoD members and personnel, in the form of a Stock Option Plan, the Board of Directors may issue shares for beneficiaries, increasing share capital accordingly and confirming the relevant increase. Such a stock option rights plan has not been approved by the Company's General Shareholder Meeting.

i) Significant Agreements that Become Valid, Are Amended or Terminated in the Event of Change of Control

Bond loans issued by the Company and undertaken in their entirety by banks, with a total balance of EUR 12.218.511 as of 31 December 2010, include a clause in their terms for the event of change of control, which, if enacted, gives bondholders the right to terminate the loan before maturity.

To the Company's knowledge, there are no other agreements that become effective, are amended or terminated in the event of change of Company control.

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

To the company's knowledge, there are no agreements between the Company and members of the Board of Directors or its personnel, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of term or employment due to a takeover bid.

Athens, March 28, 2011

The Chairman of the Board of Directors

Konstantinos Bakouris

C. Statement of Corporate Governance

The present statement has been drafted in accordance with the provisions of Law 3873/2010

In particular, in regard to the provisions of article 2 of Law 3873/2010, we note the following:

1. Code of Corporate Governance

The Company implements Corporate Governance practices in the management and its operations, as they have been defined under the current legislative framework, as well as in the Code of Corporate Governance recently published by SEV (Hellenic Federation of Enterprises) (hereinafter the “Code”), which is available at:

http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

Drafting the Board of Directors' Annual Report, the Company reviewed the Code. Based on this review, the Company concluded that, overall, it complies with the specific practices applicable to listed companies, which are cited and described in the SEV Code of Corporate Governance, with the exception of the following practices, which - due to the very recent publication of the Code – are carefully examined, assessing the possibility for further compliance.

- Section A. II. 2.1 Board of Directors consists of 6 members
- Section A.III.3.3 - Role and mandatory capacities of the Chairperson of the BoD. The Deputy Chairperson of the current Board of Directors does not have the capacity of independent non-executive member, despite the fact that the Chairperson is an executive member.
- Section A.V.5.5. - Screening prospective candidates for membership of the Board of Directors. No committee for screening prospective candidates had been set up until the drafting of the present Statement.
- Section A.VII.7.1.-7.3. – Evaluation of the Board of Directors and its Committees. The Company had not applied the collective procedure for evaluating the effectiveness of the Board of Directors and its Committees until the drafting of the present Statement.
- Section C.I.1.6. Amount and structure of remuneration. No remuneration committee had been set up until the drafting of the present Statement.

The Company does not implement corporate governance practices beyond the specific practices of the SEV Code of Corporate Governance and the provisions of relevant legislation.

2. The main characteristics of the Internal Audit and Risk Management Systems in relation to the Procedure followed in Drafting the Financial Statements and financial reports.

i) Description of the main characteristics and information included in the Internal Audit and Risk Management Systems, in relation to the procedure followed in drafting financial statements

The Company's Internal Audit System contains audit procedures of Company's operations, its compliance with the requirements of supervisory authorities, risk management and financial reporting.

Internal Audit Department verifies the proper implementation of every procedure and internal audit system, regardless if it is accounting related or not and assess the Company through reviews of its operations, acting as a company unit reporting to the Management.

The Internal Audit System aims at, among others, ensuring the comprehensiveness and reliability of the data and information required for the evaluation of the Company's financial situation, in an accurate and timely manner, as well as the production of reliable financial statements.

In regard to the procedure followed in drafting the financial statements, the Company states that the financial reporting system of 'CORINTH PIPEWORKS PIPE INDUSTRY AND REAL ESTATE S.A.' makes use of an accounting system that is adequate for the purposes of reporting, both to Management as well as to external users. Financial statements, as well as other analysis reports addressed to management on a quarterly basis, are drawn up at company and consolidated level in accordance with International Financial Reporting Standards, as they have been adopted by the European Union, for the purposes of reporting to management as well as of publication, in accordance with effective regulations and on a quarterly basis. Both administrative reporting, as well as financial reporting intended for publication, include all required information foreseen under an up-to-date internal audit system, which encompasses breakdowns of sales, costs/expenses, operating profits, as well as other data and indexes. All reports to management include the data of the current fiscal period, which are cross-checked against respective entries in the budget approved by the Board of Directors, as well as against data of the corresponding period of the financial year preceding the year of the report.

All published interim and annual financial statements include all the necessary amounts and disclosures relating to the financial statements, in accordance with International Financial Reporting Standards, as they have been adopted by the European Union. They are reviewed by the Audit Committee and approved in their entirety by the Board of Directors, respectively.

Safety procedures are in place regarding: (a) identification and evaluation of risks in relation to the reliability of financial statements; (b) administrative planning and follow-up in relation to financial data, (c) prevention and detection of fraud; (d) tasks/duties of executives; (e) the procedure followed for closing a fiscal year, including consolidation (such as recorded procedures, access authorisations, approvals, consistencies etc.) and (f) safeguarding the data in computerised systems.

The preparation of internal memos to Management and of reports, required under Codified Law 2190/1920 and supervisory authorities, is performed by the Financial Department, which is staffed with competent and experienced personnel entrusted with this task. Management ensures that these employees are properly informed of any changes in accounting and tax issues that may affect the Company and the Group.

The Company has established separate procedures for the collection of necessary audit evidence from its subsidiaries. Moreover, it ensures consistency throughout all its transactions and the application of the same accounting principles by the above companies.

ii) Annual evaluation of corporate strategy, primary business risks and Internal Audit Systems

The Company's Board of Directors declares that it has examined the main business risks on which the Company is exposed, as well as its Internal Audit Systems. The Board of Directors re-evaluates the corporate strategy, primary business risks and Internal Audit Systems on an annual basis, including the scope of activities as well as the efficiency of Internal Audit Department

iii) Provision of non-auditing services to the Company by its lawful auditors and assessment of the impact this may exert on the objectivity and effectiveness of the mandatory audit, examined in conjunction with the provisions of Law 3693/2008

The Company's lawful auditors for financial year 2010, 'PricewaterhouseCoopers Audit S.A. Company', which was elected by the Ordinary General Shareholders' Meeting of the Company held on 15 June 2010, do not provide and have not provided non-audit services to the Company and its subsidiaries, further to the stipulations of applicable legislation.

3. Public Acquisition Offers - Information

- There are neither binding acquisition offers and/or regulations calling for mandatory transfer and mandatory purchase of shares of the Company, nor provisions in the Articles of Association in regard to acquisitions.
- There have been no public offers by third parties for the acquisition of the share capital of the Company during the preceding and current financial year.

- In the event that the Company participates in such a procedure, it will be executed in compliance with the relevant legislation.

4. General Shareholders' Meeting and rights of shareholders

The General Meeting is convened and operates in accordance with the provisions of the Articles of Association and the relevant provisions of Codified Law 2190/1920, as amended and currently in force. The Company complies with its reporting obligations, abiding by the provisions of Law 3884/2010 and, in general, takes all necessary measures in view of ensuring the timely and comprehensive briefing of shareholders regarding the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and posting them on the Company's website. The text of these invitations includes a detailed description of shareholders' rights and the manner of the exercise thereof.

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

Duties and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and business goals of the Company and, in general, has control and decision-making powers in the framework of the provisions of Codified Law 2190/1920 and of the Articles of Association as well as compliance with the principles of corporate governance.

The Board of Directors meets as frequently as it is required in order to perform effectively its duties.

The duties and responsibilities of the Board of Directors are summarized below:

- Supervision and monitoring of the Company's operations, as well as control of company goals and long-term plans achievement;
- Formulating and defining the primary principles and targets of the Company;
- Ensuring streamlining of the adopted strategy with the Company goals;
- The Board of Directors ensures that there are no cases of conflict of interest and examines any cases of non-compliance with the Company's confidentiality policy.
- Ensuring the credibility and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Ensuring the proper day-to-day operations of the Company, through a system of special authorisations, while execution of its other duties is implemented through special decisions.
- The Secretary of the Board of Directors has the main responsibility of supporting the Chairman and the overall operation of the body.

The current Board of Directors of the Company consists of 6 members (6-member Board), of which:

- 2 are executive members (Chairperson & Member)
- 2 are non-executive members (Vice Chairperson and other Members)
- 2 are independent, non-executive members (Remaining members)

The current Board of Directors of 'CORINTH PIPEWORKS PIPE INDUSTRY AND REAL ESTATE S.A.', has the following members:

- Konstantinos Bakouris, Chairman, Executive Member
- Meletis Fikioris, Vice-Chairman, Non-Executive Member

- Ioanis Stavropoulos Executive Member
- Adamandios Vassilakis, Non-Executive Member
- Nikolaos Galetas, Independent, Non-Executive Member
- Andreas Kyriazis, Independent, Non-Executive Member

Board members are elected for an one-year term by the General Shareholders' Meeting. The current Board of Directors of the Company was elected by the Ordinary General Shareholders' Meeting of 15 June 2010, and its tenure expires within first half of 2011.

The Board of Directors met fifty (50) times within 2010, and its sessions (except one) were attended by all its members in person.

Resumes of the members of the Board of Directors are provided below

• Costas Bakouris, Chairman of the Board of Directors

Mr. Costas Bakouris is Chairman of the Board of Corinth Pipeworks since 2005, and member of Board of Directors of ELVAL and HALCOR. He started his career at ESSO PAPPAS. Two years later, he became Financial Director at UNION CARBIDE in Athens and six years later General Manager of the company. In 1985 he became Europe Vice President of the company's consumables, while in 1986 he was elected President of RALSTON PURINA, Europe.

In 1998, he came back to Greece as Managing Director of the Organization Committee for the "Athens 2004" Olympic Games. From 2001 to 2002 he was Chairman to the Board of the Hellenic Center for Investments. From 2004 until 2008 he served as chairman of the Board of Directors of NET MED NV, parent company of cable television provider NOVA.

He is chairman of the Transparency International – Greece and chairman of the board of the Greek – Russian Business Council. He holds an MBA degree from De PAUL University in Chicago, Illinois.

• Meletis Fikioris, Vice Chairman, Non Executive Member

Mr. Meletis Fikioris is Corinth Pipeworks' Vice Chairman, since January 2005. He is a member of the Athens Bar Association (1973) and legal advisor in a number of companies, participating in their board of directors.

• Adamantios Vasilakis, Non Executive Member

Mr Adamantios Vailakis is a graduate of Political and Diplomatic Studies of the Brussels Free University, as well as of the Chios Commercial School. He speaks English and French. In his long career in the diplomatic corps he served in many countries (among which Yugoslavia, former USSR and the US, as well at high ranking positions in the Ministry of Foreign Affairs. In 2002, he assumes as Permanent Representative of Greece at United Nations, while in the same year is appointed chief negotiator in the talks for "FYROM name issue". In 2005-2006, he represents Greece, to the UN Security Council, in New York. In the framework of the Security Council, he participated in missions to Central Africa (Congo, Burundi, Rwanda, Uganda, Tanzania), Sudan and Afghanistan. He was also President of Security Council' sanction committees to Ivory Coat and Sudan, as well as to Special Committee for sanctions implementation of the same UN Body. In 2007, he was appointed National Representative of Greece in the negotiations, under UN' s auspices to find a permanent name for FYROM. He has received the Big Cross of Phoenix Decree.

• Ioannis Stavropoulos, Executive Member

Mr. Ioannis Stavropoulos is a graduate of Piraeus University and he has held various executive positions within Viohalco Group of Companies since 1972. He assumed the position of Financial Director in Vitruvit SA (1978) and the position of General Manager in Hellenic Cables of Messologi SA (1989), KEM SA (1998) and in SIDENOR SA(1999). He is an Executive Director of the Hellenic Cables SA and a member of the board of directors of many companies of Viohalco Group.

• **Nikolaos Galetas, Non executive and Independent Member**

Mr. Nikolaos Galetas is an independent member of the BoD of Corinth Pipeworks. He is a graduate of the School of Theology at the Athens University, has also studied at the Technische Hochschule Wien and is a licensed engineer from the School of Electrical Engineering at the National Technical University of Athens (NTUA). During his lifelong career Mr. Galetas has assumed several managerial positions in ETBA (Hellenic Bank of Industrial Development) in EPA (Planning & Development Company) in ETEBA (National Bank of Industrial Development) where he also served as Managing Director. Mr. Galetas also served as member of the Board of Directors in several companies and organizations including EFG EUROBANK PROPERTIES SA, ERT SA - Hellenic Broadcasting Corporation – (vice chairman) as well as several of ETEBA's subsidiaries where he served as chairman of the Board during his long career with the Group ETEBA. Moreover, during the period 1990-92, he offered consulting services to the Ministers of Internal Affairs, Agriculture and Coordination.

• **Andreas Kiriazis, Non executive and Independent Member**

Mr. Andreas Kyriazis has served on our Board since 2005. Mr. Kyriazis is a graduate of the Chemistry, Physics & Mathematics Faculty of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Athens Chamber of Commerce and Industry, the Hellenic Productivity Centre, the Greek Society for Business Administration, and the Wood Processing Association and; as Vice-Chairman of the Association of European Chambers of Commerce and Industry; and as General Secretary of the Association of Greek Chemists.

Audit Committee

i) Description of the composition, operation, duties, responsibilities and description of topics discussed at Committee's meetings

The Audit Committee, which is elected and operates in accordance with the Law 3693/2008 (no. 37), consists of three non-executive members of the Board of Directors, of which one is independent and has the primary duty, in the framework of the obligations described in the above Law, of providing support to the Company's Board of Directors in regard to the fulfilment of the latter's mandate pertaining to ensuring the effectiveness of accounting and financial systems, audit mechanisms, management systems for business risks, ensuring compliance with the legislative and regulatory framework and the effective application of the principles of Corporate Governance.

Specifically, the Audit Committee is entrusted with the following responsibilities:

- Assess the effectiveness of all levels of the Management hierarchy, in relation to the latter's safeguarding of the resources under their management and their compliance with the established policy and procedures of the Company;
- Evaluate procedures and amounts for their adequacy, in regard to the achievement of goals, as well as appraise the policy and programme cited in the activity undergoing evaluation
- Periodically audit the various operations of the different divisions or departments, in such a manner to ensure that their diverse activities are conducted smoothly, comply with Management instructions, Company policy and procedures, and that they are aligned with Company objectives and Management best practices.
- Examine internal audit reports and, in particular:
- Assess their adequacy, in regard to the extent of information therein provided
- Verify the accuracy of the reports
- Examine the adequacy of audit evidence in regard to the results of the audit

The Audit Committee receives the following reports pertaining to audit procedures

- Extraordinary
- Quarterly financial audit reports
- Annual regular audit reports
- Corporate Governance reports

The Audit Committee examines and ensures the independence of External Auditors of the Company; it is notified of their findings as well as of the findings of the Audit Reports on the annual or interim Financial Statements of the Company. At the same time, it recommends corrective actions and measures, in view of addressing any findings or flaws in the Financial Reporting or other significant operations of the Company.

In accordance with its Internal Regulation, the Audit Committee consists of two independent, non-executive members of the Board of Directors and one non-executive member, who have the necessary knowledge and experience to fulfill Committee's tasks.

The current composition of the Audit Committee is the following:

Members: Meletios Fikioris – Vice-Chairperson, Non-Executive Board Member.

Nikolaos Galetas - Independent, Non-Executive Board Member.

Andreas Kyriazis - Independent, Non-Executive Board Member.

ii) Number of meetings of the Committee and frequency of attendance of each member at meetings

The Audit Committee convened four (4) times within 2010, achieving full quorum, but was not attended by the regular auditors as stipulated in the Code.

iii) Assessment of the Committee's effectiveness and performance

Till the date of drafting the present Statement, no specific procedures had been established for assessing the effectiveness of the Audit Committee of the Board of Directors. The Management of the Company will establish such procedures in the future.

D. Annual Financial Statements Group and Company

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Statement of financial position

| <i>Amounts in Euros</i> | | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-------------|-----------------------------|--------------------|------------------------|--------------------|
| | Note | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| ASSETS | | | | | |
| Non-Current assets | | | | | |
| Tangible fixed assets | 6 | 123.658.813 | 134.589.522 | 123.623.619 | 134.552.757 |
| Intangible assets | 7 | 7.183 | 13.566 | 7.183 | 13.566 |
| Investments in associated companies | 9 | 12.544.520 | 10.165.308 | 1.073.950 | 1.073.950 |
| Investments in subsidiary companies | 8 | - | - | 11.345.179 | 11.345.179 |
| Deferred Tax Asset | 19 | 11.847 | 100.780 | - | - |
| Trade and other receivables | 12 | 14.291.814 | 3.976.813 | 14.291.814 | 3.976.813 |
| | | 150.514.177 | 148.845.989 | 150.341.745 | 150.962.265 |
| Current Assets | | | | | |
| Inventories | 11 | 43.475.916 | 56.071.370 | 43.475.916 | 51.919.420 |
| Trade and other receivables | 12 | 29.936.718 | 43.052.161 | 28.424.084 | 46.420.895 |
| Income tax | | 225.828 | | | |
| Derivative financial instruments | 13 | 506.951 | 788.549 | 506.951 | 788.549 |
| Financial assets at fair value through profit and loss | 14 | 7.337 | 7.337 | 7.337 | 7.337 |
| Other short-term financing assets | 36 | 5.172.176 | - | 5.172.176 | - |
| Cash & Cash equivalent | 15 | 21.515.604 | 12.409.128 | 18.403.168 | 7.126.379 |
| | | 100.840.530 | 112.328.545 | 95.989.632 | 106.262.580 |
| Total Assets | | 251.354.707 | 261.174.534 | 246.331.377 | 257.224.845 |
| EQUITY | | | | | |
| Equity attributable to shareholders of the company | | | | | |
| Share capital | 16 | 96.852.757 | 96.852.757 | 96.852.757 | 96.852.757 |
| Reserve from issuance of shares above par | 16 | 27.427.850 | 27.427.850 | 27.427.850 | 27.427.850 |
| Foreign exchange difference from consolidation of subsidiaries | 17 | -2.010.311 | -3.267.305 | - | - |
| Other reserves | 17 | 13.160.093 | 13.405.266 | 13.160.093 | 13.405.266 |
| Profits carried forward | | 13.061.416 | 15.140.099 | 7.445.385 | 10.451.751 |
| Total equity | | 148.491.805 | 149.558.667 | 144.886.085 | 148.137.624 |
| LIABILITIES | | | | | |
| Long-term liabilities | | | | | |
| Loans | 18 | 10.759.100 | 24.218.511 | 10.759.100 | 24.218.511 |
| Derivative financial instruments | 13 | 737.300 | - | 737.300 | - |
| Deferred tax liabilities | 19 | 12.085.222 | 10.669.625 | 12.475.669 | 11.788.940 |
| Liabilities for remuneration to retired personnel | 20 | 1.208.293 | 1.087.609 | 1.208.293 | 1.087.609 |
| Provisions | 21 | 1.638.288 | 4.682.941 | 1.638.288 | 5.081.279 |
| | | 26.428.203 | 40.658.686 | 26.818.650 | 42.176.339 |
| Short-term liabilities | | | | | |
| Suppliers and other liabilities | 22 | 56.693.197 | 38.874.993 | 54.883.551 | 35.004.362 |
| Income tax | | 2.679.445 | 653.085 | 2.681.034 | 586.938 |
| Loans | 18 | 15.959.411 | 27.313.911 | 15.959.411 | 27.313.911 |
| Derivative financial instruments | 13 | 944.024 | 1.017.533 | 944.024 | 1.017.533 |
| Provisions | 21 | 158.622 | 3.097.659 | 158.622 | 2.988.138 |
| | | 76.434.699 | 70.957.181 | 74.626.642 | 66.910.882 |
| Total liabilities | | 102.862.902 | 111.615.867 | 101.445.292 | 109.087.221 |
| Total equity and liabilities | | 251.354.707 | 261.174.534 | 246.331.377 | 257.224.845 |

The notes on pages 23 to 74 constitute an integral part of these financial statements.

Statement of comprehensive income

| <i>Amounts in Euros</i> | Note | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Sales | 5 | 155.019.356 | 285.171.744 | 142.674.156 | 276.368.845 |
| Cost of sales | 23 | -122.260.729 | -200.722.734 | -113.692.432 | -196.514.691 |
| Gross profit | | 32.758.627 | 84.449.010 | 28.981.724 | 79.854.154 |
| Selling expenses | 23 | -19.639.663 | -45.095.272 | -19.065.799 | -43.631.675 |
| Administrative expenses | 23 | -6.774.130 | -6.179.670 | -5.978.504 | -5.054.511 |
| Other income | 25 | 1.194.176 | 1.549.280 | 906.722 | 1.230.654 |
| Other expenses | 26 | -4.749.362 | -4.828.596 | -4.642.654 | -4.515.357 |
| Other gains / (losses) net | 27 | 140.197 | 10.523 | -9.328 | 10.523 |
| Operating profit | | 2.929.845 | 29.905.275 | 192.161 | 27.893.788 |
| Financial income | 28 | 46.134 | 78.445 | 29.899 | 52.239 |
| Financial expenses | 28 | -2.010.958 | -3.774.297 | -2.053.590 | -3.797.452 |
| Financial expenses - net | | -1.964.824 | -3.695.852 | -2.023.691 | -3.745.213 |
| Income form dividends | 35 | - | 2.572 | 2.843.144 | 1.131.572 |
| Share of profit of associates | 9 | 1.925.433 | 1.872.048 | - | - |
| Profit before tax | | 2.890.454 | 28.084.043 | 1.011.614 | 25.280.147 |
| Income tax | 29 | -4.446.549 | -7.843.293 | -3.495.392 | -7.045.654 |
| Profit/(loss) after tax | | -1.556.095 | 20.240.750 | -2.483.778 | 18.234.493 |
| Other comprehensive income: | | | | | |
| Profit / (Loss) after tax from change of fair market value of cash flow hedge | 17,29 | -767.761 | 5.436.645 | -767.761 | 5.436.645 |
| Foreign exchange difference from investment in associates | 17,29 | 1.256.994 | -821.304 | - | - |
| Other comprehensive income for the period, after income tax | | 489.233 | 4.615.341 | -767.761 | 5.436.645 |
| Total comprehensive income for the period | | -1.066.862 | 24.856.091 | -3.251.539 | 23.671.138 |
| Profit/(loss) attributable to : | | | | | |
| Owners of the parent company | | -1.556.095 | 20.240.750 | -2.483.778 | 18.234.493 |
| | | -1.556.095 | 20.240.750 | -2.483.778 | 18.234.493 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent company | | -1.066.862 | 24.856.091 | -3.251.539 | 23.671.138 |
| | | -1.066.862 | 24.856.091 | -3.251.539 | 23.671.138 |
| Profits/(losses) per share that attributable to the owners of the parent company of the company during the period (expressed in € per share) | | | | | |
| Basic and reduced | 31 | -0,0125 | 0,1630 | -0,0200 | 0,1469 |

The notes on pages 23 to 74 constitute an integral part of these financial statements.

Owner's Equity Statements

| Amounts in Euros | Note | Attributable to the owners of the parent company | | | |
|--|------|--|----------------|-------------------------------|--------------|
| | | Share Capital | Other reserves | Profit/(loss) carried forward | Total equity |
| CONSOLIDATED FIGURES | | | | | |
| Balance on January 1, 2009 | | 124.280.607 | 5.522.620 | -5.100.652 | 124.702.575 |
| Net profit of period | | - | - | 20.240.751 | 20.240.751 |
| Other comprehensive income for the period | | | | | |
| Foreign exchange difference | 17 | - | -821.304 | - | -821.304 |
| Profit after tax from change of fair market value of cash flow hedge | 17 | - | 5.436.645 | - | 5.436.645 |
| Total comprehensive income for the period after tax | | - | 4.615.341 | 20.240.751 | 24.856.092 |
| Balance on December 31, 2009 | | 124.280.607 | 10.137.961 | 15.140.099 | 149.558.667 |
| Balance on January 1, 2010 | | 124.280.607 | 10.137.961 | 15.140.099 | 149.558.667 |
| Net profit of period | | - | - | -1.556.095 | -1.556.095 |
| Other comprehensive income for the period | | | | | |
| Foreign exchange difference | 17 | - | 1.256.994 | - | 1.256.994 |
| Profit after tax from change of fair market value of cash flow hedge | 17 | - | -767.761 | - | -767.761 |
| Total of other comprehensive income | | - | 489.233 | - | 489.233 |
| Total comprehensive income for the period after tax | | - | 489.233 | -1.556.095 | -1.066.862 |
| Transaction with owners | | | | | |
| Transfer to ordinary reserve | 17 | - | 522.588 | -522.588 | - |
| Total transactions with owners | | - | 522.588 | -522.588 | - |
| Balance on December 31, 2010 | | 124.280.607 | 11.149.782 | 13.061.416 | 148.491.805 |

| Amounts in Euros | Note | Attributable to the owners of the parent company | | | |
|--|------|--|----------------|-------------------------------|--------------|
| | | Share Capital | Other reserves | Profit/(loss) carried forward | Total equity |
| COMPANY FIGURES | | | | | |
| Balance on January 1, 2009 | | 124.280.607 | 7.968.621 | -7.782.742 | 124.466.486 |
| Net profit of period | | - | - | 18.234.493 | 18.234.493 |
| Other comprehensive income for the period | | | | | |
| Profit after tax from change of fair market value of cash flow hedge | 17 | - | 5.436.645 | - | 5.436.645 |
| Total comprehensive income for the period after tax | | - | 5.436.645 | 18.234.493 | 23.671.138 |
| Balance on December 31, 2009 | | 124.280.607 | 13.405.266 | 10.451.751 | 148.137.624 |
| Balance on January 1, 2010 | | 124.280.607 | 13.405.266 | 10.451.751 | 148.137.624 |
| Net profit of period | | - | - | -2.483.778 | -2.483.778 |
| Other comprehensive income for the period | | | | | |
| Profit after tax from change of fair market value of cash flow hedge | 17 | - | -767.761 | - | -767.761 |
| Total of other comprehensive income | | - | -767.761 | - | -767.761 |
| Total comprehensive income for the period after tax | | - | -767.761 | -2.483.778 | -3.251.539 |
| Transaction with owners | | | | | |
| Transfer to ordinary reserve | 17 | - | 522.588 | -522.588 | - |
| Total transactions with owners | | - | 522.588 | -522.588 | - |
| Balance on December 31, 2010 | | 124.280.607 | 13.160.093 | 7.445.385 | 144.886.085 |

The notes on pages 23 to 74 constitute an integral part of these financial statements.

Cash Flow Statements

| <i>Amounts in Euros</i> | Notes | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-----------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 1/1 until 31/12/2010 | 1/1 until 31/12/2009 | 1/1 until 31/12/2010 | 1/1 until 31/12/2009 |
| Cash flows from operating activities | | | | | |
| Cash flows from operating activities | 32 | 37.081.997 | 17.694.504 | 36.772.279 | 16.382.428 |
| Interest paid | | -2.052.190 | -4.076.424 | -2.094.823 | -4.099.579 |
| Income tax paid | | -960.160 | -1.374.361 | -536.938 | -89.736 |
| Income tax received | | - | 736.151 | - | 735.640 |
| Net cash flows from operating activities | | 34.069.647 | 12.979.870 | 34.140.518 | 12.928.753 |
| Cash flows from investment activities | | | | | |
| Purchase of tangible fixed assets | 6 | -963.414 | -1.550.678 | -927.330 | -1.550.678 |
| Purchase of intangible assets | 7 | - | -19.151 | - | -19.151 |
| Sale of tangible assets | 32 | 25.284 | 14.225 | 4.469 | 14.225 |
| Dividends received | 9,35 | 440.020 | 473.934 | 2.843.144 | 1.131.572 |
| Sale of financial assets at fair value through profit and loss | 14 | - | 46.949 | - | 46.949 |
| Interest received | | 46.134 | 78.445 | 29.899 | 52.239 |
| Establishment of subsidiary company | 8 | - | - | - | -26.111 |
| Sale of associates | 9,27 | - | 103.350 | - | 103.350 |
| Net cash flows from investment activities | | -451.976 | -852.926 | 1.950.182 | -247.605 |
| Cash flows from financing activities | | | | | |
| Dividends paid to the shareholders of the parent company | | - | -18.755 | - | -18.755 |
| Proceeds from borrowings | | 73.790.000 | 171.410.000 | 73.790.000 | 171.410.000 |
| Repayments of borrowings | | -98.603.911 | -190.306.079 | -98.603.911 | -190.306.079 |
| Net cash flows from financing activities | | -24.813.911 | -18.914.834 | -24.813.911 | -18.914.834 |
| Net (decrease)/increase in cash and cash equivalent | | 8.803.760 | -6.787.890 | 11.276.789 | -6.233.686 |
| Cash and cash equivalent at the beginning of the period | 15 | 12.409.128 | 19.405.270 | 7.126.379 | 13.360.065 |
| Foreign exchange differences in cash and cash equivalent | | 302.716 | -208.252 | - | - |
| Cash and cash equivalent at the end of the period | 15 | 21.515.604 | 12.409.128 | 18.403.168 | 7.126.379 |

The notes on pages 23 to 74 constitute an integral part of these financial statements.

Notes on the annual financial statements

1) General information

The annual financial statements presented herein include the annual corporate financial statements of CORINTH PIPEWORKS S.A. (the "Company") and the annual consolidated financial statements of the Company and its subsidiaries (together the "Group").

The Group is primarily active in the production of high-quality medium and large-diameter steel pipes that are used in the petrochemical industry (transfer of liquid and gas fuels), in water supply industry and in construction works.

The Group is active in Greece, the United States of America, Russia, Poland and Cyprus, while the Company's shares are listed on the Athens Stock Exchange.

The Company was established and is seated in Greece, 2-4 Mesogheion Ave., Athens. The Company's web address is www.cpw.gr.

The annual financial statements have been approved by the company's Board of Directors on March 28, 2011 and are uploaded on the company's web page where they will remain for at least 5 years from publication date.

2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The annual financial statements were prepared according to the same accounting principles that were followed for the preparation and the presentation of the Company's and the Group's financial statements for 2009, except the following:

The Group and the Company during 2010, changed the following accounting principles regarding:

- a) The presentation of the effective part of the financial derivatives, used as hedging tool. Profit/Loss from above is recognized in Selling Expenses or Cost of Sales, depending on the nature of the risk being hedged. During the last year, Profit/Loss from derivatives was recognized in Other Gains/Losses net.
- b) The presentation of profit from foreign exchange differences related to receivables and liabilities. Foreign exchange differences are recognized in Selling Expenses (receivables related) and in Cost of Sales (liabilities related). During the last year, profit was recognized in Other Gains/Losses net
- c) The presentation of foreign exchange differences related to cash and cash equivalent. They are recognized as financial expenses, while in the previous year was recognized as financial income.

Foreign exchange differences related to assets, liabilities, Cash & Cash equivalent and gain/(losses) from fx forwards are reclassified, as follows:

| DESCRIPTION | GROUP | COMPANY |
|---|------------|------------|
| Reclassification from: | | |
| Other profit/(loss) reducing cost of sales (profit/(loss) from derivatives) | 948.326 | 948.326 |
| Other profit/(loss) increasing selling expenses (profit/(loss) from derivatives) | -5.191.452 | -5.191.452 |
| Other income reducing selling expenses (profit/(loss) from foreign exchange differences) | 3.531.913 | 3.531.913 |
| Other income reducing cost of sales (profit/(loss) from foreign exchange differences) | 3.856.856 | 3.856.856 |
| Finance income reducing finance expenses (profit/(loss) from foreign exchange differences) | 1.253.248 | 1.180.262 |

2.1 Framework in which the financial statements have been prepared

The financial statements have been prepared by the management according to the International Financial Reporting Standards (“IFRS”), including both the International Accounting Standards (“IAS”) and interpretations that have been issued by the International Financial Reporting Interpretations Committee, as these have been adopted by the European Union, and the IFRS that have been issued by the International Accounting Standards Board (IASB).

The information contained herein has been prepared based on the principle of historic cost as this has been amended with the estimation of financial assets and liabilities at fair market value through results as well as derivatives.

Preparation of financial statements according to the IFRS requires the use of certain important accounting estimations and the exercise of judgment on behalf of the Management during the application of accounting policies. In addition, it requires the use of calculations and assumptions that affect the aforementioned asset and liability figures, the disclosure of potential receivables and liabilities on the day the financial statements are prepared and the aforementioned income and expense figures during the said year. In spite of the fact that these calculations are based on the Management’s best possible knowledge of current conditions and actions, actual results may differ from these calculations. Areas that contain a great degree of subjectivity and are composite or the assumptions and estimations that are important for the financial statements are noted in note 4.

The financial statements have been prepared on the going concern basis. According to the existing forecasts and the available financial resources, the Management has no intention or need of short-term liquidation of assets, or any reason to believe that the Company and the Group as a whole will not be in a position to ensure the normal course of business and the service of its obligations, as there is no indication for the opposite.

2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements”

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The revised IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore, the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Group has applied the revised standards from 1 January 2010.

IFRS 2 (Amendment) “Share-based Payment”

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment does not have an impact on the Group’s financial statements.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Group has applied the revised standards from 1 January 2010.

IFRIC 12 – Service Concession Arrangements (EU endorsed for annual periods beginning on or after 30 March 2009)

This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 15 - Agreements for the construction of real estate (EU endorsed for annual periods beginning on or after 1 January 2010)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation (EU endorsed for annual periods beginning on or after 1 July 2009)

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group, as the Group does not apply hedge accounting for any investment in a foreign operation.

IFRIC 17 “Distributions of non-cash assets to owners” (EU endorsed for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This interpretation does not have an impact on the Group's financial statements.

IFRIC 18 “Transfers of assets from customers” (EU endorsed for annual periods beginning on or after 1 November 2009)

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2009 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in April 2009 of the results of the IASB's annual improvements project. The following amendments are effective for the current financial year. In addition, unless otherwise stated, the following amendments do not have a material impact on the Group's financial statements.

IFRS 2 “Share-Based payment”

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

IFRS 5 “ Non-current Assets Held for Sale and Discontinued Operations”

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

IFRS 8 “Operating Segments”

The amendment provides clarifications on the disclosure of information about segment assets.

IAS 1 “Presentation of Financial Statements”

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 7 “Statement of Cash Flows”

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

IAS 17 “Leases”

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

IAS 18 “Revenue”

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

IAS 36 “Impairment of Assets”

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

IAS 38 “Intangible Assets”

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 “Financial Instruments: Recognition and Measurement”

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

IFRIC 9 “Reassessment of Embedded Derivatives”

The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as certain requirements are satisfied.

Standards and Interpretations effective from periods beginning on or after 1 January 2011

IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

IAS 12 (Amendment) “Income Taxes” (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”. Under IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset through use or through sale. However, it is often difficult and subjective to determine the expected manner of recovery with respect to investment property measured at fair value in terms of IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The presumption cannot be rebutted for freehold land that is an investment property, because land can only be recovered through sale. This amendment has not yet been endorsed by the EU.

IAS 24 (Revised) “Related Party Disclosures” (effective for annual periods beginning on or after 1 January 2011)

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 February 2010)

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group’s financial statements.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity

has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective for annual periods beginning on or after 1 July 2010)

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (effective for annual periods beginning on or after 1 January 2011)

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB’s 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB’s annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2011. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group’s financial statements. The amendments have not yet been endorsed by the EU.

IFRS 3 “Business Combinations”

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 “Financial Instruments: Disclosures”

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 “Presentation of Financial Statements”

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 “Consolidated and Separate Financial Statements”

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 “Interim Financial Reporting”

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 “Customer Loyalty Programmes”

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

2.3. Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Total income is proportionally attributed to the owners of the parent company and to other shareholders, even if the balance attributed to the later ones is in debit.

The group uses the acquisition method to treat business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

If participation rights on the acquiree already existed, they are valued at fair value on the date of acquisition and any profit or loss is recognized in the statement of comprehensive income. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Financial assets or financial liabilities resulting from arrangements of contingent exchange are valued at their fair value and changes in this value are recognized in of statement of comprehensive income. The effect on results carried forward and minority rights due to changes in holding percentages are deemed as transactions between the Group's shareholders and, consequently, are recognised directly in Equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The Company records its investments in subsidiary companies, in its corporate financial statements, at cost less devaluation.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in associates are recognised in individual financial statements (cost less impairment)

In case the percentage of participation in associates is reduced as a result of non participation in increase of share capital, gains or losses arising are recognised in equity.

2.4. Segment reporting

The operating segments are presented in such a way that they concur with the internal financial reports to the chief operating decision maker (General Manager), who takes all the operating decisions and is responsible in assessing the performance of the segments and allocating resources between them.

2.5. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalent are presented in the income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the income statement as shown in note 30.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and
- iii. all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6. Property, plant and equipment

All property, plant and equipment is shown at historical cost less subsequent depreciation less subsequent impairment, except for land, which is shown at historical cost less subsequent impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the

cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement as incurred

Land is not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as shown on the table below for the main classes of assets:

- Buildings 20-33 Years
- Machinery – technical installations and other mechanical equipment 8-16 Years
- Transportation equipment 7 – 10 Years
- Furniture and other equipment 4 - 5 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement within 'Other income / (expenses) – net'.

2.7. Intangible assets

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be successful, considering its commercial and technological feasibility, also the costs can be measured reliably. Other development expenditures, that do not satisfy the standards above, are recognised as an expense in the income statement as incurred. Development costs that have already been recognised as an expense will not be recognised as intangible assets in a future period. Development costs that have been capitalised, are registered as intangible assets and are amortised from the commencement of their production on a straight line basis over the period of its useful life, not exceeding 5 years

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life (for example Surplus value) are not subject to amortisation and, instead, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9. Financial Assets

2.9.1. Classification

The Group classifies its investments in the following categories depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading a financial asset is classified in this category if acquired principally for the purpose of selling 12 months of the balance sheet date. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Borrowings and receivables

Borrowings and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's and Company's loans and receivables comprise "trade and other receivables" (note 2.12) and "cash and cash equivalents" (2.13) in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. At the balance sheet date the Group had no investments on this category.

2.9.2. Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership

Loans and receivables are carried at amortised cost using the effective interest method.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "other (losses)/gains - net" in the period in which they arise. Dividend income from financial is recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Impairment testing of trade receivables is described in note 2.12.

2.10. Derivative financial instruments and hedging activities

The Group utilizes financial and commodity derivatives to mitigate the impact of future price volatility. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group utilizes financial derivatives for the hedge of a particular risk associated with a recognised asset or a liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for helping purposes are disclosed in note 13. Movements on the hedging reserve in shareholders' equity are shown in note 17. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading receivables are classified as a current asset or liability

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss related to the ineffective portion is recognised immediately in the income statement within "other gains/(losses) - net".

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit. The gain or losses related to the effective portion of currency forward hedge are recognised in the income statement within the category where they belong (cost of sales, selling expenses). The gain or loss related to the interest rate swaps hedging variable rate borrowings is recognised in the income statement within "finance costs".

When a future transaction that is hedged, results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously recorded in equity are transferred from equity and are included in the initial valuation of the asset cost. The said amounts are finally recognised in cost of good sold, in case of inventory or in depreciation, in case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss included in equity at that time remains in equity and is recognised when the future transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that initially was reported in equity, is immediately transferred to the income statement within "other gains/(losses) - net".

Sales or purchases that are hedging undelyings are recorded at the prevailing foreign exchange rate, the date of transaction.

Periodically the Company conducts effectiveness tests, in order to scrutinize the effectiveness of the applied hedging policies and to take corrective measures, when needed.

2.11. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined with the weighted average cost method. The cost of finished products and semi-finished stocks includes the cost of materials, the direct labour cost and a proportion of the general production expenses. Financial expenses are not included in the acquisition cost of stocks. The net liquid value is estimated based on the stock's current sales price within the framework of ordinary business activities less any possible selling expenses, wherever such a case occurs.

Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of raw materials.

Deletions and devaluation losses are recognised in the results of the fiscal year in which they arise.

2.12. Trade receivables

Receivables from clients are initially recognised at their fair value and are subsequently estimated at their unamortized cost based on the true interest rate method, less any impairment loss. Impairment losses are recognised when there is an objective indication that the Group is not in a position to collect all the amounts that are due pursuant to contractual terms. The objective indication that receivables have been impaired includes information coming to the attention of the Group concerning the following events: Considerable financial distress of the customer, possibility to start bankruptcy procedures or any other financial restructuring of the customer as well as unfavourable changes in the payment of due amounts. The amount of provision is equal to the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted based on the actual interest rate. The amount of the provision is recorded as an expense in the Income Statement. Furthermore, in case that part of receivables being written off, finally are collected, the said amount is credited to the financial results.

2.13. Cash and cash equivalents

In cash flow statements, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.14. Share capital

Share capital includes the ordinary shares of the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.15. Trade payables

Trade payables are the Company's and Group liabilities, originated from purchases of goods and services in the course of their activity.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

These liabilities are recognised in the short-term liabilities if they are payable within one year. If not, then they are recognised in the long-term liabilities.

2.16. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except the part directly recognised in equity. In this case, the tax is recognised in equity.

The current income tax charge is calculated on the basis of the applicable tax laws and tax rates in the countries where Group operates and is recognised the period when taxable income is generated. Management periodically

evaluates assumptions made on tax legislation and forms provisions against amounts expected to be paid to the tax authorities

Deferred income tax is calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is calculated using tax rates (and laws) applicable at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising from investments in subsidiaries and associates, except those cases that reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

2.18. Employee benefits

(a) Short-term benefits

Short-term benefits to employees in the form of cash or in kind are recorded as an expense when they accrue.

(b) Benefits following withdrawal from service

Group companies operate various pension schemes that are generally funded through payments to funds. These payments are determined by Greek legislation and fund regulations. Typically defined benefit plans define the amount of pension that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation. Benefits payable to all employees are considered as defined benefit pension plans.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term state bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial profits and losses that arise from adjustments on the basis of historic data and are above or below the margin of 10% of the accumulated liability are recorded in the results within the expected average insurance term of the scheme's participants

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in services. In this case, the past-service costs are recognised in the income on a straight-line basis over the vesting period.

2.19. Subsidies

State subsidies are recognised at their fair market value when it is certain that the subsidy will be received and that the Group will comply with all stipulated terms.

State subsidies that concern expenses are deferred and are recognised in the results so that these will match the expenses that they will cover.

State subsidies relating to the purchase of tangible fixed assets are recorded in long-term liability accounts as deferred state subsidies and are transferred as income into the annual income statement based on the fixed method over the expected service life of these assets.

2.20. Provisions

Provisions for contractual obligations, restructuring costs and legal claims are recognised when:

- i. The Group has a current legal or inferable commitment as a result of past events
- ii. It is likely that a cash outflow will be required to settle the commitment
- iii. The amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised against future operating losses. Where there is a number of similar commitments, the possibility that a cash outflow will be required for settlement is assessed by examining the class of commitments, as a whole. A provision is recognised even if the possibility of an outflow for any item included in the same class of commitments may be small.

Provisions are calculated as the present value of the costs that, based on the management's best possible estimation, are required to cover the present liability on the balance sheet date (note 4.1).

2.21. Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Sales within the Group are fully eliminated. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. All risks have been undertaken by the buyer and the future profits that arise from the transactions are certain. Revenue is recognised as follows:

(a) Sale of goods

Sales of goods are recognised when the goods are accepted by customers and when collection of the claim is reasonably guaranteed. In the case in which cash refunds regarding sales of goods is guaranteed, refunds are accounted for on each balance sheet date as a reduction to income, based on statistical data.

(b) Sale of services

Income from the provision of services is accounted for in the period in which the services are rendered, based on their stage of completion in relation to all the services that shall be rendered.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument. Interest income on impaired loans is recognised using the original effective interest rate.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.22. Leases

Leases of fixed assets, where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance. The corresponding rental obligations, net of finance charges, are included in the liabilities. During the lease period, the financial expenses related to the financial lease is recognised in the year's income statement. The fixed assets acquired under finance leases is depreciated over the longer of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.23. Elements of non current assets (or groups of elements for trade) for trade

The elements of non current assets (or groups of elements for trade) for trade are classified as assets intended to be traded when their book value is expected to be recovered through trade and when this transaction is likely to be realised. These elements are presented at the lowest value between book value and fair value less any cost of sales (if the book value is expected to be recovered through a sales and not its continuous use)

2.24. Offset of financial assets and liabilities

Financial assets and liabilities are offset, while the net amount is shown in the balance sheet if there is a legal right to offset, as well as the intention to be settled on net basis, or simultaneously to recognize the asset and settle the liability.

2.25. Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in which the dividends are approved by the company's shareholders.

2.26. Comparative figures and roundings

Some of comparative amounts of previous fiscal year have been reclassified for reasons of comparability with the amounts of the current year.

Any differences between figures of the financial statements and the corresponding amounts and calculations in the notes are due to roundings.

3) Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management policy focuses on the unpredictability of commodity and financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group uses derivative financial instruments like forwards and swaps in order to hedge certain risk exposures.

Risk management is carried out by the Group's central finance department, which operates with specific rules that have been approved by the Board of Directors. The Board of Directors provides instructions and guidelines on the general management of risks, as well as specific instructions on the management of specific risks, such as foreign exchange risk, interest rate risk, price risk, liquidity risk and credit risk.

a) Market risk

(i) Foreign exchange risk

The Group operates internationally (more than 90% of the sales are abroad, while all raw and indirect materials are imported) and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. The Group follows a full hedging policy, either with natural hedging (purchase of resources based on the sale currency) or with FX forwards or with both.

The Group has certain investment in foreign companies. The net assets of these companies (mainly associate company residing in Russia) are exposed to foreign currency translation risk

At 31/12/10, if the Euro had strengthened by 10% (2009 9%) against the Russian Ruble, with all other variables held constant, the Group's equity before tax would have been reduced by € 2.519.000 (2009: € 2.193.000). If the Euro had weakened by 10% (2009 9 %) the Group's equity before tax would have been increased by € 3.079.000 (2009: € 2.692.000).

At 31/12/10, if the USD had strengthened / weakened by 10% (2009:10%) against the Euro, with all other variables held constant, the Company's and Group's loss after tax would have been reduced/increased by € 168.841 (2009: profits after tax of the Company and Group would have been increased by € 3.030.015) and € 137.734 (2009: profits after tax of the Company and Group would have been reduced by € 2.479.103) correspondingly.

The Group's and Company's exposure to the foreign exchange risk varies during the year depending on to the geographical allocation (and relative currency) of the sales and purchases of raw materials (mainly Hot Rolled Coils).

(ii) Interest rate risk

As the Group has no significant interest-bearing assets, besides cash and cash equivalents, the Group's income and operating cash flows are not materially exposed to changes in interest rates.

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Although, the last years Company's policy was to maintain higher than 50% of its borrowings in fixed rate instruments, the current environment of low interest rates has altered that percentage to 40%. During 2010 and 2009, the Group's borrowings at variable rate, were denominated in euro.

The cash flow risk arising from fluctuations of interest rates, related to loans with floating rates, is partially hedged with the use of interest rate swaps. The financial benefit is related to the conversion of the floating rate loans to fixed rate ones. The Group's borrows at floating rate which then can be converted into fixed rate by using swaps, whenever the interest rate curve is favourable to the Group.

As of 31/12/10, if interest rates had been 1%(-1%) higher / lower, with all other variables held constant, the Group's and Company's loss after tax would have been increased / reduced by € 247.817 (2009: Group's and Company's profits after tax would have been reduced / increased by € 239.149), mainly because of the increased / decreased financial cost of loans with variable interest rate. The Group's and Company's Equity would have been correspondingly affected.

(iii) Price risk

A large portion of sales (approximately 90%) is on project basis, where selling prices are fixed throughout the whole project period. Furthermore, according to the policy decided by the Board of Directors, prices of raw and auxiliary materials have to be fixed during the project period, in order to avoid exposure to risks from price volatility. For the rest of the sales (hollow sections), product and raw materials' prices are subject to changes according to the international steel prices, which can lead to impairments of inventories, as it happened in 2008 and 2009. In the end of 2008, trading of future contracts on HRC started in the US, with small trade volumes and few participants. The company regularly follows the said market and its correlation with the underlying asset and if liquidity increases, it can be a useful hedging tool. Both in 2010 and 2009, the Group and the Company did not have any transactions in HRC futures,

b) Credit risk

Credit risk is managed by the Group's Financial Department. Credit risk arises from deposits, derivative financial instruments (banks and financial institutions credit risk), as well as credit exposures to customers. The Group collaborates with some of the biggest and healthiest banks and financial institutions of the Greek market whose credit rating is at least BB+ (Fitch).

The Group has adopted and applies strict procedures for the control of credit and political risk of its clients, investigating data like financial status, payments' background, possible counter guarantees etc. A large part of

its sales take place against LCs, or downpayments. In other cases, the company uses credit insurance, factoring and when required political risk insurance.

At year's end, overdue trade receivables that have not been impaired are mentioned in note 12.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the ability of funding each project that the Group undertakes through an adequate amount of committed credit facilities. Because of the different cash flow cycle of each project, Risk Management analyzes the facts and whenever it is needed makes use of credit lines with banks and other financial institutions. Especially under the current credit conditions, the Group focus its efforts on reducing its working capital needs and if it is needed, it will issue debenture bonds, in order to secure a longer tenor for its borrowings.

According to the estimations and of the Management, the current negative conditions in the international financial markets will have no significant impact on the financial statements of the Company and Group.

The table below illustrates the Company's and Group's non discounted financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period between the balance sheet date and the maturity date. Balances due within 12 months equal their book value as the impact of discounting is insignificant.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2010

| CONSOLIDATED FIGURES | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years |
|---------------------------------|------------------|-----------------------|-----------------------|
| Borrowings | 15.959.411 | 11.076.136 | - |
| Derivatives | 532.007 | 382.937 | - |
| Suppliers and other liabilities | 48.836.439 | - | - |

At 31 December 2009

| CONSOLIDATED FIGURES | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years |
|---------------------------------|------------------|-----------------------|-----------------------|
| Borrowings | 27.313.911 | 14.293.953 | 11.060.186 |
| Derivatives | 829.942 | - | - |
| Suppliers and other liabilities | 34.345.775 | - | - |

At 31 December 2010

| COMPANY FIGURES | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years |
|---------------------------------|------------------|-----------------------|-----------------------|
| Borrowings | 15.959.411 | 11.076.136 | - |
| Derivatives | 532.007 | 382.937 | - |
| Suppliers and other liabilities | 53.901.440 | - | - |

At 31 December 2009

| COMPANY FIGURES | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years |
|---------------------------------|------------------|-----------------------|-----------------------|
| Borrowings | 27.313.911 | 14.293.953 | 11.060.186 |
| Derivatives | 829.942 | - | - |
| Suppliers and other liabilities | 33.581.566 | - | - |

The table below illustrates the Group's derivative financial instruments which will be settled on a gross basis based on the remaining period till their maturity date. The amounts disclosed in the table are the nominal values of the said transactions.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2010

Forward F/X contracts

| Consolidated and company figures | Less than 1 year | Between 1 and 2 years |
|----------------------------------|------------------|-----------------------|
| Inflows | 18.648.310 | 12.088.142 |
| Outflows | 18.568.159 | 12.491.045 |

At 31 December 2009

Forward F/X contracts

| Consolidated and company figures | Less than 1 year |
|----------------------------------|------------------|
| Inflows | 18.028.553 |
| Outflows | 17.582.852 |

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with best practices in the industry, the Group monitors its capital through its gearing ratio. The said ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the balance sheet) less "Cash & cash equivalents" less "Available for Sale financial assets". Total capital employed is calculated as "Equity" as shown in the balance sheet plus net debt.

During 2010 the Company and Group strategy was to maintain the gearing ratio below 40%. The gearing ratios at 31 December 2010 and 2009 were as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|--------------------|--------------------|--------------------|
| | 31/12/10 | 31/12/09 | 31/12/10 | 31/12/09 |
| Total borrowings (note 18) | 26.718.511 | 51.532.422 | 26.718.511 | 51.532.422 |
| Less: Cash and cash equivalent (note 15) | -21.515.604 | -12.409.128 | -18.403.168 | -7.126.379 |
| Net Debt | 5.202.907 | 39.123.294 | 8.315.343 | 44.406.043 |
| Equity | 148.491.805 | 149.558.667 | 144.886.085 | 148.137.624 |
| Total Capital employed | 153.694.712 | 188.681.961 | 153.201.428 | 192.543.667 |
| Gearing ratio | 3% | 21% | 5% | 23% |

3.3. Fair value estimation

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

First level – Includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Second level – Includes inputs other than quoted prices included within the first level, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Third level – Includes inputs that are not based on observable market data (that is, unobservable inputs).

The table below presents the assets at fair value and sorted by level, for the Company and Group.

| <i>Amounts in Euros</i> | CONSOLIDATED AND COMPANY FIGURES | |
|---|---|-------------------|
| | LEVEL 2 | Total |
| 31/12/2010 | | |
| Derivative financial assets used for hedging | 506.951 | 506.951 |
| | 506.951 | 506.951 |
| Derivative financial liabilities used for hedging | -1.681.324 | -1.681.324 |
| | -1.681.324 | -1.681.324 |
| 31/12/2009 | | |
| Derivative financial assets used for hedging | 788.549 | 788.549 |
| | 788.549 | 788.549 |
| Derivative financial liabilities used for hedging | 1.017.533 | 1.017.533 |
| | 1.017.533 | 1.017.533 |

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date.

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

Note that all of the resulting fair value estimates are included the first and second level

4) Critical accounting estimates and judgements

The Management's valuations and judgements are re-examined on a continuous basis and are based on historical data and expectations of future events, which are deemed reasonable pursuant to that which is in force.

4.1. Critical accounting estimates and assumptions

The Group proceeds in valuations and acknowledgements regarding the development of future events. The valuations and acknowledgements that entail a significant probability that they will affect the book value of assets and liabilities in the following 12 months are the following:

- a) The Group's judgment is required in order to determine the income tax provision. There are many transactions and estimations due to which final tax calculation is uncertain. Group recognises tax liabilities,

based on accounting estimations on possible future tax burden and tax assets related to future offsets of tax losses carried forward. If the final tax is different from the initially recognised tax, the difference shall affect the income tax and the provision for deferred taxation of the period.

b) The Group forms a provision for cases that are under dispute based on evidence provided by the Group's Legal Department. Any difference between the actual final outcome differs and the amount initially recorded, will impact the profit and loss in the period in which such determination is made.

If the actual final outcome differs by 10% from management estimates, the Company's and Group's deferred tax liability will increase/decrease by € 16.000 (2009: € 32.000).

c) The Group forms provisions for contractual obligations to clients, which are estimated based on historical and statistical data that arose from the resolution of similar past cases. Any difference between the actual final outcome differs and the amount initially recorded, will impact the profit and loss in the period in which such determination is made.

If the actual final outcome differs by 10% from management estimates, the Group's provision will increase/decrease by € 164.000 (2009: € 444.000).

d) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The present value of the defined benefits is calculated based on the appropriate discount rate (the yield of Greek bonds, in the same currency that these benefits will be paid and with terms almost similar to the ones of the benefits' commitment). Another fundamental assumption is related to the salaries' increase. The assumptions used are further illustrated in Note 20.

If the used discount rate, deviated 11% from actuary' s estimation, then the present value of the non financed liabilities would be increased / decreased by € 59.948.

If the total benefits' increase, taken into consideration was 25%, different then the present value of the non financed liabilities would be increased/decreased by € 68.440.

e) Provision for impairment of receivables

Impairment losses are recognised when there is an objective indication that the Group is not in a position to collect all the amounts that are due pursuant to contractual terms. The objective indication that receivables have been impaired includes information coming to the attention of the Group concerning the following events: Considerable financial distress of the customer, possibility to start bankruptcy procedures or any other financial restructuring of the customer as well as unfavourable changes in the payment of due amounts.

If the final outcome differs by 10% from management estimates. The Group's and Company's provision in impairment of receivables, will increase/decrease by € 1.863.000.

5) Reporting by sector

In the process of IAS 14 replacement by IFRS 8, starting in 2009, the Group, based on the managerial approach, performed the required tests in order to determine the operating segments and decided that no change in the reportable segments is required. More specifically:

The chief operating decision maker, role held by General Manager in Corinth Pipeworks, receives internal financial reports regarding the performance of the operating sectors and the allocation of resources between them. The Group is organised in two operating units:

i) Energy Unit (steel pipes of medium and large diameter)

Energy sector produces and sells medium and large diameter steel pipes for the transmission of natural gas, oil and water. It is export oriented, and its main characteristics regard big scale, long terms projects with complexity of logistics and strict technical specifications that have to be met. The production is based on orders and the customers are vertically integrated energy companies, grid operators, EPC contractors and international trading houses.

ii) Construction Unit (hollow sections)

Construction operating unit produces and sells hollow sections, widely used in the field of metal constructions. The production is make-to-stock and the customers are mainly trading houses and construction companies.

It is noted that because of the particularity of the sectors in which the Group operates, segmental reporting based on geographical breakdown is not recommended. The said fact is proven by the major shifts in the geographical breakdown of sales, through-out the year

The management is following separately the operating performance of the fore mentioned sectors, the evaluation of which is based on the sales and the operating result (EBIT – earnings before interests and tax). For the evaluation of the operating results, Group follows the same principal accounting policies that were applied in the financial statements. The financial income/expenses, dividends received as well as the taxes are followed on a consolidated basis and are not allocated between the two mentioned sectors.

The results of each sector for the 12 months until December 31, 2010 had as follows:

| <i>Amounts in Euros</i> | Sector of energy | Constructions sector | Total |
|--|-------------------------|-----------------------------|--------------------|
| Total gross sales by sector | 159.510.570 | 19.570.309 | 179.080.879 |
| Inter-company sales | -24.061.523 | - | -24.061.523 |
| Net sales | 135.449.047 | 19.570.309 | 155.019.356 |
| Operating profits / (losses) | 875.040 | 2.054.805 | 2.929.845 |
| Net financial expenses (note 28) | | | -1.964.824 |
| Share of profits from associates (note 9) | | | 1.925.433 |
| Profits before taxes | | | 2.890.454 |
| Taxation (note 29) | | | -4.446.549 |
| (Losses) for the period after taxes | | | -1.556.095 |

Respectively, the results of each sector for 12 months until December 31, 2009 had as follows:

| <i>Amounts in Euros</i> | Sector of energy | Constructions sector | Total |
|---|-------------------------|-----------------------------|--------------------|
| Total gross sales by sector | 337.013.512 | 19.290.735 | 356.304.247 |
| Inter-company sales | -71.132.503 | - | -71.132.503 |
| Net sales | 265.881.009 | 19.290.735 | 285.171.744 |
| Operating profits / (losses) | 38.694.824 | -8.789.549 | 29.905.275 |
| Net financial expenses (note 28) and dividends received | | | -3.693.280 |
| Share of profits from associates (note 9) | | | 1.872.048 |
| Profits before taxes | | | 28.084.043 |
| Taxation (note 29) | | | -7.843.293 |
| Profits for the period after taxes | | | 20.240.750 |

Other figures per sector included in the operating profit/(loss) for the 12 months until December 31 2010 are the following:

| <i>Amounts in Euros</i> | Sector of energy | Constructions sector | Total |
|---|-------------------------|-----------------------------|-------------------|
| Amortisation of tangible assets (note 6) | 9.897.399 | 1.430.022 | 11.327.421 |
| Amortisation of intangible assets (note 7) | 6.383 | - | 6.383 |
| Provisions (note 32) | -5.321.135 | - | -5.321.135 |
| Impairment of receivables (note 12) | 9.248.313 | 249.427 | 9.497.740 |
| Impairment of inventories (note 11) | -207.671 | 141.728 | -65.943 |

Other figures per sector included in the operating profit/(loss) for the 12 months until December 31 2009 are the following:

| <i>Amounts in Euros</i> | Sector of energy | Constructions sector | Total |
|---|-------------------------|-----------------------------|-------------------|
| Amortisation of tangible assets (note 6) | 10.330.262 | 749.502 | 11.079.764 |
| Amortisation of intangible assets (note 7) | 102.829 | - | 102.829 |
| Provisions (note 32) | 4.474.664 | - | 4.474.664 |
| Impairment of inventories (note 11) | 3.368.629 | 3.657.284 | 7.025.913 |

The operating profit/(loss) of the sectors include profits and losses from forwards for cash flow hedging, related to purchases and sales (note23).

The financial cost includes results from cash flow hedges of interest-bearing loans that are presented in the statement of comprehensive income during the year (note28).

Transfers and transactions between sectors take place on actual commercial terms and conditions, similar to the ones used in transactions with third parties.

The sectors' assets and liabilities at December 31 2010 and investments in property, plant and equipment for the ended period at that date have as follows:

| <i>Amounts in Euros</i> | Sector of energy | Constructions sector | Total |
|--|-------------------------|-----------------------------|-------------------|
| Assets | 53.076.915 | 9.018.466 | 62.095.381 |
| Investments in associated companies | 11.497.802 | - | 11.497.802 |
| Total Assets | 64.574.717 | 9.018.466 | 73.593.183 |
| Total liabilities | 54.961.069 | 1.786.445 | 56.747.514 |
| Capital expenditures | 240.621 | - | 240.621 |

The sectors' assets and liabilities at December 31 2009 and investments in property, plant and equipment for the ended period at that date have as follows:

| <i>Amounts in Euros</i> | Sector of energy | Constructions sector | Total |
|--|-------------------------|-----------------------------|-------------------|
| Assets | 55.385.695 | 7.716.065 | 63.101.760 |
| Investments in associated companies | 9.198.343 | - | 9.198.343 |
| Total Assets | 64.584.038 | 7.716.065 | 72.300.103 |
| Total liabilities | 42.799.527 | 2.359.209 | 45.158.736 |
| Capital expenditures | 598.361 | - | 598.361 |

Sectors' assets include stocks, intangible assets, receivables from clients and other receivables. The non-allocated assets include deferred taxes, tangible assets, derivatives used to hedge future commercial transactions, financial assets at fair market value, through results, cash and cash equivalents, taxation, raw and indirect materials, investment in associates, other receivables.

The sectors' liabilities include liabilities from transactions with suppliers, clients' downpayments, provisions, accrued expenses and other long-term liabilities. The non-allocated liabilities include loans, taxes, derivatives, subsidies, provisions and other liabilities.

Investments in tangible assets include cash outflows for the purchase of tangible assets.

Assets and liabilities, as they appear in the financial reports that are addressed to the General Manager, are valued according to the same accounting principle as those of the financial statements.

Allocated assets and liabilities reconcile to the Group' assets and liabilities as follows:

| 31/12/2010 | Assets | Liabilities |
|---|--------------------|--------------------|
| <i>Amounts in Euros</i> | | |
| Segment assets and liabilities | 73.593.184 | 56.747.514 |
| Unallocated: | | |
| Tangible fixed assets | 123.658.813 | - |
| Deferred Tax Asset | 11.847 | 12.085.222 |
| Derivative financial instruments | 506.951 | 1.681.324 |
| Inventories | 23.598.033 | - |
| Other receivables | 7.190.391 | - |
| Financial assets at fair value through profit and loss | 7.337 | - |
| Cash & Cash equivalent | 21.515.604 | - |
| Investments in associated companies | 1.046.719 | - |
| Income tax | 225.828 | 2.679.445 |
| Loans | - | 26.718.511 |
| Liabilities for personnel compensation due to withdrawal from service | - | 1.208.293 |
| Other liabilities | - | 1.742.593 |
| Total | 251.354.707 | 102.862.902 |

| 31/12/2009 | Assets | Liabilities |
|---|--------------------|--------------------|
| <i>Amounts in Euros</i> | | |
| Segment assets and liabilities | 72.300.104 | 45.158.736 |
| Unallocated: | | |
| Tangible fixed assets | 134.589.522 | - |
| Deferred Tax Asset | 100.780 | 10.669.625 |
| Derivative financial instruments | 788.549 | 1.017.533 |
| Inventories | 32.745.600 | - |
| Other receivables | 7.266.549 | - |
| Financial assets at fair value through profit and loss | 7.337 | - |
| Cash & Cash equivalent | 12.409.128 | - |
| Investments in associated companies | 966.965 | - |
| Income tax | - | 653.085 |
| Loans | - | 51.532.422 |
| Liabilities for personnel compensation due to withdrawal from service | - | 1.087.609 |
| Other liabilities | - | 1.496.857 |
| Total | 261.174.534 | 111.615.867 |

The Company is established in Greece. The Company channel the largest part of its sales to countries of Eurozone, other European countries, Asia, America and Africa.

| Sales | CONSOLIDATED FIGURES | |
|--------------------------|------------------------------|------------------------------|
| | 12months until 31/12/2010 | 12months until 31/12/2009 |
| <i>Amounts in Euros</i> | | |
| Greece | 9.542.138 | 13.347.576 |
| Euro zone | 42.244.839 | 52.022.109 |
| Other European Countries | 38.371.625 | 64.441.406 |
| Asia | 16.204.063 | 37.571.291 |
| America | 36.008.385 | 79.533.986 |
| Africa | 12.648.306 | 38.255.376 |
| Total | 155.019.356 | 285.171.744 |

Sales are referred to the country that the costumers are established.

Sales of € 64.877.919 (2009: € 137.818.806) are concentrated to three customers in abroad (three in 2009), seated in UK, USA, Italy (UK, France and USA 2009). However such a situation is not rare, since the Company undertakes large scale projects. The said transactions were for energy pipes.

All total current assets other than investments in associates and deferred tax assets, sorted geographically, are analyzed below:

| <i>Amounts in Euros</i> | 31/12/2010 | 31/12/2009 |
|-------------------------|--------------------|--------------------|
| Greece | 233.897.495 | 238.420.966 |
| Eurozone | 25.205 | 102.101 |
| America | 3.408.363 | 10.055.476 |
| Poland | 1.467.276 | 2.329.903 |
| | 238.798.339 | 250.908.446 |

All non-current assets other than investments in associates and deferred tax assets are located in Greece € 137.922.617 (2009: € 138.543.137), in other countries of the Eurozone € 0 (2009: € 1.260) and America € 35.193 (2009: € 35.505).

Assets refer to the country where they are located.

Capital expenditures

| <i>Amounts in Euros</i> | 12months until 31/12/2010 | 12months until 31/12/2009 |
|-------------------------|--------------------------------------|--------------------------------------|
| Greece | 927.330 | 1.569.829 |
| America | 36.084 | - |
| Total | 963.414 | 1.569.829 |

Capital expenditures refer to the country where the assets are located.

Analysis of revenue by category

| <i>Amounts in Euros</i> | 12months until 31/12/2010 | 12months until 31/12/2009 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Sales of merchandise and products | 154.211.884 | 284.618.631 |
| Income from services | 472.640 | 2.777 |
| Other | 334.832 | 550.336 |
| Total | 155.019.356 | 285.171.744 |

6) Tangible Fixed assets

| CONSOLIDATED FIGURES | | | | | | | |
|---|-------------------|--------------------|--------------------|-------------------|---|----------------------------------|--------------------|
| <i>Amounts in Euros</i> | Land | Buildings | Machinery | Vehicles | Furnitures, fittings and equipment | Assets under construction | Total |
| Cost | | | | | | | |
| Balance as of January 1 2009 | 12.364.128 | 42.983.586 | 137.510.435 | 1.824.264 | 1.988.187 | 2.528.077 | 199.198.677 |
| Foreign exchange differences | - | - | - | - | -6.073 | - | -6.073 |
| Additions | - | 83.655 | 289.154 | 15.695 | 71.930 | 1.090.244 | 1.550.678 |
| Sales (Note 32) | - | - | -7.169 | -10.600 | -2.901 | - | -20.670 |
| Impairments | - | - | - | - | - | -25.000 | -25.000 |
| Reclassifications | - | 962.696 | 555.584 | - | - | -1.518.280 | - |
| Balance as of December 31 2009 | 12.364.128 | 44.029.937 | 138.348.004 | 1.829.359 | 2.051.143 | 2.075.041 | 200.697.612 |
| Accumulated depreciation | | | | | | | |
| Balance as of January 1 2009 | - | -10.632.423 | -41.720.442 | -1.289.425 | -1.396.209 | - | -55.038.499 |
| Foreign exchange differences | - | - | - | - | 4.697 | - | 4.697 |
| Depreciation of the year (Note 23) | - | -2.170.017 | -8.616.954 | -107.981 | -184.812 | - | -11.079.764 |
| Sales (Note 32) | - | - | 1.799 | 2.487 | 1.189 | - | 5.475 |
| Balance as of December 31 2009 | - | -12.802.440 | -50.335.597 | -1.394.919 | -1.575.135 | - | -66.108.091 |
| Undepreciated value as of 31 December 2009 | 12.364.128 | 31.227.497 | 88.012.407 | 434.440 | 476.008 | 2.075.041 | 134.589.522 |
| Cost | | | | | | | |
| Balance as of January 1 2010 | 12.364.128 | 44.029.937 | 138.348.004 | 1.829.359 | 2.051.143 | 2.075.041 | 200.697.612 |
| Foreign exchange differences | - | - | - | - | 12.558 | - | 12.558 |
| Additions | - | 237.104 | 528.481 | - | 132.487 | 65.343 | 963.415 |
| Sales (Note 32) | - | - | - | -17.588 | -48.808 | - | -66.396 |
| Dissolution of affiliates | - | - | - | - | -5.292 | - | -5.292 |
| Disposals | - | - | - | - | -11.713 | - | -11.713 |
| Transfer to long term receivables | - | - | - | - | - | -520.137 | -520.137 |
| Reclassifications | - | 5.900 | 1.479.596 | - | - | -1.485.496 | - |
| Balance as of December 31 2010 | 12.364.128 | 44.272.941 | 140.356.081 | 1.811.771 | 2.130.375 | 134.751 | 201.070.047 |
| Accumulated depreciation | | | | | | | |
| Balance as of January 1 2010 | - | -12.802.440 | -50.335.597 | -1.394.919 | -1.575.135 | - | -66.108.091 |
| Foreign exchange differences | - | - | - | - | -9.907 | - | -9.907 |
| Depreciation of the year (Note 23) | - | -2.306.840 | -8.762.099 | -82.753 | -175.728 | - | -11.327.420 |
| Sales (Note 32) | - | - | - | 7.305 | 10.895 | - | 18.200 |
| Dissolution of affiliates | - | - | - | - | 4.191 | - | 4.191 |
| Disposals | - | - | - | - | 11.792 | - | 11.792 |
| Balance as of December 31 2010 | - | -15.109.280 | -59.097.696 | -1.470.367 | -1.733.892 | - | -77.411.235 |
| Undepreciated value as of 31 December 2010 | 12.364.128 | 29.163.661 | 81.258.385 | 341.404 | 396.483 | 134.751 | 123.658.813 |

| COMPANY FIGURES | | | | | | | |
|---|-------------------|--------------------|--------------------|-------------------|------------------------------------|---------------------------|--------------------|
| <i>Amounts in Euros</i> | Land | Buildings | Machinery | Vehicles | Furnitures, fittings and equipment | Assets under construction | Total |
| Cost | | | | | | | |
| Balance as of January 1 2009 | 12.364.128 | 42.983.586 | 137.040.002 | 1.824.264 | 1.815.801 | 2.528.077 | 198.555.858 |
| Additions | - | 83.655 | 289.154 | 15.695 | 71.930 | 1.090.244 | 1.550.678 |
| Sales (Note 32) | - | - | -7.169 | -10.600 | -2.901 | - | -20.670 |
| Impairment | - | - | - | - | - | -25.000 | -25.000 |
| Reclassifications | - | 962.696 | 555.584 | - | - | -1.518.280 | - |
| Balance as of December 31 2009 | 12.364.128 | 44.029.937 | 137.877.571 | 1.829.359 | 1.884.830 | 2.075.041 | 200.060.866 |
| Accumulated depreciation | | | | | | | |
| Balance as of January 1 2009 | - | -10.632.423 | -41.250.009 | -1.289.425 | -1.269.137 | - | -54.440.994 |
| Depreciation of the year (Note 23) | - | -2.170.017 | -8.616.954 | -107.981 | -177.638 | - | -11.072.590 |
| Sales (Note 32) | - | - | 1.799 | 2.487 | 1.189 | - | 5.475 |
| Balance as of December 31 2009 | - | -12.802.440 | -49.865.164 | -1.394.919 | -1.445.586 | - | -65.508.109 |
| Undepreciated value as of 31 December 2009 | 12.364.128 | 31.227.497 | 88.012.407 | 434.440 | 439.244 | 2.075.041 | 134.552.757 |
| Cost | | | | | | | |
| Balance as of January 1 2010 | 12.364.128 | 44.029.937 | 137.877.571 | 1.829.359 | 1.884.830 | 2.075.041 | 200.060.866 |
| Additions | - | 237.104 | 528.481 | - | 96.402 | 65.344 | 927.331 |
| Sales (Note 32) | - | - | - | -17.588 | -4.010 | - | -21.598 |
| Transfer to long term receivables | - | - | - | - | - | -520.137 | -520.137 |
| Reclassifications | - | 5.900 | 1.479.596 | - | - | -1.485.496 | - |
| Balance as of December 31 2010 | 12.364.128 | 44.272.941 | 139.885.648 | 1.811.771 | 1.977.222 | 134.752 | 200.446.462 |
| Accumulated depreciation | | | | | | | |
| Balance as of January 1 2010 | - | -12.802.440 | -49.865.164 | -1.394.919 | -1.445.586 | - | -65.508.109 |
| Depreciation of the year (Note 23) | - | -2.306.840 | -8.762.099 | -82.753 | -170.844 | - | -11.322.536 |
| Sales (Note 32) | - | - | - | 7.305 | 497 | - | 7.802 |
| Balance as of December 31 2010 | - | -15.109.280 | -58.627.263 | -1.470.367 | -1.615.933 | - | -76.822.843 |
| Undepreciated value as of 31 December 2010 | 12.364.128 | 29.163.661 | 81.258.385 | 341.404 | 361.289 | 134.752 | 123.623.619 |

The expenditure with regard to depreciation has been recorded in the Statement of Comprehensive Income as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Cost of sales | 8.065.744 | 9.515.804 | 8.065.744 | 9.515.804 |
| Administrative expenses | 51.871 | 62.111 | 51.713 | 61.165 |
| Selling expenses | 131.787 | 138.730 | 131.787 | 138.730 |
| Other income / (expenses) | 3.078.018 | 1.363.119 | 3.073.291 | 1.356.891 |
| Total | 11.327.420 | 11.079.764 | 11.322.535 | 11.072.590 |

Mortgages the amount of € 73.200.000 (2008: € 73.200.000) have been filed against the Group's and the Company's real estate.

The Statement of Comprehensive Income includes leasing fees of € 631.831 (2009: 531.597) and € 585.811 (2009: € 482.120) for the Group and the Company respectively, for leasing vehicles, buildings and machinery (note 23).

7) Intangible Assets

The Group's and the Company's intangible assets are the following:

| <i>Amounts in Euros</i> | Development Expenses | Total |
|---|----------------------|-----------------|
| Cost | | |
| Balance as of January 1 2010 | 374.244 | 374.244 |
| Additions | - | - |
| Balance as of December 31 2010 | 374.244 | 374.244 |
| Accumulated depreciation | | |
| Balance as of January 1 2010 | -360.678 | -360.678 |
| Depreciation of the year (note 23) | -6.383 | -6.383 |
| Balance as of December 31 2010 | -367.061 | -367.061 |
| Undepreciated value as of 31 December 2010 | 7.183 | 7.183 |

| <i>Amounts in Euros</i> | Development Expenses | Total |
|---|-----------------------------|-----------------|
| Cost | | |
| Balance as of January 1 2009 | 355.093 | 355.093 |
| Additions | 19.151 | 19.151 |
| Balance as of December 31 2009 | 374.244 | 374.244 |
| Accumulated depreciation | | |
| Balance as of January 1 2009 | -257.849 | -257.849 |
| Depreciation of the year (note 23) | -102.829 | -102.829 |
| Balance as of December 31 2009 | -360.678 | -360.678 |
| Undepreciated value as of 31 December 2009 | 13.566 | 13.566 |

Depreciation is included in the cost of sales

8) Investments in subsidiaries

| | COMPANY FIGURES | |
|--------------------------|------------------------|-------------------|
| <i>Amounts in Euros</i> | 31/12/2010 | 31/12/2009 |
| Beginning balance | 11.345.179 | 11.319.068 |
| Additions | - | 593.455 |
| Sales | - | -567.344 |
| Closing balance | 11.345.179 | 11.319.068 |

The Company's subsidiaries that are not listed on the stock exchange are as follows:

| Company | Country | Acquisition value at beginning of period | Additions | Sales | Acquisition value at end of period | Direct holding percentage | Indirect holding percentage |
|------------------------------------|----------------|---|------------------|--------------|---|----------------------------------|------------------------------------|
| 2010 | | | | | | | |
| CPW AMERICA CO. | America | - | - | - | - | 0,00% | 100% |
| HUMBEL Ltd | Cyprus | 10.751.724 | - | - | 10.751.724 | 100% | 0,00% |
| WARSAW TUBULARS TRADING Sp. z.o.o. | Poland | 593.455 | - | - | 593.455 | 100% | 0,00% |
| Total | | 11.345.179 | - | - | 11.345.179 | | |

| Company | Country | Acquisition value at beginning of period | Additions | Sales | Acquisition value at end of period | Direct holding percentage | Indirect holding percentage |
|------------------------------------|----------------|---|------------------|-----------------|---|----------------------------------|------------------------------------|
| 2009 | | | | | | | |
| CPW EUROPEAN TRADING Gmbh | Germany | - | - | - | - | 100 % | 0,00 % |
| CPW AMERICA CO. | America | 567.344 | - | -567.344 | - | 0,00 % | 100 % |
| HUMBEL Ltd | Cyprus | 10.751.724 | - | - | 10.751.724 | 100 % | 0,00 % |
| WARSAW TUBULARS TRADING Sp. z.o.o. | Poland | - | 593.455 | - | 593.455 | 100 % | 0,00 % |
| Total | | 11.319.068 | 593.455 | -567.344 | 11.345.179 | | |

Profits from dissolution of subsidiary

On February 4, 2010, the dissolution procedure of CPW European, seated in Germany, was finally completed. CPW European had been in dormant status, since June 2006. Therefore CPW European is not included in the consolidated financial statements as of 31/12/2010. The required notifications according to IFRS 5 have not been applied since, compared to the Group figures, subsidiary was immaterial. In the financial statement of the Company for year end 2009, the participation in the said subsidiary had been completely impaired.

From the dissolution of the subsidiary, a profit amounting to € 163.110 was generated, mainly due to liabilities set-off (€ 178.710).

In the cash flow statement, the income being generated from the dissolution of the subsidiary is shown below (note 32):

| <i>Amounts in Euros</i> | 01/01/10 until 31/12/10 |
|---|--|
| Profits from dissolution | 163.110 |
| Plus cash and cash equivalent of subsidiary | 7.200 |
| Amount in cash flow | 170.310 |

In 2009, Corinth Pipeworks S.A. found Warsaw Tubulars Trading sp. z.o.o.. with a registered office in Poland, and main purpose marketing of Corinth Pipeworks products, as well as participation in companies of similar activities. The initial share capital was 50.000 PLN constituted by 1.000 shares with a nominal value of 50 PLN each. Furthermore, it was decided an increase of the share capital amounting to 2.733.750 PLN with the issuance of 54.675 new shares. The amount was paid by Corinth Pipeworks S.A. as follows : a) 53.444 shares of 2.672.200 PLN (€ 567.344), with in kind contribution namely the total of its shares (5.000 shares) of its affiliate CPW AMERICA Co, seated in the USA and b) 1.231 shares amounting of 61.550 PLN (€ 26.111), with cash contribution. Following the completion of the above, the share capital of Warsaw Tubulars Trading sp. z.o.o. comprises of 55.675 shares, with a total value of 2.783.750 PLN (€ 593.455).

9) Investments in associates

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Beginning balance | 10.165.308 | 9.037.676 | 1.073.950 | 687.125 |
| Foreign exchange difference | 893.800 | -659.879 | - | - |
| Share of profit from associated companies | 1.925.432 | 1.872.048 | - | - |
| Sales | - | -97.606 | - | -97.606 |
| Dividends | -440.020 | -471.362 | - | - |
| Additions | - | 484.431 | - | 484.431 |
| Closing balance | 12.544.520 | 10.165.308 | 1.073.950 | 1.073.950 |

The share of profit from associated companies is after tax deductions.

The Group share in Assets, Liabilities, Revenues, Expenses and Profits/(Losses) after tax, of associated companies is illustrated below:

| Company | Country | Assets | Liabilities | Sales | Profit/(Loss) after tax | Participation |
|-------------------------|----------------|-------------------|--------------------|-------------------|------------------------------------|----------------------|
| <i>Amounts in Euros</i> | | | | | | |
| 2010 | | | | | | |
| DIVIPETHIV S.A. | Greece | 2.808.820 | 1.773.064 | 293.367 | 79.754 | 21,75% |
| ZAO TMK – CPW | Russia | 16.122.060 | 4.625.600 | 19.467.743 | 1.845.679 | 49,00% |
| | | 18.930.880 | 6.398.664 | 19.761.110 | 1.925.433 | |

| Company | Country | Assets | Liabilities | Sales | Profit/(Loss) after tax | Participation |
|-------------------------|----------------|-------------------|--------------------|-------------------|------------------------------------|----------------------|
| <i>Amounts in Euros</i> | | | | | | |
| 2009 | | | | | | |
| DIVIPETHIV S.A. | Greece | 2.803.052 | 1.847.050 | 300.231 | 22.839 | 21,75% |
| ZAO TMK – CPW | Russia | 13.650.685 | 4.451.944 | 13.812.610 | 1.849.209 | 49,00% |
| | | 16.453.737 | 6.298.994 | 14.112.841 | 1.872.048 | |

10) Financial instruments
a) Financial instruments by category

Consolidated figures at 31/12/2010

| <i>Amounts in Euros</i> | Borrowings and receivables | Assets at fair value through the profit and loss | Derivatives used for hedging | Total |
|---|-----------------------------------|---|-------------------------------------|-------------------|
| Assets | | | | |
| Trade and other receivables | 21.887.342 | - | - | 21.887.342 |
| Cash and cash equivalents | 21.515.604 | - | - | 21.515.604 |
| Short-term derivative financial instruments | - | - | 506.951 | 506.951 |
| Short-term financial assets at fair value through results | - | 7.337 | - | 7.337 |
| Total | 43.402.946 | 7.337 | 506.951 | 43.917.234 |

| <i>Amounts in Euros</i> | Derivatives used for hedging | Other financial liabilities | Total |
|---|-------------------------------------|------------------------------------|-------------------|
| Liabilities | | | |
| Long-term loans | - | 10.759.100 | 10.759.100 |
| Derivative financial instruments (long-term) | 737.300 | - | 737.300 |
| Short-term loans | - | 15.959.411 | 15.959.411 |
| Derivative financial instruments (short-term) | 944.024 | - | 944.024 |
| Suppliers and other liabilities | - | 48.836.439 | 48.836.439 |
| Total | 1.681.324 | 75.554.950 | 77.236.274 |

Consolidated figures at 31/12/2009

| <i>Amounts in Euros</i> | Borrowings and receivables | Assets at fair value through the profit and loss | Derivatives used for hedging | Total |
|---|-----------------------------------|---|-------------------------------------|-------------------|
| Assets | | | | |
| Trade and other receivables | 39.981.357 | - | - | 39.981.357 |
| Cash and cash equivalents | 12.409.128 | - | - | 12.409.128 |
| Short-term derivative financial instruments | - | - | 788.549 | 788.549 |
| Short-term financial assets at fair value through results | - | 7.337 | - | 7.337 |
| Total | 52.390.485 | 7.337 | 788.549 | 53.186.371 |

| <i>Amounts in Euros</i> | Derivatives used for hedging | Other financial liabilities | Total |
|---|-------------------------------------|------------------------------------|-------------------|
| Liabilities | | | |
| Long-term loans | - | 24.218.511 | 24.218.511 |
| Short-term loans | - | 27.313.911 | 27.313.911 |
| Derivative financial instruments (short-term) | 1.017.533 | - | 1.017.533 |
| Suppliers and other liabilities | - | 34.345.775 | 34.345.775 |
| Total | 1.017.533 | 85.878.197 | 86.895.730 |

Company figures at 31/12/2010

| <i>Amounts in Euros</i> | Borrowings and receivables | Assets at fair value through the profit and loss | Derivatives used for hedging | Total |
|---|-----------------------------------|---|-------------------------------------|-------------------|
| Assets | | | | |
| Trade and other receivables | 20.449.962 | - | - | 20.449.962 |
| Cash and cash equivalents | 18.403.168 | - | - | 18.403.168 |
| Short-term derivative financial instruments | - | - | 506.951 | 506.951 |
| Short-term financial assets at fair value through results | - | 7.337 | - | 7.337 |
| Total | 38.853.130 | 7.337 | 506.951 | 39.367.418 |

| <i>Amounts in Euros</i> | Derivatives used for hedging | Other financial liabilities | Total |
|---|-------------------------------------|------------------------------------|-------------------|
| Liabilities | | | |
| Long-term loans | - | 10.759.100 | 10.759.100 |
| Derivative financial instruments (long-term) | 737.300 | - | 737.300 |
| Short-term loans | - | 15.959.411 | 15.959.411 |
| Derivative financial instruments (short-term) | 944.024 | - | 944.024 |
| Suppliers and other liabilities | - | 53.901.440 | 53.901.440 |
| Total | 1.681.324 | 80.619.951 | 82.301.275 |

Company figures at 31/12/2009

| <i>Amounts in Euros</i> | Borrowings and receivables | Assets at fair value through the profit and loss | Derivatives used for hedging | Total |
|---|-----------------------------------|---|-------------------------------------|-------------------|
| Assets | | | | |
| Trade and other receivables | 43.284.758 | - | - | 43.284.758 |
| Cash and cash equivalents | 7.126.379 | - | - | 7.126.379 |
| Short-term derivative financial instruments | - | - | 788.549 | 788.549 |
| Short-term financial assets at fair value through results | - | 7.337 | - | 7.337 |
| Total | 50.411.137 | 7.337 | 788.549 | 51.207.023 |

| <i>Amounts in Euros</i> | Derivatives used for hedging | Other financial liabilities | Total |
|---|-------------------------------------|------------------------------------|-------------------|
| Liabilities | | | |
| Long-term loans | - | 24.218.511 | 24.218.511 |
| Short-term loans | - | 27.313.911 | 27.313.911 |
| Derivative financial instruments (short-term) | 1.017.533 | - | 1.017.533 |
| Suppliers and other liabilities | - | 33.581.566 | 33.581.566 |
| Total | 1.017.533 | 85.113.988 | 86.131.521 |

b) Credit quality of financial assets

Derivative financial instruments (assets):

The credit quality of derivative financial assets according to external credit rating (FITCH) is presented below:

| <i>Amounts in Euros</i> | Consolidated and Company figures | Consolidated and Company figures |
|-------------------------|---|---|
| | 31/12/ 2010 | 31/12/2009 |
| BBB+ | - | 788.549 |
| BB+ | 506.951 | - |
| Total | 506.951 | 788.549 |

The credit quality of cash at bank and short-term bank deposits according to external credit rating (FITCH) is presented below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|-------------------|-------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| AA | 29.692 | 117.613 | 29.692 | 29.400 |
| AA- | 38.890 | - | 38.890 | - |
| A+ | 1.632.858 | 2.853.064 | - | - |
| A | - | 36.838 | - | 25.419 |
| BBB+ | 32.552 | 9.376.086 | 32.552 | 7.067.610 |
| BBB | 14.164 | - | 1.934 | - |
| BB+ | 19.765.889 | - | 18.298.962 | - |
| Total | 21.514.045 | 12.383.601 | 18.402.030 | 7.122.429 |

11) Inventories

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Finished products | 16.361.915 | 22.240.029 | 16.361.915 | 18.088.079 |
| Semi-finished products | 3.325.210 | 7.828.698 | 3.325.210 | 7.828.698 |
| By-products and scrap material | 115.874 | 173.600 | 115.874 | 173.600 |
| Work in progress | 8.941 | 4.167 | 8.941 | 4.167 |
| Raw and indirect materials | 20.387.897 | 28.928.925 | 20.387.897 | 28.928.925 |
| Consumables - spare parts & packaging materials | 3.063.218 | 3.780.820 | 3.063.218 | 3.780.820 |
| Advances for inventories purchase | 146.918 | 141.044 | 146.918 | 141.044 |
| Total | 43.409.973 | 63.097.283 | 43.409.973 | 58.945.333 |
| Less: Provision for Impairment of inventories: | | | | |
| Finished products | 65.943 | -3.688.532 | 65.943 | -3.688.532 |
| Raw material-consumables-spare parts-packaging | - | -3.337.381 | - | -3.337.381 |
| Total net value | 43.475.916 | 56.071.370 | 43.475.916 | 51.919.420 |

The cost of stocks that was recorded as an expense in the cost of sales amounts to € 97.535.273 (2009: € 171.227.552) and € 88.966.976 (2009: € 167.019.509) for the Group and the Company respectively (note 23).

During the fiscal year stocks were estimated at the lower value between their cost and their net liquid value. The net liquid value was estimated based on the sales price of finished products in an active market. The net liquid value of certain finished products was lower, and as a result thereof an impairment loss in the amount of € 372.884 (2009: € 7.025.913) for the Group and the Company.

During 2010 the Company (and the Group) reassessed the stock impairment, recognised in 2009 and reversed an amount of € 438.826, given the fact that market prices returned to level, higher than production costs.

The net value of the impairment resulting from the above, amounts to € 65.943 for the Group and Company, led to an increase of the value of the inventories and an equal reduction of the sales cost and recognized in the statement of comprehensive income, as profit. (note 23).

12) Trade and other receivables

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Trade receivables | 28.539.069 | 37.496.597 | 27.164.113 | 34.688.695 |
| Less: provision for impairment of trade receivables | -9.737.023 | -272.711 | -9.699.564 | -201.824 |
| Trade receivables net | 18.802.046 | 37.223.886 | 17.464.549 | 34.486.871 |
| Other down payments | 625.477 | 1.013.716 | 550.524 | 1.010.377 |
| Receivables from related parties (note 35) | 7.523.962 | 6.879.739 | 7.424.079 | 12.989.934 |
| Improvement in third party building installations | 931.870 | - | 931.870 | - |
| Greek State | 1.125.059 | 1.497.809 | 1.124.758 | 1.496.702 |
| Purchases in transit | 15.220.118 | 413.824 | 15.220.118 | 413.824 |
| Total | 44.228.532 | 47.028.974 | 42.715.898 | 50.397.708 |
| Current Assets | 29.936.718 | 43.052.161 | 28.424.084 | 46.420.895 |
| Non-Current Assets | 14.291.814 | 3.976.813 | 14.291.814 | 3.976.813 |
| Total | 44.228.532 | 47.028.974 | 42.715.898 | 50.397.708 |

The long term-receivables included in the non-current assets for the Group and Company are analysed as follows:

- a) Long-term receivables included in non-current assets € 69.320 (2009: € 373.789) concern guarantees to third parties within the framework of the Company's activities and do not have a specific maturity date.
- b) amount of € 842,508 (2009 : -) is related to undepreciated part of expenses regarding improvements made in Company's buildings installations and are on operational lease. Because of these improvements, the Company's is charged with reduced lease. The expenses in question are amortized according to the length of the lease, which will cease at 01/07/2021, and are recognized in the statement of profit and loss as leasing fees. The portion of the expense that relates to the next financial year, amounting to € 89.362 is recognized in the current assets.
- c) € 647.116 (2009 : -) relates to advance on lease regarding the above-mentioned building installations. The said advance is offset with future liabilities of the same nature up until 2013. The portion of the offset amount advanced for the next financial year (€ 257.845) is recognized in the current assets.
- d) € 9.129.846 (2009 : -) relates trade receivables due on 2012 (see bellow comment on the impairment on trade receivables)
- e) Amount of € 3.603.023 (2009: € 3.603.023)

Further to the approval of the Regulatory Plan of the industrial zone in Thisvi and the resolution of the General Secretary of Sterea Ellada region, the subsidiary DIA.VI.PE.THIV. S.A. (Thisvi industrial zone's administrator) received total surface of 195 acres and another 281 acres for communal needs of the companies settled in the said industrial zone. The land in question was given up by the companies being settled in the industrial zone. In this framework, Corinth Pipeworks S.A. gave up land of 145.471 sq.m. with a value of 3.603.023 €, transaction being posted as a long-term receivable (included in other assets) from DIA.VI.PE.THIV. S.A, since Law 2545/97 (art.5) stipulates that the said land will be returned to its owners if the administrator ceases its operation.

The credit risk regarding receivables from clients is not concentrated since the Group has a large number of clients that are internationally dispersed.

As of 31/12/2010 trade receivables of € 7.712.994 (2009: € 16.619.067) and € 8.804.509 (2009: € 19.121.175) concern clients without delay in their payments, for the Company and the Group respectively.

Trade receivables that are less than three months past due are not considered impaired. As of 31/12/2010 Trade receivables that were past due but not impaired € 9.997.537 (2009: € 18.102.710) for the Group and € 9.751.555 (2009: € 17.867.804) for the Company. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these receivables are shown in the table below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--------------------------|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Trade receivables | | | | |
| 0-3 months | 681.673 | 480.028 | 435.691 | 338.513 |
| 3-6 months | 34.369 | 17.467.569 | 34.369 | 17.419.153 |
| > 6 months | 151.649 | 155.113 | 151.649 | 110.138 |
| Total | 867.691 | 18.102.710 | 621.709 | 17.867.804 |

Receivables from related parties that are less than three months past due are not considered impaired. As of 31/12/2010 Trade receivables that were past due but not impaired € 658.356 (2009: € 782.530) for the Group and € 658.806 (2009: € 864.609) for the Company. These relate to related parties for which there is no recent history of default. The ageing of these receivables are shown in the table below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|----------------------------------|----------------------|----------------|-----------------|----------------|
| | 31/12/2010 | 31/12/2009 | Ageing | 31/12/2010 |
| Receivables from related parties | | | | |
| 0-3 months | 242.461 | 361.213 | 242.461 | 361.213 |
| 3-6 months | 211.788 | 348.782 | 211.788 | 348.782 |
| > 6 months | 204.107 | 72.535 | 204.557 | 154.614 |
| Total | 658.356 | 782.530 | 658.806 | 864.609 |

The amount of € 3.603.023 (2009: € 3.603.023) is not included in the ageing – see forementioned comment.

The amounts recognised as provision usually are written off since they are not expected to be collected by the specific customers.

Movements to the Group's and the Company's provision for impairment of trade receivables are presented below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|------------------------------|----------------------|----------------|------------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Beginning balance | 272.711 | 314.752 | 201.824 | 202.247 |
| Provisions | 9.497.740 | - | 9.497.740 | - |
| Foreing exchange differences | 5.794 | -2.903 | - | - |
| Provision reversed | -39.222 | -39.138 | - | -423 |
| Closing balance | 9.737.023 | 272.711 | 9.699.564 | 201.824 |

Provision of the year and reversed provisions have been recognised in the income statement as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|---------------|-------------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Other expenses | -9.497.740 | - | -9.497.740 | - |
| Other income | 39.222 | 39.138 | - | 423 |
| Total | -9.458.518 | 39.138 | -9.497.740 | 423 |

The ageing of the receivables from impaired clients are shown in the table below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|----------------|-------------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| 3-6 months | 432.509 | - | 432.509 | - |
| > 6 months | 18.434.360 | 272.711 | 18.396.901 | 201.824 |
| Total | 18.866.869 | 272.711 | 18.829.410 | 201.824 |

During FY 2010 the Company proceeded to an impairment of receivables (\$ 24.864.102 or € 18.627.586), being the result of delay in its collection. A set of legal and non legal actions have been undertaken in Greece and abroad in order to ensure the prompt collection of due amount. Based on the information available, Management estimates that potential loss will not exceed the impaired amount of EUR € 9.497.740.

Due to the estimation that collection of the aforementioned receivable will not take place within the next 12 months, the company discounted the non impaired portion of the receivable amounting to € 9.313.793, with a rate of 1,58% for 15 months. The discounting cost amounting to €183.947, is recognised in the distribution expenses and is included in the provision for impairment of trade receivables.

For the said receivables the company has in its possession a type of collateral amounting to € 18.254.482.

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-----------------------------|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Euro | 26.413.105 | 15.316.831 | 26.414.432 | 15.569.431 |
| US Dollar | 17.106.274 | 31.040.141 | 15.592.212 | 34.155.825 |
| Zloty | 350 | - | 451 | 450 |
| UK Pound | 699.264 | 671.068 | 699.264 | 671.068 |
| United Arab Emirates Dirham | 1.005 | 934 | 1.005 | 934 |
| Algerian dinar | 8.534 | - | 8.534 | - |
| Total | 44.228.532 | 47.028.974 | 42.715.898 | 50.397.708 |

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date for the Group and the Company is the fair value of each class of receivable mentioned above.

The Good performance guarantees given to customers are presented below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Good performance guarantees given to customers | 29.855.542 | 20.675.817 | 29.855.542 | 20.675.817 |
| Total | 29.855.542 | 20.675.817 | 29.855.542 | 20.675.817 |

13) **Derivative financial instruments**

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Current Assets | | | | |
| Forward foreign exchange contracts – cash flow hedges | 506.951 | 788.549 | 506.951 | 788.549 |
| Total | 506.951 | 788.549 | 506.951 | 788.549 |
| Short-term Liabilities | | | | |
| Forward foreign exchange contracts – cash flow hedges | 944.024 | 1.017.533 | 944.024 | 1.017.533 |
| Total | 944.024 | 1.017.533 | 944.024 | 1.017.533 |
| Long-term Liabilities | | | | |
| Forward foreign exchange contracts – cash flow hedges | 737.300 | - | 737.300 | - |
| Total | 737.300 | - | 737.300 | - |
| Amounts recognised in the income statement as income (or expense) | -4.388.515 | -4.320.941 | -4.388.515 | -4.320.941 |

The ineffective portion arising from cash flow hedge was not recognised in the income statement.

The maximum exposure to credit risk at 31/12/2010 for the Group and the Company is the fair value of the derivative assets in the Statement of Financial Position.

The derivative financial instruments are classified in the non current assets/long-term liabilities when the remaining period (maturity date) exceeds 12 months, and in current assets/short-term liabilities when the remaining period (maturity date) is shorter than 12 months.

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts on 31/12/2010 were USD 75.647.393 and GBP 619.000 compared to USD 53.530.585 and GBP 173.521 on 31/12/2009. Gains and losses from forward foreign exchange contracts recognised, in equity, on 31/12/2010 will be transferred to the Statement of Comprehensive Income in various dates, between one to eighteen months from the Balance Sheet date.

14) Financial assets at fair value through profit or loss

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | COMPANY FIGURES |
|-------------------------------------|----------------------|-----------------|
| Balance on January 1, 2010 | 7.337 | 7.337 |
| Sales | - | - |
| Changes in fair value | - | - |
| Balance on December 31, 2010 | 7.337 | 7.337 |
| Current Assets | 7.337 | 7.337 |
| Total | 7.337 | 7.337 |

The financial assets at fair value through profit or loss include the following:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | COMPANY FIGURES |
|------------------------------|----------------------|-----------------|
| | 31/12/2010 | 31/12/2010 |
| <u>Not-listed securities</u> | | |
| - Greek securities | 7.337 | 7.337 |
| Total | 7.337 | 7.337 |

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | COMPANY FIGURES |
|-------------------------------------|----------------------|-----------------|
| Balance on January 1, 2009 | 48.537 | 48.537 |
| Sales | -46.949 | -46.949 |
| Changes in fair value (note 27) | 5.749 | 5.749 |
| Balance on December 31, 2009 | 7.337 | 7.337 |
| Current Assets | 7.337 | 7.337 |
| Total | 7.337 | 7.337 |

The financial assets at fair value through profit or loss include the following:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | COMPANY FIGURES |
|------------------------------|----------------------|-----------------|
| | 31/12/2009 | 31/12/2009 |
| <u>Not-listed securities</u> | | |
| - Greek securities | 7.337 | 7.337 |
| Total | 7.337 | 7.337 |

Fair value profits/(losses), including profits/(losses) from sale of financial assets at fair value through results, are recorded in the Statement of Comprehensive Income into other operating income (net) - (see note 27) and additionally are presented in the net cash flows from operating activities in the cash flow statement.

15) Cash & Cash equivalents

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|-------------------|-------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Cash on hand | 1.559 | 25.527 | 1.138 | 3.950 |
| Cash at banks | 21.514.045 | 12.383.601 | 18.402.030 | 7.122.429 |
| Total | 21.515.604 | 12.409.128 | 18.403.168 | 7.126.379 |

16) Share capital and premium

| <i>Amounts in Euros</i> | Number of shares | Ordinary shares | Share premium | Total |
|--------------------------|--------------------|-------------------|-------------------|--------------------|
| December 31, 2009 | 124.170.201 | 96.852.757 | 27.427.850 | 124.280.607 |
| December 31, 2010 | 124.170.201 | 96.852.757 | 27.427.850 | 124.280.607 |

The total number of approved common shares amounts to 124,170,201 shares (2009: 124,170,201 shares) of a nominal value of 0,78 Euros each (2009: 0,78 Euros each). All issued shares have been paid up in full.

17) Other reserves

| CONSOLIDATED FIGURES | | | | | | | | |
|--|------------------|--------------------|-------------------------|------------------|----------------|------------|---|------------|
| <i>Amounts in Euros</i> | Ordinary reserve | Fair Value Reserve | Extra-ordinary reserves | Untaxed reserves | Other reserves | Total | Foreign exchange Differences from the Consolidation of foreign subsidiaries | Total |
| Balance on January 1, 2009 | 1.461.080 | -5.608.383 | 2.640.148 | 9.385.491 | 90.284 | 7.968.620 | -2.446.001 | 5.522.619 |
| Foreign exchange difference | - | - | - | - | - | - | -821.304 | -821.304 |
| Profit after tax from change of fair market value of cash flow hedge | - | 5.436.645 | - | - | - | 5.436.645 | - | 5.436.645 |
| Balance on December 31, 2009 | 1.461.080 | -171.738 | 2.640.148 | 9.385.491 | 90.284 | 13.405.265 | -3.267.305 | 10.137.960 |
| Balance on January 1, 2010 | 1.461.080 | -171.738 | 2.640.148 | 9.385.491 | 90.284 | 13.405.265 | -3.267.305 | 10.137.960 |
| Foreign exchange difference | - | - | - | - | - | - | 1.256.994 | 1.256.994 |
| Transfer of reserve | 522.588 | - | - | - | - | 522.588 | - | 522.588 |
| Profit after tax from change of fair market value of cash flow hedge | - | -767.761 | - | - | - | -767.761 | - | -767.761 |
| Balance on December 31, 2010 | 1.983.668 | -939.499 | 2.640.148 | 9.385.491 | 90.284 | 13.160.092 | -2.010.311 | 11.149.781 |

| COMPANY FIGURES | | | | | | |
|--|------------------|--------------------|-------------------------|------------------|----------------|------------|
| <i>Amounts in Euros</i> | Ordinary reserve | Fair Value Reserve | Extra-ordinary reserves | Untaxed reserves | Other reserves | Total |
| Balance on January 1, 2009 | 1.461.080 | -5.608.383 | 2.640.148 | 9.385.491 | 90.284 | 7.968.620 |
| Profit after tax from change of fair market value of cash flow hedge | - | 5.436.645 | - | - | - | 5.436.645 |
| Balance on December 31, 2009 | 1.461.080 | -171.738 | 2.640.148 | 9.385.491 | 90.284 | 13.405.265 |
| Balance on January 1, 2010 | 1.461.080 | -171.738 | 2.640.148 | 9.385.491 | 90.284 | 13.405.265 |
| Transfer of reserve | 522.588 | - | - | - | - | 522.588 |
| Profit after tax from change of fair market value of cash flow hedge | - | -767.761 | - | - | - | -767.761 |
| Balance on December 31, 2010 | 1.983.668 | -939.499 | 2.640.148 | 9.385.491 | 90.284 | 13.160.092 |

(a) Statutory reserve

Pursuant to the provisions of articles 44 and 45 of Codified Law 2190/1920 the statutory reserve is formed and used as follows: At least 5% of the true (accounting) net profits of each fiscal year is mandatorily withheld in order to form the statutory reserve until the accumulated amount thereof amounts to at least 1/3 of the registered share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of the shareholders and may not be used for any other reason.

(b) Extraordinary reserves

This reserve has been formed following a decision of the Ordinary General Meeting that convened in previous fiscal years. It does not have a specific use and may be used for any purpose following a decision of the Ordinary General Meeting.

(c) Untaxed reserves
Special law untaxed reserves

The Company monitors the reserves that are formed from net profits, which, pursuant to special provisions of incentive laws that are in force each time, are not taxed whereas they were used for the acquisition of new

production equipment. In other words, these reserves are formed from net profits for which a tax is not estimated or paid.

Reserves from income exempted from taxation and from income taxed by special laws.

These reserves include part of the non-distributed net profits of each fiscal year that emanates from income exempted from taxation and income taxed by special laws with the exhaustion of the tax liability.

The aforementioned reserves may be capitalised and distributed (after the restrictions that may apply each time are taken into consideration) following a decision of the Ordinary General Meeting of the shareholders.

In case where distribution is decided, the Company will be called to pay the corresponding tax.

18) Borrowings

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|------------------------------------|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Long-Term borrowings | | | | |
| Bank loans | 4.259.100 | 12.218.511 | 4.259.100 | 12.218.511 |
| Debentures | 6.500.000 | 12.000.000 | 6.500.000 | 12.000.000 |
| Total Long-Term borrowings | 10.759.100 | 24.218.511 | 10.759.100 | 24.218.511 |
| Short-Term borrowings | | | | |
| Bank loans | 10.459.411 | 21.813.911 | 10.459.411 | 21.813.911 |
| Debentures | 5.500.000 | 5.500.000 | 5.500.000 | 5.500.000 |
| Total Short-Term borrowings | 15.959.411 | 27.313.911 | 15.959.411 | 27.313.911 |
| Total borrowings | 26.718.511 | 51.532.422 | 26.718.511 | 51.532.422 |

Borrowings are secured with pledges and mortgages against the Company's land and buildings (note 6).

The Group's exposure to interest rates risk as well as the contractual dates of resetting interest rates are as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Less than 6 months | 15.611.111 | 33.952.222 | 15.611.111 | 33.952.222 |
| 1-5 years | 11.107.400 | 17.580.200 | 11.107.400 | 17.580.200 |
| Total | 26.718.511 | 51.532.422 | 26.718.511 | 51.532.422 |

The maturity dates of long-term loans are as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Between 1 and 2 years | 10.759.100 | 13.459.411 | 10.759.100 | 13.459.411 |
| Between 2 and 5 years | - | 10.759.100 | - | 10.759.100 |
| Total | 10.759.100 | 24.218.511 | 10.759.100 | 24.218.511 |

All of the Group's loans are in Euros.

The long-term borrowings mature until 2012 and the effective weighted average interest rates that were applicable on the balance sheet date were as follows:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|------------|-----------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Bank Loans (Long term) | 5,24% | 5,12% | 5,24% | 5,12% |
| Bank Loans (short term) | 5,73% | 2,88% | 5,73% | 2,88% |
| Debentures | 2,67% | 2,42% | 2,67% | 2,42% |

The current value of long-term borrowings is the following:

| Company and Group figures | | |
|----------------------------------|-------------------|-------------------|
| <i>Amounts in Euros</i> | | |
| Long-term borrowings | 31/12/2010 | 31/12/2009 |
| Bank Loans | 4.265.331 | 12.434.127 |
| Debentures | 6.500.000 | 12.000.000 |
| Total | 10.765.331 | 24.434.127 |

The fair market values of short-term loans are equal to their book values, as the effect from discount is immaterial.

For 2010, the current value is based on discounted cash flows with an interest rate of 4,33% (2009: 4,09%).

The Group has unused credit lines of € 121.611.132 (2009: € 134.056.130) in order to cover any future financial needs. These credit lines are mentioned in variable rate contracts and they do not have a determined date of expiration.

19) Deferred income tax

Deferred tax claims and liabilities are offset when there is an applicable legal right to offset current tax claims with current tax liabilities and when deferred income taxes concern the same tax principle. The amounts offset are illustrated below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Deferred tax asset | -11.847 | -100.780 | - | - |
| Deferred tax liability | 12.085.222 | 10.669.625 | 12.475.669 | 11.788.939 |
| Total | 12.073.375 | 10.568.845 | 12.475.669 | 11.788.939 |

Most of the deferred tax assets are recoverable after 12 months. Most of the tax liabilities are payable after 12 months.

The total change in deferred income tax is as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-----------------------------|-------------------|------------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Balance at the beginning of the year | 10.568.845 | 1.468.613 | 11.788.939 | 2.727.747 |
| Foreign exchange difference | -8.745 | 4.714 | - | - |
| Charged/(credited) to the statement of comprehensive income (note 29) | 1.690.903 | 7.283.303 | 864.358 | 7.248.977 |
| Charged/(credited) directly to other comprehensive income (note 29) | -177.628 | 1.812.215 | -177.628 | 1.812.215 |
| Balance at year-end | 12.073.375 | 10.568.845 | 12.475.669 | 11.788.939 |

Changes in deferred tax assets and liabilities during the year, without taking into consideration the offset of balances for the same tax authority, are the following:

Deferred tax liabilities:

| CONSOLIDATED FIGURES | Tangible assets/Difference in depreciation | Recognition of income | Other | Total |
|---|--|-----------------------|-----------|------------|
| <i>Amounts in Euros</i> | | | | |
| Balance on 1/1/2009 | 12.518.051 | 814.635 | 919.040 | 14.251.726 |
| Debited/(credited) to statement of comprehensive income | 803.550 | -575.436 | 532.355 | 760.469 |
| Balance on 31/12/2009 | 13.321.601 | 239.199 | 1.451.395 | 15.012.195 |
| Balance on 1/1/2010 | 13.321.601 | 239.199 | 1.451.395 | 15.012.195 |
| Debited/(credited) to statement of comprehensive income | -1.172.298 | -239.192 | -299.410 | -1.710.900 |
| Balance on 31/12/2010 | 12.149.303 | 7 | 1.151.985 | 13.301.295 |

Deferred tax assets:

| CONSOLIDATED FIGURES | Provisions differences | Non-recognized intangible assets | Fair value Profit | Tax losses | Total |
|---|------------------------|----------------------------------|-------------------|------------|-------------|
| <i>Amounts in Euros</i> | | | | | |
| Balance on 1/1/2009 | -1.412.927 | -688.780 | -1.869.461 | -8.811.945 | -12.783.113 |
| Foreign exchange difference | 4.714 | - | - | - | 4.714 |
| Debited/(credited) to the statement of comprehensive income | -1.275.971 | 114.119 | - | 7.684.686 | 6.522.834 |
| Debited/(credited) directly to other comprehensive income | - | - | 1.812.215 | - | 1.812.215 |
| Balance on 31/12/2009 | -2.684.184 | -574.661 | -57.246 | -1.127.259 | -4.443.350 |
| Balance on 1/1/2010 | -2.684.184 | -574.661 | -57.246 | -1.127.259 | -4.443.350 |
| Foreign exchange difference | -8.745 | - | - | - | -8.745 |
| Debited/(credited) to the statement of comprehensive income | 2.166.708 | 107.836 | - | 1.127.259 | 3.401.803 |
| Debited/(credited) directly to other comprehensive income | - | - | -177.628 | - | -177.628 |
| Balance on 31/12/2010 | -526.221 | -466.825 | -234.874 | - | -1.227.920 |

Deferred tax liabilities:

| COMPANY FIGURES | Recognition of income | Tangible assets/Difference in depreciation | Other | Total |
|---|-----------------------|--|-----------|------------|
| <i>Amounts in Euros</i> | | | | |
| Balance on 1/1/2009 | 814.635 | 13.196.133 | 1.573.590 | 15.584.358 |
| Debited/(credited) to the statement of comprehensive income | -575.436 | 724.550 | -134.912 | 14.202 |
| Balance on 31/12/2009 | 239.199 | 13.920.683 | 1.438.678 | 15.598.560 |
| Balance on 1/1/2010 | 239.199 | 13.920.683 | 1.438.678 | 15.598.560 |
| Debited/(credited) to the statement of comprehensive income | -239.192 | -1.370.555 | -305.136 | -1.914.882 |
| Balance on 31/12/2010 | 7 | 12.550.128 | 1.133.542 | 13.683.678 |

Deferred tax assets:

| COMPANY FIGURES | Provisions differences | Non-recognised intangible assets | Fair value Profits | Tax losses | Total |
|--|------------------------|----------------------------------|--------------------|-------------------|--------------------|
| <i>Amounts in Euros</i> | | | | | |
| Balance on 1/1/2009 | -1.486.667 | -688.538 | -1.869.461 | -8.811.945 | -12.856.611 |
| Debit/(credit) recorded in the statement of comprehensive income | -564.847 | 114.936 | - | 7.684.686 | 7.234.775 |
| Debited directly to other comprehensive income | - | - | 1.812.215 | - | 1.812.215 |
| Balance 31/12/2009 | -2.051.514 | -573.602 | -57.246 | -1.127.259 | -3.809.621 |
| Balance on 1/1/2010 | -2.051.514 | -573.602 | -57.246 | -1.127.259 | -3.809.621 |
| Debit/(credit) recorded in the statement of comprehensive income | 1.544.314 | 107.667 | - | 1.127.259 | 2.779.240 |
| Debited directly to other comprehensive income | - | - | -177.628 | - | -177.628 |
| Balance 31/12/2010 | -507.200 | -465.935 | -234.874 | - | -1.208.009 |

The deferred tax that was credited to the Company's Net Worth during the year refers to the change in the fair value of cash flow hedging.

During FY 2009, Group's Management re-estimated the possibility of offsetting tax losses carried forward with future tax gains and did not recognised deferred tax asset for the transfer of a portion of the tax losses amounting € 4.399.227.

20) Retirement benefit obligations

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|------------|-----------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Balance sheet liabilities for: | | | | |
| Pension benefits | 1.208.293 | 1.087.609 | 1.208.293 | 1.087.609 |
| Income statement debit (note 24) | | | | |
| Pension benefits | 491.167 | 405.253 | 491.167 | 405.253 |

The amounts that have been recognised in the statement of financial position have been designated as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|------------------|------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Present value of non-financed liabilities | 765.188 | 1.151.122 | 765.188 | 1.151.122 |
| Non-recorded actuarial profits/(losses) | 481.407 | -22.765 | 481.407 | -22.765 |
| Non-recorded cost of past service | -38.302 | -40.748 | -38.302 | -40.748 |
| Liability in the statement of financial position | 1.208.293 | 1.087.609 | 1.208.293 | 1.087.609 |

The amounts that have been recognised in the statement of comprehensive income have been designated as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|----------------|-----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Current service cost | 145.808 | 132.796 | 145.808 | 132.796 |
| Interest cost | 57.451 | 52.759 | 57.451 | 52.759 |
| Settlement / Curtailment / Termination Loss | 285.498 | 221.043 | 285.498 | 221.043 |
| Amortisation of actuarial profits | -36 | -3.791 | -36 | -3.791 |
| Amortisation of the cost of past service during the year | 2.446 | 2.446 | 2.446 | 2.446 |
| Total cost recognised in the statement of comprehensive income (note 24) | 491.167 | 405.253 | 491.167 | 405.253 |

The breakdown of above amounts per expenses category is the following:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|----------------|-----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Cost of sales | 233.921 | 248.633 | 233.921 | 248.633 |
| Administrative expenses | 257.246 | 156.620 | 257.246 | 156.620 |
| Total included in employee benefits | 491.167 | 405.253 | 491.167 | 405.253 |

The liability that has been recorded in the statement of financial position is as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|------------------|------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Net liability at the beginning of the year | 1.087.609 | 1.031.561 | 1.087.609 | 1.031.561 |
| Benefice paid | -370.483 | -349.205 | -370.483 | -349.205 |
| Total cost recognised in the statement of comprehensive income | 491.167 | 405.253 | 491.167 | 405.253 |
| Net liability at year-end | 1.208.293 | 1.087.609 | 1.208.293 | 1.087.609 |

The main actuarial assumptions used are the following:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|------------|-----------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Discount rate | 4,7% | 5,0% | 4,7% | 5,0% |
| Future salary increases | 2,0% | 4,5% | 2,0% | 4,5% |
| Inflation | 2,0% | 2,6% | 2,0% | 2,6% |

Death and sickness rates

Regarding assumptions for the death rate of men and women, the Swiss death-rate board EVK 2000 has been used. Regarding the sickness rate the above table has been re-adjusted by 50%.

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

| | Change in assumption | Impact on overall liability |
|---------------------------|-----------------------|-----------------------------|
| Discount rate | Increase/decrease 11% | Increase/decrease 7.8% |
| Salary growth rate | Increase/decrease 25% | Increase/decrease 8.9% |

21) Provisions

| CONSOLIDATED FIGURES | | | | |
|--------------------------------|---|-----------------------------------|----------------|------------------|
| <i>Amounts in Euros</i> | Pending litigations / cases under arbitration | Indemnification to counterparties | Restructuring | Total |
| 1-Jan-09 | 2.360.286 | 2.709.449 | 109.520 | 5.179.255 |
| Additional provisions | 295.000 | 4.434.663 | - | 4.729.663 |
| Reclassification of provisions | -1.917.864 | 1.917.864 | - | - |
| Unused provision reversed | -255.000 | - | - | -255.000 |
| Used provisions | -160.000 | -1.713.318 | - | -1.873.318 |
| 31-Dec-09 | 322.422 | 7.348.658 | 109.520 | 7.780.600 |
| Additional provisions | - | 1.089.821 | - | 1.089.821 |
| Unused provision reversed | -151.436 | -6.150.000 | -109.520 | -6.410.956 |
| Used provisions | -12.364 | -650.191 | - | -662.555 |
| 31-Dec-10 | 158.622 | 1.638.288 | - | 1.796.910 |

| COMPANY FIGURES | | | |
|--------------------------------|---|-----------------------------------|------------------|
| <i>Amounts in Euros</i> | Pending litigations / cases under arbitration | Indemnification to counterparties | Total |
| 1-Jan-09 | 2.360.286 | 3.506.125 | 5.866.411 |
| Additional provisions | 295.000 | 4.036.325 | 4.331.325 |
| Reclassification of provisions | -1.917.864 | 1.917.864 | - |
| Unused provision reversed | -255.000 | - | -255.000 |
| Used provisions | -160.000 | -1.713.318 | -1.873.318 |
| 31-Dec-09 | 322.422 | 7.746.996 | 8.069.418 |
| Additional provisions | - | 691.483 | 691.483 |
| Unused provision reversed | -151.436 | -6.150.000 | -6.301.436 |
| Used provisions | -12.364 | -650.191 | -662.555 |
| 31-Dec-10 | 158.622 | 1.638.288 | 1.796.910 |

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|------------------|------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Short-term provisions | 158.622 | 3.097.659 | 158.622 | 2.988.138 |
| Long-term provisions | 1.638.288 | 4.682.941 | 1.638.288 | 5.081.279 |
| Total | 1.796.910 | 7.780.600 | 1.796.910 | 8.069.417 |

Pending litigations

The amount of the said provision is based on estimations of the Group's Legal Department. The additional provisions have been recognised as Administration Expenses of the statement of comprehensive income, while reversal of provisions as other income. The remaining provision is expected to be used within the next year. The Management of the Company considers that the formed provision is sufficient and no additional burden is expected to arise.

Indemnification to counterparties

The provision that has been formed refers to losses that may arise as a result of the Company's contractual obligations. The provision was estimated based on historical figures and statistics for the settlement of similar cases in the past. The additional provisions of the balance year are recognised in the "distribution expenses".

The Group reassessed the amount of provisions on potential liabilities and based on the IAS 37, proceeded with a reduction of Eur 6.150.000 for the following reasons:

- a) There was a considerable improvement in the company's operations on multiple levels (production, logistics etc.) so that in the last 5 years, there was no any major claim related to contractual obligations.
- b) The amount, the geographical breakdown and the nature of the current contractual obligations do not require provisions beyond the formed amount.

Moreover, based on the principle of conservatism, the Group evaluates periodically the nature of the contractual obligations and proceeds with adjustments when required. The reverse of the said amount (Eur 6.150.000) has decreased distribution expenses.

Restructuring

The provision in question was related to the subsidiary CPW EUROPEAN that ceased to operate on 04/02/2010. The offset of the said provision is posted in the "Other Income".

22) Suppliers and other liabilities

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Suppliers | 45.723.338 | 24.006.590 | 45.331.037 | 23.748.762 |
| Customer down payments | 7.048.763 | 3.636.005 | 174.116 | 529.769 |
| Social Security | 657.035 | 673.390 | 657.035 | 673.390 |
| Tax & duties payable | 150.960 | 219.823 | 150.960 | 219.637 |
| Amounts payable to affiliated companies (note 35) | 1.179.725 | 2.726.112 | 6.846.975 | 2.729.188 |
| Dividends payable | 1.671 | 1.671 | 1.671 | 1.671 |
| Other creditors | 382.653 | 387.620 | 382.653 | 387.620 |
| Accrued expenses | 1.549.052 | 7.223.782 | 1.339.104 | 6.714.325 |
| Total | 56.693.197 | 38.874.993 | 54.883.551 | 35.004.362 |
| Short-term liabilities | 56.693.197 | 38.874.993 | 54.883.551 | 35.004.362 |
| Total liabilities | 56.693.197 | 38.874.993 | 54.883.551 | 35.004.362 |

23) Expenses by nature

Consolidated figures - 12 months until 31/12/2010

| Amounts in Euros | Notes | Cost of sales | Distribution cost | Admin. expenses | Other expenses (note 26) | Total |
|--------------------------------------|-------|---------------------|--------------------|-------------------|--------------------------|---------------------|
| Payroll and employees benefits | 24 | -9.823.897 | -2.081.350 | -2.800.683 | -856.711 | -15.562.641 |
| Cost of stocks recognised as expense | | -97.535.273 | - | - | - | -97.535.273 |
| Energy | | -2.369.202 | - | - | - | -2.369.202 |
| Depreciation | 6, 7 | -8.072.127 | -131.787 | -51.871 | -3.078.018 | -11.333.803 |
| Insurance fees | | -384.476 | -1.525.535 | -12.389 | - | -1.922.400 |
| Leasing fees | | -114.040 | -52.673 | -420.940 | -44.179 | -631.832 |
| Freight cost | | -622.734 | -8.434.826 | -55.837 | - | -9.113.397 |
| Fees to third parties | | -1.481.059 | -2.617.931 | -1.358.267 | -337.751 | -5.795.008 |
| Provisions | | - | 5.458.517 | - | -6.536 | 5.451.981 |
| Impairment of receivables | | - | -9.497.740 | - | - | -9.497.740 |
| Other (see below) | | -1.857.921 | -756.338 | -2.074.143 | -426.168 | -5.114.570 |
| Total | | -122.260.729 | -19.639.663 | -6.774.130 | -4.749.363 | -153.423.885 |
| Other expenses | | | | | | |
| Consumables, packaging, spare parts | | -2.483.176 | -345.687 | -2.172 | - | -2.831.035 |
| Foreign exchange differences | 30 | 662.146 | 1.488.131 | -10.772 | - | 2.139.505 |
| Pipe processing (concrete) | | - | 3.462.549 | - | - | 3.462.549 |
| Gain/(Loss) from cash flow hedge | | 340.304 | -4.728.819 | - | - | -4.388.515 |
| Other | | -377.195 | -632.512 | -2.061.199 | -426.168 | -3.497.074 |
| Total | | -1.857.921 | -756.338 | -2.074.143 | -426.168 | -5.114.570 |

Consolidated figures - 12 months until 31/12/2009

| Amounts in Euros | Notes | Cost of sales | Distribution cost | Admin. expenses | Other expenses (note 26) | Total |
|--------------------------------------|-------|---------------------|--------------------|-------------------|--------------------------|---------------------|
| Payroll and employees benefits | 24 | -11.609.375 | -2.291.887 | -3.007.733 | -758.372 | -17.667.367 |
| Cost of stocks recognised as expense | | -171.227.552 | - | - | - | -171.227.552 |
| Energy | | -2.499.903 | -84.100 | - | - | -2.584.003 |
| Depreciation | 6, 7 | -9.618.633 | -138.730 | -62.111 | -1.363.119 | -11.182.593 |
| Insurance fees | | -422.003 | -2.196.121 | -7.905 | - | -2.626.029 |
| Leasing fees | | -130.350 | -42.022 | -311.538 | -47.688 | -531.598 |
| Freight cost | | -738.360 | -15.634.931 | -51.463 | - | -16.424.754 |
| Fees to third parties | | -3.263.246 | -5.253.601 | -799.466 | -241.294 | -9.557.607 |
| Provisions | | - | -4.036.325 | -295.000 | -8.457 | -4.339.782 |
| Other (see below) | | -1.213.312 | -15.417.555 | -1.644.454 | -2.409.665 | -20.684.986 |
| Total | | -200.722.734 | -45.095.272 | -6.179.670 | -4.828.595 | -256.826.271 |
| Other expenses | | | | | | |
| Consumables, packaging, spare parts | | -3.004.249 | -586.460 | -2.268 | - | -3.592.977 |
| Foreign exchange differences | 30 | 700.559 | -3.325.750 | -3.657 | - | -2.628.848 |
| Pipe processing (concrete) | | - | -3.462.549 | - | - | -3.462.549 |
| Gain/(Loss) from cash flow hedge | | 948.326 | -5.191.452 | - | - | -4.243.126 |
| Duties | | - | -1.117.815 | - | - | -1.117.815 |
| Other | | 142.052 | -1.733.529 | -1.638.529 | -2.409.665 | -5.639.671 |
| Total | | -1.213.312 | -15.417.555 | -1.644.454 | -2.409.665 | -20.684.986 |

Company figures - 12 months until 31/12/2010

| Amounts in Euros | Notes | Cost of sales | Distribution cost | Admin. expenses | Other expenses (note 26) | Total |
|--------------------------------------|-------|---------------------|--------------------|-------------------|--------------------------|---------------------|
| Payroll and employees benefits | 24 | -9.823.897 | -2.081.350 | -2.040.931 | -856.711 | -14.802.889 |
| Cost of stocks recognised as expense | | -88.966.976 | - | - | - | -88.966.976 |
| Energy | | -2.369.202 | - | - | - | -2.369.202 |
| Depreciation | 6, 7 | -8.072.127 | -131.787 | -51.713 | -3.073.291 | -11.328.918 |
| Insurance fees | | -384.476 | -1.525.535 | -12.389 | - | -1.922.400 |
| Leasing fees | | -114.040 | -52.673 | -419.098 | - | -585.811 |
| Freight cost | | -622.734 | -7.884.766 | -55.837 | - | -8.563.337 |
| Fees to third parties | | -1.481.059 | -2.617.931 | -1.330.763 | -337.751 | -5.767.504 |
| Provisions | | - | 5.458.517 | - | -6.536 | 5.451.981 |
| Impairment of receivables | | - | -9.497.740 | - | - | -9.497.740 |
| Other (see below) | | -1.857.921 | -732.534 | -2.067.773 | -368.366 | -5.026.594 |
| Total | | -113.692.432 | -19.065.799 | -5.978.504 | -4.642.655 | -143.379.390 |

| Other expenses | | | | | | |
|-------------------------------------|----|-------------------|-----------------|-------------------|-----------------|-------------------|
| Consumables, packaging, spare parts | | -2.483.176 | -345.687 | -2.172 | - | -2.831.035 |
| Foreign exchange differences | 30 | 662.146 | 1.488.131 | -10.772 | - | 2.139.505 |
| Pipe processing (concrete) | | - | 3.462.549 | - | - | 3.462.549 |
| Gain/(Loss) from cash flow hedge | | 340.304 | -4.728.819 | - | - | -4.388.515 |
| Other | | -377.195 | -608.708 | -2.054.829 | -368.366 | -3.409.098 |
| Total | | -1.857.921 | -732.534 | -2.067.773 | -368.366 | -5.026.594 |

Company figures - 12 months until 31/12/2009

| Amounts in Euros | Notes | Cost of sales | Distribution cost | Admin. expenses | Other expenses (note 26) | Total |
|--------------------------------------|-------|---------------------|--------------------|-------------------|--------------------------|---------------------|
| Payroll and employees benefits | 24 | -11.609.375 | -2.291.887 | -2.021.661 | -758.372 | -16.681.295 |
| Cost of stocks recognised as expense | | -167.019.509 | - | - | - | -167.019.509 |
| Energy | | -2.499.903 | -84.100 | - | - | -2.584.003 |
| Depreciation | 6, 7 | -9.618.633 | -138.730 | -61.165 | -1.356.891 | -11.175.419 |
| Insurance fees | | -422.003 | -2.196.121 | -4.684 | - | -2.622.808 |
| Leasing fees | | -130.350 | -42.022 | -309.749 | - | -482.121 |
| Freight cost | | -738.360 | -14.823.480 | -51.463 | - | -15.613.303 |
| Fees to third parties | | -3.263.246 | -4.655.032 | -784.872 | -241.294 | -8.944.444 |
| Provisions | | - | -4.036.325 | -295.000 | -8.457 | -4.339.782 |
| Other (see below) | | -1.213.312 | -15.363.978 | -1.525.917 | -2.150.343 | -20.253.550 |
| Total | | -196.514.691 | -43.631.675 | -5.054.511 | -4.515.357 | -249.716.234 |

| Other expenses | | | | | | |
|-------------------------------------|----|-------------------|--------------------|-------------------|-------------------|--------------------|
| Consumables, packaging, spare parts | | -3.004.249 | -586.460 | -2.268 | - | -3.592.977 |
| Foreign exchange differences | 30 | 700.559 | -3.325.750 | -654 | - | -2.625.845 |
| Pipe processing (concrete) | | - | -3.462.549 | - | - | -3.462.549 |
| Gain/(Loss) from cash flow hedge | | 948.326 | -5.191.451 | - | - | -4.243.125 |
| Duties | | - | -1.117.816 | - | - | -1.117.816 |
| Other | | 142.052 | -1.679.952 | -1.522.995 | -2.150.343 | -5.211.238 |
| Total | | -1.213.312 | -15.363.978 | -1.525.917 | -2.150.343 | -20.253.550 |

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---------------------|----------------------|------------|-----------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Number of employees | 430 | 469 | 422 | 458 |

24) Employee benefit expenses

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Wages & salaries | 11.691.512 | 13.492.125 | 11.090.602 | 12.688.990 |
| Social security expenses | 2.925.990 | 3.273.376 | 2.891.235 | 3.232.742 |
| Pension benefits (note 20) | 491.167 | 405.253 | 491.167 | 405.253 |
| Other benefits | 453.972 | 496.613 | 329.885 | 354.310 |
| Total | 15.562.641 | 17.667.367 | 14.802.889 | 16.681.295 |

25) Other operating income

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Income from consulting services | 9.000 | 7.000 | - | - |
| Indemnification from insurance companies | 1.060 | 1.307 | 1.060 | 1.307 |
| Miscellaneous (See below breakdown) | 1.184.117 | 1.540.973 | 905.663 | 1.229.347 |
| Total | 1.194.177 | 1.549.280 | 906.723 | 1.230.654 |

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Unloading costs and freight | 96.598 | 582.081 | 96.598 | 288.092 |
| Grants | - | 58.031 | - | 58.031 |
| Income from services | 633.518 | 531.509 | 633.518 | 531.509 |
| Rents | 38.573 | 4.136 | 38.573 | 4.136 |
| Income from provisions and write-offs | 246.495 | 155.412 | 136.974 | 155.412 |
| Other | 168.933 | 209.805 | - | 192.168 |
| Total | 1.184.117 | 1.540.974 | 905.663 | 1.229.348 |

26) Other operating Expenses

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Production expenses not included in cost | -4.642.655 | -3.311.697 | -4.642.655 | -3.311.697 |
| Miscellaneous (See below breakdown) | -106.708 | -1.516.898 | - | -1.203.660 |
| Total | -4.749.363 | -4.828.595 | -4.642.655 | -4.515.357 |

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Repayment of grants | - | -1.203.660 | - | -1.203.660 |
| Other | -106.708 | -313.238 | - | - |
| Total | -106.708 | -1.516.898 | - | -1.203.660 |

27) Other profit/(loss) net

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Profit / (Loss) from sale of fixed assets (note 32) | -22.913 | -970 | -9.328 | -970 |
| Gain from fair value of financial assets (note 14) | - | 5.749 | - | 5.749 |
| Gain / (loss) from sale of affiliate | - | 5.744 | - | 5.744 |
| Gain / (loss) from dissolution of affiliate | 163.110 | - | - | - |
| Total | 140.197 | 10.523 | -9.328 | 10.523 |

28) Financial expenses – net

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2009 | 12 months until 31/12/2009 | 12 months until 31/12/2009 | 12 months until 31/12/2009 |
| Income | | | | |
| Interest receivable | 46.134 | 78.445 | 29.899 | 52.239 |
| Total income | 46.134 | 78.445 | 29.899 | 52.239 |
| Expenses | | | | |
| Interest payable | -1.713.713 | -2.821.492 | -1.746.505 | -2.877.315 |
| Promissory notes | -39.937 | -857.502 | -39.937 | -857.502 |
| Financial leasing | -636 | -1.895 | - | - |
| Foreign exchange differences (note 30) | 62.154 | 507.415 | 51.677 | 538.189 |
| Interest rate swaps - fair market value | - | -77.815 | - | -77.815 |
| Commissions of bank guarantees | -194.570 | -233.510 | -194.570 | -233.510 |
| Other | -124.256 | -289.498 | -124.255 | -289.499 |
| Total expenses | -2.010.958 | -3.774.297 | -2.053.590 | -3.797.452 |
| Financial cost (net) | -1.964.824 | -3.695.852 | -2.023.691 | -3.745.213 |

29) Taxation

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Income tax | 2.755.645 | 559.990 | 2.631.034 | -203.323 |
| Deferred Tax (note 19) | 1.690.904 | 7.283.303 | 864.358 | 7.248.977 |
| Total | 4.446.549 | 7.843.293 | 3.495.392 | 7.045.654 |

Income tax is different from the theoretical amount deriving from the application of the effective tax rate on the results of the consolidated companies. The difference is calculated as follows:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 12 months until 31/12/2010 | 12 months until 31/12/2009 | 12 months until 31/12/2010 | 12 months until 31/12/2009 |
| Income Tax | | | | |
| Profit before tax | 2.890.454 | 28.084.043 | 1.011.614 | 25.280.148 |
| Tax calculated on the basis of the applicable tax rates of the mother company (2010: 24, 2009: 25%) | 693.709 | 7.021.011 | 242.787 | 6.320.037 |
| Non tax-exempted expenses | 2.679.174 | 353.156 | 2.626.094 | 353.156 |
| Income not used in tax calculation | 300.298 | -126.942 | - | - |
| Tax losses for which deferred tax liabilities has not been accounted | - | 596.929 | - | 536.676 |
| Difference of tax rates applicable in foreign countries | 120.614 | 152.268 | - | - |
| Effect on opening deferred tax resulting from estimations of management on tax rates | -1.510.773 | - | -1.645.828 | - |
| Differences of tax audit | 50 | 8.290 | - | -9.789 |
| Effect from tax rate difference and deferred tax on temporary differences | -467.557 | 31.015 | -358.695 | 39.108 |
| Additional tax | - | 1.100 | - | - |
| Tax income, from sale of subsidiary recognized as expense in previous year | - | -730.473 | - | -730.473 |
| Extraordinary Contribution L. 3845/2010 | 2.631.034 | 536.938 | 2.631.034 | 536.938 |
| Total income tax | 4.446.549 | 7.843.293 | 3.495.392 | 7.045.654 |

According to L 3845/2010 an Extraordinary Contribution of so called social responsibility was levied based on 2009 profits and amounted to € 2.631.034. The said amount burdened tax expenses of year 2010 and consequently Company's and Group's Equity. This amount will be gradually paid within 2011.

The tax (expense)/income on the other comprehensive income is analyzed as follows:

| CONSOLIDATED FIGURES (in euros) | 2010 | | | 2009 | | |
|---|----------------|-----------------------|----------------|------------------|-----------------------|------------------|
| | Before tax | TAX (Debit)/Credit | After tax | Before tax | TAX (Debit)/Credit | After tax |
| Profit / (Loss) after tax from change of fair market value of cash flow hedge | -945.389 | 177.628 | -767.761 | 7.248.860 | -1.812.215 | 5.436.645 |
| Currency translation differences | 1.256.994 | - | 1.256.994 | -821.304 | - | -821.304 |
| Other comprehensive income | 311.605 | 177.628 | 489.233 | 6.427.556 | -1.812.215 | 4.615.341 |
| Deferred Tax (note 19) | - | 177.628 | - | - | -1.812.215 | - |
| Total | - | 177.628 | - | - | -1.812.215 | - |

| COMPANY FIGURES (in euros) | 2010 | | | 2009 | | |
|---|-----------------|-----------------------|-----------------|------------------|-----------------------|------------------|
| | Before tax | TAX (Debit)/Credit | After tax | Before tax | TAX (Debit)/Credit | After tax |
| Profit / (Loss) after tax from change of fair market value of cash flow hedge | -945.389 | 177.628 | -767.761 | 7.248.860 | -1.812.215 | 5.436.645 |
| Other comprehensive income | -945.389 | 177.628 | -767.761 | 7.248.860 | -1.812.215 | 5.436.645 |
| Deferred Tax (note 19) | - | 177.628 | - | - | -1.812.215 | - |
| Total | - | 177.628 | - | - | -1.812.215 | - |

30) Foreign exchange differences

Foreign exchange differences have recognised in the statement of comprehensive income as follows:

| Amounts in Euros | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|-------------------|------------------|-------------------|
| | 12 months until | 12 months until | 12 months until | 12 months until |
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Cost of sales | 662.146 | 700.559 | 662.146 | 700.559 |
| Selling expenses | 1.488.131 | -3.325.750 | 1.488.131 | -3.325.750 |
| Administration expenses | -10.772 | -3.693 | -10.772 | -654 |
| Financial expenses | 62.154 | 507.415 | 51.677 | 538.189 |
| Total | 2.201.659 | -2.121.469 | 2.191.182 | -2.087.656 |

31) Earnings per share

| Amounts in Euros | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|-----------------|-----------------|-----------------|
| | 12 months until | 12 months until | 12 months until | 12 months until |
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Profits/(loss) attributed to the parent company' s shareholders | -1.556.095 | 20.240.750 | -2.483.778 | 18.234.493 |
| Weighted average number of shares | 124.170.201 | 124.170.201 | 124.170.201 | 124.170.201 |
| Basic profits/(loss) per share (Euros per share) | -0,0125 | 0,1630 | -0,0200 | 0,1469 |

Basic earnings/(losses) per share

Basic profits/(loss) per share are calculated by dividing the profits/(loss) that corresponds to the parent company's shareholders, by the weighted average number of common shares during the period.

32) Operational cash flows

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 1/1 until 31/12/2010 | 1/1 until 31/12/2009 | 1/1 until 31/12/2010 | 1/1 until 31/12/2009 |
| Profit before tax | 2.890.454 | 28.084.043 | 1.011.615 | 25.280.147 |
| Adjustments for: | | | | |
| Depreciation of tangible assets (note 6) | 11.327.420 | 11.079.764 | 11.322.535 | 11.072.590 |
| Depreciation of intangible assets (note 7) | 6.383 | 102.829 | 6.383 | 102.829 |
| Amortization of operating lease rentals | 54.702 | - | 54.702 | - |
| Impairment of fixed assets (note 6) | - | 25.000 | - | 25.000 |
| Profit from associate companies (note 9) | -1.925.433 | -1.872.048 | - | - |
| (Profit)/Loss from sale of fixed assets (see below) | 22.913 | 970 | 9.328 | 970 |
| (Profit)/Loss from sale of associate companies (note 27) | - | -5.744 | - | -5.744 |
| (Profit)/Loss from dissolution of affiliates other than banks (note 8) | -170.310 | - | - | - |
| (Profit)/Loss from the fair market value of financial assets through results (note 27) | - | -5.749 | - | -5.749 |
| (Income) from interest (note 28) | -46.134 | -78.445 | -29.899 | -52.239 |
| Interest expenses (note 28) | 2.010.958 | 3.774.297 | 2.053.590 | 3.797.452 |
| (Income) from Dividends (note 35) | - | -2.572 | -2.843.144 | -1.131.572 |
| Impairment of receivables (note 12) | 9.497.740 | - | 9.497.740 | - |
| Provisions | -5.321.135 | 4.474.664 | -5.609.954 | 4.076.325 |
| Employee benefits due to retirement (note 20) | 491.167 | 405.253 | 491.167 | 405.253 |
| Impairment of inventories (note 11) | -65.943 | 7.025.913 | -65.943 | 7.025.913 |
| Foreign exchange differences | 59.841 | 5.483 | - | - |
| | 18.832.623 | 53.013.658 | 15.898.120 | 50.591.174 |
| Change in working capital | | | | |
| (Increase) / decrease of inventories | 12.661.398 | 62.240.784 | 8.509.447 | 53.773.832 |
| (Increase) / decrease of receivables | 3.340.292 | 46.909.782 | 8.059.645 | 38.632.661 |
| Increase / (decrease) of liabilities other than banks | 2.630.531 | -143.960.515 | 4.687.914 | -126.106.035 |
| Increase / (decrease) of provisions | -12.364 | -160.000 | -12.364 | -160.000 |
| Increase / (decrease) of employee benefits due to retirement | -370.483 | -349.205 | -370.483 | -349.205 |
| | 18.249.374 | -35.319.154 | 20.874.159 | -34.208.747 |
| Net cash flow from operating activities | 37.081.997 | 17.694.504 | 36.772.279 | 16.382.428 |

Profits from sale of tangible fixed assets include:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 1/1 until 31/12/2010 | 1/1 until 31/12/2009 | 1/1 until 31/12/2010 | 1/1 until 31/12/2009 |
| Net book value (note 6) | 48.196 | 15.195 | 13.796 | 15.195 |
| Profit / (Loss) from the sale of fixed assets | -22.913 | -970 | -9.328 | -970 |
| Revenues from sale of fixed assets | 25.283 | 14.225 | 4.468 | 14.225 |

33) Commitments
Capital commitments

There are no capital expenditures for the Group and Company.

Liabilities from operating leases

The Group leases transportation means and buildings, based on operating leases. These leases have various terms, readjustment clauses and renewal rights. With regard to real estate lease contracts, no special term are stipulated for their rescission. Pursuant to the applicable general provisions, the lessee has the right to rescind the contract, provided a period of two years has lapsed from the date the lease has been concluded and a notice has been served six months prior thereto. Following the lapse of the aforementioned six-month period the lessee is obliged to pay the lessor as indemnification an amount equal to four months of lease, based on the last applicable rent. With regard to transportation means, lease contracts may be terminated at any time without notice, however the lessee must pay an early termination penalty that ranges between 2 to half of the remaining due leasing fees, depending on the company with which the contract has been concluded.

The future total payable leasing fees are illustrated below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|------------------|------------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Less than 1 year | 194.878 | 276.924 | 147.433 | 233.560 |
| 1-5 years | 678.442 | 175.375 | 472.847 | 175.375 |
| Over 5 years | 1.899.853 | 577.052 | 1.899.853 | 577.052 |
| Total | 2.773.173 | 1.029.351 | 2.520.133 | 985.986 |

34) Contingent receivables/liabilities

a) The Company has contingent liabilities related to bank guarantees, issued in the framework of its ordinary course of business. The said contingent liabilities are shown below:

| <i>Amount in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|----------------------------------|----------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Guarantees to suppliers | 13.052.341 | 17.722.986 | 13.052.341 | 17.722.986 |
| Counter-guarantees for EIB loans | 12.218.511 | 19.802.422 | 12.218.511 | 19.802.422 |
| Total | 25.270.852 | 37.525.408 | 25.270.852 | 37.525.408 |

b) The cases in court or under arbitration that are pending at the balance sheet date are shown below:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|------------------|------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Other lawsuits | 239.451 | 552.422 | 239.451 | 552.422 |
| Contractual obligations | 1.642.194 | 5.644.275 | 1.642.194 | 5.644.275 |
| Tax obligations | 524.300 | 223.134 | - | - |
| Total | 2.405.945 | 6.419.831 | 1.881.645 | 6.196.697 |

The Company and the Group, in case of negative result of the above cases (of which € 239.451 are related to litigations or under arbitration differences), has formed a provision of a total amount of € 1.796.910 and see note 21 (2009: € 7.671.081 Group and € 8.069.418 Company).

The total amount of provisions that have been formed is deemed sufficient and no additional burden is expected to arise (note 21).

The fiscal tax obligations are related to the associated company TMK-CPW.

c) There is no major capex in progress at the balance sheet date.

d) On 31/12/2010, there were pending lawsuits against third parties. It is impossible to reach a reliable estimation of future financial benefits from a positive outcome of the said cases.

35) Related party transaction

Group is controlled by SIDENOR S.A. (incorporated in Greece), that owns 78,55% of the Company' s shares. The remaining 21,45% of the shares are free floated. The ultimate shareholder of the Group is VIOHALCO, also incorporated in Greece.

The following transactions are with related parties:

(i) Sales:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|------------------------------|----------------------|------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Sales of goods | | | | |
| Subsidiaries | - | - | 23.663.184 | 70.731.086 |
| Other related parties | 3.791.300 | 1.793.866 | 3.791.300 | 1.793.821 |
| | 3.791.300 | 1.793.866 | 27.454.484 | 72.524.907 |
| Sales of services | | | | |
| Subsidiaries | - | - | - | 892.558 |
| Other related parties | 727.532 | 712.424 | 595.666 | 601.947 |
| | 727.532 | 712.424 | 595.666 | 1.494.505 |
| Sales of fixed assets | | | | |
| Subsidiaries | - | - | - | - |
| Other related parties | 7.147 | 16.355 | 3.270 | 10.054 |
| | 7.147 | 16.355 | 3.270 | 10.054 |
| Dividend income | | | | |
| Subsidiaries | - | - | 2.843.144 | 1.129.000 |
| Other related parties | - | 2.572 | - | 2.572 |
| | - | 2.572 | 2.843.144 | 1.131.572 |

(ii) Purchases:

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|----------------------------------|----------------------|------------------|------------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Purchase of goods | | | | |
| Subsidiaries | - | - | - | 3.080 |
| Other related parties | 821.819 | 708.779 | 412.645 | 442.894 |
| | 821.819 | 708.779 | 412.645 | 445.974 |
| Purchases of services | | | | |
| Subsidiaries | - | - | - | 58.642 |
| Other related parties | 2.443.668 | 2.895.147 | 2.443.668 | 2.895.147 |
| | 2.443.668 | 2.895.147 | 2.443.668 | 2.953.789 |
| Purchases of fixed assets | | | | |
| Subsidiaries | - | - | - | 19.151 |
| Other related parties | 488.083 | 534.106 | 488.083 | 534.106 |
| | 488.083 | 534.106 | 488.083 | 553.257 |

(iii) Fees to member of the BoD and Management compensation

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|------------------|-----------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Fees to member of the BoD and Management compensation | 626.176 | 876.304 | 626.176 | 876.304 |
| Employment termination fees | 156.750 | 184.631 | 156.750 | 184.631 |
| Total | 782.926 | 1.060.935 | 782.926 | 1.060.935 |
| Payables to BoD and Management | 8.668 | 11.353 | 8.668 | 11.353 |
| Total | 8.668 | 11.353 | 8.668 | 11.353 |

(iv) Balances at year end from sales and purchases of goods, services and fixed assets

| <i>Amounts in Euros</i> | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|------------------|------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Receivables from related parties: | | | | |
| Subsidiaries | - | - | 451 | 6.213.018 |
| Other related parties | 3.920.939 | 3.276.716 | 3.820.605 | 3.173.893 |
| Long term liabilities related land contribution in associated company (note 6) | 3.603.023 | 3.603.023 | 3.603.023 | 3.603.023 |
| Total | 7.523.962 | 6.879.739 | 7.424.079 | 12.989.934 |
| Payables to related parties: | | | | |
| Subsidiaries | - | - | 5.653.774 | 3.076 |
| Other related parties | 1.171.057 | 2.714.759 | 1.171.057 | 2.714.759 |
| Total | 1.171.057 | 2.714.759 | 6.824.831 | 2.717.835 |

Other related parties are subsidiaries of Viohalco Group.

Payables and receivables to and from affiliated entities do not have specific settlement terms and are non-interest bearing.

The amounts receivables are related with sales of goods and services. During 2008 and 2009 no provision has been made for the impairment for balances regarding related parties.

The amounts payable are related with purchase of goods and services.

It is noted, that in 2010, the Group sold goods amounting to € 2.976.342,59 and € 46.713,10, through its related companies SIDMA S.A. and ANTIMET S.A. (acting as agents), respectively. The said transactions are not shown in the corresponding table. On the other hand, the receivables from the said sales amounting to € 969.235,05 and € 47.580,09, respectively, at 31/12/2010, are included in the corresponding table with the receivables from related parties, as stipulated by the agreements with the companies in question.

(v) Loans from subsidiaries

| <i>Amounts in Euros</i> | COMPANY FIGURES |
|--|------------------------|
| Balance at 01/01/2009 | - |
| borrowings | 4.115.842 |
| Foreign exchange differences | -385.258 |
| Interests from borrowings | 58.642 |
| Repayments of borrowings and interests | -3.789.226 |
| Balance at 31/12/2009 | - |
| Balance at 01/01/2010 | - |
| borrowings | 2.444.789 |
| Foreign exchange differences | -215.962 |
| Interests from borrowings | 33.358 |
| Repayments of borrowings and interests | -2.248.709 |
| Balance at 31/12/2010 | 13.476 |

36) Other short-term financing liabilities/assets

Liabilities

| <i>Amounts in Euros</i> | Consolidated and Company figures |
|--|---|
| Opening balance at 01/01/2009 | 6.194.998 |
| Additions | 10.166.778 |
| Repayments of short term financing liabilities | -15.200.612 |
| Foreign exchange differences | -1.161.164 |
| Balance at 31/12/2009 | - |
| Additions | 2.276.305 |
| Repayments of short term financing liabilities | -2.276.305 |
| Balance at 31/12/2010 | - |

Assets

| <i>Amounts in Euros</i> | Consolidated and Company figures |
|---|---|
| Balance at 31/12/2009 | - |
| Additions | 25.056.324 |
| Repayments of short term financing assets | -19.884.147 |
| Balance at 31/12/2010 | 5.172.177 |

On 31/12/2010 the said receivables are EUR denominated and the period until the cash inflow is non interest bearing.

The interest is calculated based on a floating rate equal to the prevailing factoring discount rate (Euribor plus spread).

The fair values of the additional financing assets are equal to their book values

37) Unaudited fiscal years

The consolidated companies have been tax audited as follows: Corinth Pipeworks S.A. has been tax audited until 2007 and DIAVIPETHIV S.A until 2009. ZAO TMK CPW has not been tax audited since its incorporation (28/01/2007).

38) Auditor's fees

For year 2010, the auditor's fees, related to the Company's annual and mid-year audit of financial statements, amounted to € 99.817 (2009: € 103.267). For FY 2010 there were no other fees, whereas for 2009 the company spent for other services related to auditing, fees amounting to € 3.000, tax consulting fees amounting to € 6.430 and non-audit related fees amounting to € 6.300.

39) Post balance sheet events

There are no post balance sheet events that are likely to affect the financial statements of the Group and the parent company.

E. Independent auditor's report

To the Shareholders of Corinth Pipeworks SA

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of Corinth Pipeworks SA and its subsidiaries which comprise the separate and consolidated statement of financial position as of 31 December 2010 and the separate and consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Corinth Pipeworks SA and its subsidiaries as at December 31, 2010, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

PricewaterhouseCoopers

Athens, 28 March 2011

F. Data and Information - Group and Company

|  CORINTH PIPEWORKS S.A. PIPE INDUSTRY AND REAL ESTATE | | | | |
|---|----------------------|---------------------------|---------------------|---------------------|
| Company's No in the Registry of S.A.: 1343/06/B/86/35 Athens Tower, Building B, 2-4 Mesogeion Av., Athens Financial data and information for the period from January 1, 2010 to December 31, 2010 (published as per L2190/20, article 135, on companies preparing their annual financial statements, consolidated or not according to IFRS) | | | | |
| The figures and information illustrated below, aim at providing summary general information about the financial position and results of CORINTH PIPEWORKS S.A. (the Company) and its GROUP. We advise the reader, before making any investment decision or other transaction concerning the Company, to visit the Company's web site where the financial statements together with the audit report, when required, are uploaded. | | | | |
| Website: www.cpw.gr Date of approval by Board of Directors: March 28, 2011 Supervising authority: Ministry of Development (department for limited companies) Board of Directors: Bakouris Konstantinos - Chairman, Fikoris Meletios - Vice chairman, Vassiliadis Adamandios, Stavropoulos Ioannis, Galetas Nikolaos, Kyriazis Andreas. Certified auditor: Dimitris Sourbis Audit firm: PRICEWATERHOUSECOOPERS, Audit firm, S. A. Review audit type: Unqualified opinion | | | | |
| STATEMENT OF FINANCIAL POSITION (consolidated and company's) Amounts in € | | | | |
| | GROUP | | COMPANY | |
| | 31-Dec-2010 | 31-Dec-2009 | 31-Dec-2010 | 31-Dec-2009 |
| ASSETS | | | | |
| Tangible fixed assets | 123,658,813 | 134,589,522 | 123,623,619 | 134,552,757 |
| Intangible assets | 7,183 | 13,566 | 7,183 | 13,566 |
| Investments in associated companies | 12,544,520 | 10,165,308 | 1,073,950 | 1,073,950 |
| Investments in subsidiary companies | - | - | 11,345,179 | 11,345,179 |
| Deferred tax assets | 11,847 | 100,780 | - | - |
| Financial assets | 514,289 | 793,886 | - | 793,886 |
| Inventories | 43,475,916 | 56,071,370 | 43,475,916 | 51,919,420 |
| Trade receivables | 18,802,046 | 37,223,886 | 17,464,549 | 34,486,871 |
| Cash and cash equivalents | 21,515,604 | 12,409,128 | 18,403,168 | 7,126,379 |
| Other assets | 30,824,490 | 9,805,088 | 30,423,525 | 15,910,837 |
| TOTAL ASSETS | 251,354,707 | 261,174,534 | 246,331,377 | 257,224,845 |
| EQUITY AND LIABILITIES | | | | |
| Share capital | 96,852,757 | 96,852,757 | 96,852,757 | 96,852,757 |
| Other equity items | 51,639,048 | 52,705,910 | 48,033,328 | 51,284,867 |
| Total equity of the owners of the parent company (a) | 148,491,805 | 149,558,667 | 144,886,085 | 148,137,624 |
| Minority interest (b) | - | - | - | - |
| Total equity (c)=(a)+(b) | 148,491,805 | 149,558,667 | 144,886,085 | 148,137,624 |
| Long term loans | 10,759,100 | 24,218,511 | 10,759,100 | 24,218,511 |
| Provisions/other long term liabilities | 14,931,803 | 16,440,175 | 15,322,250 | 17,957,828 |
| Financial items | 1,681,324 | 1,017,533 | 1,681,324 | 1,017,533 |
| Short term loans | 15,959,411 | 27,313,911 | 15,959,411 | 27,313,911 |
| Short term provisions | 158,622 | 3,097,859 | 158,622 | 2,998,138 |
| Other short term liabilities | 59,372,642 | 39,528,078 | 57,564,585 | 35,591,300 |
| Total liabilities (d) | 102,862,902 | 111,615,867 | 101,445,292 | 109,087,221 |
| TOTAL EQUITY AND LIABILITIES (c) + (d) | 251,354,707 | 261,174,534 | 246,331,377 | 257,224,845 |
| STATEMENT OF CHANGES IN EQUITY (consolidated and company's) Amounts in € | | | | |
| | GROUP | | COMPANY | |
| | 31-Dec-2010 | 31-Dec-2009 | 31-Dec-2010 | 31-Dec-2009 |
| Equity at the beginning of the period (1/1/2010 & 31/12/2009 respectively) | 149,558,667 | 124,702,575 | 148,137,624 | 124,466,486 |
| Total comprehensive income after tax (from continuing operations) | (1,066,862) | 24,856,091 | (3,251,539) | 23,671,138 |
| Equity at the end of the period (31/12/2010 and 31/12/2009 respectively) | 148,491,805 | 149,558,666 | 144,886,085 | 148,137,624 |
| CASH FLOW STATEMENT (consolidated and company's) Amounts in € | | | | |
| | GROUP | | COMPANY | |
| | 1 Jan - 31 Dec 2010 | 1 Jan - 31 Dec 2009 | 1 Jan - 31 Dec 2010 | 1 Jan - 31 Dec 2009 |
| Operating activities | | | | |
| Profit before taxes | 2,890,454 | 28,084,043 | 1,011,615 | 25,280,147 |
| Adjustments for: | | | | |
| Depreciation of tangible fixed assets | 11,327,420 | 11,079,764 | 11,322,535 | 11,072,590 |
| Amortization of intangible assets | 6,383 | 102,829 | 6,383 | 102,829 |
| (Gains) / losses from sales of tangible fixed assets | 22,913 | 970 | 9,328 | 970 |
| (Profit) / loss from dissolution of affiliates other than banks | (170,310) | - | - | - |
| (Gains) / losses of fair value of financial items in fair value through results | - | (5,749) | - | (5,749) |
| Amortization of operating lease rentals | 54,702 | - | 54,702 | - |
| (Gains) / losses from sale of associated companies | - | (5,744) | - | (5,744) |
| Interest income | (46,134) | (78,445) | (29,899) | (52,239) |
| Interest expense | 2,010,558 | 3,774,297 | 2,053,590 | 3,797,452 |
| Provisions | (5,321,135) | 4,474,664 | (5,609,954) | 4,076,325 |
| Remuneration to retiring personnel | 491,167 | 405,253 | 491,167 | 405,253 |
| Income from dividends | - | (2,572) | (2,843,144) | (1,131,572) |
| Impairment of receivables | 9,497,740 | - | 9,497,740 | - |
| Impairment of inventories | (65,943) | 7,025,913 | (65,943) | 7,025,913 |
| Impairment of tangible fixed assets | - | 25,000 | - | 25,000 |
| Profit from associate companies | (1,925,433) | (1,872,048) | - | - |
| Foreign exchange differences | 59,841 | 5,483 | - | - |
| Changes in working capital | - | - | - | - |
| Decrease / (increase) of inventory | 12,661,398 | 62,240,784 | 8,509,447 | 53,773,832 |
| Decrease / (increase) of receivables | 3,340,292 | 46,909,782 | 8,059,645 | 38,632,661 |
| Increase / (decrease) of liabilities (except loans) | 2,630,531 | (143,960,515) | 4,687,914 | (126,106,035) |
| Increase / (decrease) of provisions | (12,364) | (160,000) | (12,364) | (160,000) |
| Increase / (decrease) of the liabilities for remuneration to retiring personnel | (370,483) | (349,205) | (370,483) | (349,205) |
| Interest paid | (2,052,190) | (4,076,424) | (2,094,823) | (4,059,579) |
| Income tax paid | (960,160) | (1,374,361) | (536,938) | (89,736) |
| Income tax received | - | 736,151 | - | 736,640 |
| Total cash (used in) generated from operating activities (a) | 34,089,647 | 12,979,870 | 34,140,518 | 12,928,753 |
| Investing activities | | | | |
| Purchases of tangible fixed assets | (963,414) | (1,550,678) | (927,330) | (1,550,678) |
| Purchases of intangible assets | - | (19,151) | - | (19,151) |
| Sale of tangible fixed assets | 25,284 | 14,225 | 4,469 | 14,225 |
| Establishment of subsidiary company | - | - | - | (26,111) |
| Sale of financial assets in fair value through results | - | 46,949 | - | 46,949 |
| Interest received | 46,134 | 78,445 | 29,899 | 52,239 |
| Sale of associates | - | 103,350 | - | 103,350 |
| Income from dividends | 440,020 | 473,934 | 2,843,144 | 1,131,572 |
| Total cash (used in) generated from investing activities (b) | (451,976) | (852,926) | 1,950,182 | (247,605) |
| Financing activities | | | | |
| Proceeds from borrowings | 73,790,000 | 171,410,000 | 73,790,000 | 171,410,000 |
| Repayment of borrowings | (98,603,911) | (190,306,079) | (98,603,911) | (190,306,079) |
| Dividends paid | - | (18,755) | - | (18,755) |
| Total cash / (used in) generated from financing activities (c) | (24,813,911) | (18,914,834) | (24,813,911) | (18,914,834) |
| Net (decrease) / increase in cash and cash equivalents (a)+(b)+(c) | 8,865,760 | (6,878,890) | 11,276,789 | (6,233,686) |
| Cash and cash equivalents at the beginning of the period | 12,409,128 | 19,405,270 | 7,126,379 | 13,360,065 |
| Translation differences in cash and cash equivalents | 302,716 | (208,252) | - | - |
| Cash and cash equivalents at the end of the period | 21,515,604 | 12,409,128 | 18,403,168 | 7,126,379 |
| STATEMENT OF COMPREHENSIVE INCOME (consolidated and company's) Amounts in € | | | | |
| | GROUP | | COMPANY | |
| | 1 Jan - 31 Dec 2010 | 1 Jan - 31 Dec 2009 | 1 Jan - 31 Dec 2010 | 1 Jan - 31 Dec 2009 |
| Turnover | 155,019,356 | 285,171,744 | 142,674,156 | 276,368,845 |
| Gross profit | 32,758,627 | 84,440,010 | 28,991,724 | 79,854,154 |
| Profit before taxes, financing & investing results | 2,909,945 | 29,905,275 | 192,161 | 27,893,788 |
| Financing and investing results | (39,391) | (1,821,232) | 819,453 | (2,613,641) |
| Profit before taxes | 2,890,454 | 28,084,043 | 1,011,614 | 25,280,147 |
| Taxation | (4,446,549) | (7,843,293) | (3,495,392) | (7,045,654) |
| Profit/(Loss) after taxes (A) | (1,556,095) | 20,240,750 | (2,483,778) | 18,234,493 |
| Owners of the parent company | (1,556,095) | 20,240,750 | (2,483,778) | 18,234,493 |
| Minority interest | - | - | - | - |
| Other comprehensive income after tax (B) | 489,233 | 4,615,341 | (767,761) | 5,436,645 |
| Total comprehensive income after tax (A)+(B) | (1,066,862) | 24,856,091 | (3,251,539) | 23,671,138 |
| Owners of the parent company | (1,066,862) | 24,856,091 | (3,251,539) | 23,671,138 |
| Minority interest | - | - | - | - |
| Earnings per share after taxes - basic and reduced | -0,125 | 0,1630 | -0,2200 | 0,1469 |
| Profit before taxes, financing & investing results and depreciation | 14,263,649 | 41,087,868 | 11,521,079 | 39,069,207 |
| Additional data and information: | | | | |
| 1. The companies of the Group with their respective countries of residence and percentage holdings, included in the consolidated financial statements (see notes 8.9 of the financial statements) | | | | |
| | Participation | Percentage holding | Country | |
| CPW America Co | Indirect | 100% | USA | |
| HUMBEL Ltd | Direct | 100% | CYPRUS | |
| WARSAW TUBULAR TRADING SP.ZO.O. | Direct | 100% | POLAND | |
| ZAO TMK CPW | Indirect | 49,00% | RUSSIA | |
| DIAPVETHIV SA | Direct | 21,75% | GREECE | |
| 2. The financial statements of the company are consolidated in the full consolidation method in the financial statements of Sideron S.A. seated in Greece, which participates in the company's share capital with 78,55%. The consolidated financial statements of Sideron S.A. are consolidated in the financial statements of Vinalcho S.A. | | | | |
| 3. The encumbrances on the Company's fixed assets amount to € 73,200,000. | | | | |
| 4. At the balance sheet date, there were lawsuits against the Company (and the Group) amounting to € 239,451. Against the above mentioned cases provisions of € 158,622 have been formed. The Company and the Group have formed provisions for tax unaudited fiscal years amounting to € 650,000, and other provisions amounting to € 1,638,288, for the company and the Group. According to IAS 37, the Group reassessed the amount of provisions and proceeded with a reduction of Eur 6,150,000, mainly because of considerable improvement in the company's operations on all levels. The total amount of provisions being formed is deemed sufficient and no additional balance is expected to arise | | | | |
| 5. The Group proceeded to an impairment of receivables EUR 9,497,740 (Group and Company), being the result of delay in collection of due receivables amounting to € 18,627,586. A set of legal and non legal actions have been undertaken in Greece and abroad in order to ensure the prompt collection of due amount. Based on the information available, management estimates that potential loss will not exceed the impaired amount. | | | | |
| 6. The company has been audited by the Tax Authorities until the Fin Year 2007 (incl.) and DIAPVETHIV S.A. until 2009. ZAO TMK CPW has not been tax audited since its incorporation (28/01/2007). (see note 8.9 of the financial statements) | | | | |
| 7. Number of employees at the end of the current period: Group 430, Company 422 (31/12/2009: Group 569, Company 458). | | | | |
| 8. Cumulative amounts of sales and purchases, since the beginning of the year and the balances of receivables and payables of the Group and the Company at the end of the year, resulting from its transactions with associated parties, according to the IFRS 24, are as follows: | | | | |
| | GROUP | | COMPANY | |
| | 31/12/10 | 31/12/09 | 31/12/10 | 31/12/09 |
| i) Sales of goods, services and fixed assets | 4,525,979 € | 28,053,420 € | 3,753,570 € | 3,344,396 € |
| ii) Purchases of goods, services and fixed assets | 7,523,962 € | 7,424,079 € | 1,171,051 € | 6,824,831 € |
| iii) Receivables from associated parties | 1,171,051 € | 0 € | 2,943,144 € | - |
| iv) Payables to associated parties | 626,176 € | 626,176 € | 8,668 € | 156,750 € |
| v) Income from dividends | 8,668 € | 156,750 € | - | - |
| vi) Directors' & Managers' remuneration | 156,750 € | - | - | - |
| vii) Directors' & Managers' remuneration payable | - | - | - | - |
| viii) Employment termination fees | - | - | - | - |
| 9. In the Income Statement, in the account "Taxation", are included: provision for income tax, as well as deferred tax, which are illustrated below: | | | | |
| | GROUP | | COMPANY | |
| | 31/12/10 | 31/12/09 | 31/12/10 | 31/12/09 |
| Income tax | -2,755,645 € | -599,990 € | -2,631,034 € | -203,323 € |
| Deferred tax | -1,690,904 € | -7,283,303 € | -864,358 € | -7,248,977 € |
| 10. The other comprehensive income after tax are: | | | | |
| | GROUP | | COMPANY | |
| | 31/12/10 | 31/12/09 | 31/12/10 | 31/12/09 |
| Translation differences from investment in associates | 1,256,994 | (821,304) | - | - |
| Loss after taxes arising from change of fair value of cash flow hedge | (767,761) | 5,436,645 | (767,761) | 5,436,645 |
| Other comprehensive income after tax | 489,233 | 4,615,341 | (767,761) | 5,436,645 |
| 11. The amount in the Balance Sheet, related to "Other shareholders equity items", includes reserves from the issuance of shares above par amounting to € 27,427,850. | | | | |
| 12. On February 4, 2010, the dissolution procedure of CPW European, seated in Germany, was finally completed. CPW European had been in dominant status, since June 2006. Therefore CPW European is not included in the consolidated financial statements as of 30/06/2010. The required notifications according to IFRS 5 have not been applied since, compared to the Group figures, subsidiary was immaterial. In the financial statement of the Company for year end 2009, the participation in the said subsidiary had been completely impaired. From the dissolution of the subsidiary, a profit amounting to € 163,110 was generated, mainly due to liabilities set-off (€ 178,710). | | | | |
| 13. On 31/12/2010, there were pending lawsuits against third parties. It is impossible to reach a reliable estimation of future financial benefits from a positive outcome of the said cases. | | | | |
| 14. It is noted that for 2009, foreign exchange differences related to assets, liabilities, Cash & Cash equivalent and gain/(losses) from fx forwards are transferred according to the following table: | | | | |
| | GROUP | | COMPANY | |
| | 31/12/10 | 31/12/09 | 31/12/10 | 31/12/09 |
| Reclassification from: | | | | |
| Other profit/(loss) to reduce cost of sales | 948,326 | 948,326 | - | - |
| Other profit/(loss) to increase selling expenses | -5,191,452 | -5,191,452 | - | - |
| Other income to reduce selling expenses | 3,531,913 | 3,531,913 | - | - |
| Other income to reduce cost of sales | 3,856,856 | 3,856,856 | - | - |
| Finance income to reduce Finance expenses | 1,253,248 | 1,160,262 | - | - |

Athens, March 28, 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS

A MEMBER OF THE BOARD OF DIRECTORS

G. Information pursuant to article 10 of law 3401/2005

The company in application of the current legislation, has disseminated and made available to the investment community through its website www.cpw.gr as well as through the Athens Exchange website www.athex.gr, during last fiscal year 2010, the information contained in the following table:

| SUBJECT | HERMES Prot. No | DATE |
|---|-----------------|-----------|
| Announcement on financial statement commentary | 32824 | 23-Nov-10 |
| Financial Statements under IFRS | 32818 | 23-Nov-10 |
| Financial Statements under IFRS | 32816 | 23-Nov-10 |
| Announcement nine-month 2010 financial results | 32126 | 16-Nov-10 |
| Announcement on changes on the members of the board or the management composition | 31069 | 04-Nov-10 |
| Announcement on changes on the members of the board or the management composition | 30674 | 01-Nov-10 |
| ANNOUNCEMENT - 1st half of 2010 financial results | 23398 | 24-Aug-10 |
| Financial Statements under IFRS | 23394 | 24-Aug-10 |
| Financial Statements under IFRS | 23392 | 24-Aug-10 |
| Announcement first half 2010 financial results | 23061 | 19-Aug-10 |
| Announcement of other important information | 18041 | 23-Jun-10 |
| Resolutions of the annual ordinary general shareholders meeting | 17211 | 15-Jun-10 |
| Announcement of other important information | 15629 | 02-Jun-10 |
| Announcement on financial statement commentary | 13861 | 26-May-10 |
| Financial Statements under IFRS | 13852 | 26-May-10 |
| Financial Statements under IFRS | 13849 | 26-May-10 |
| Preannouncement on general shareholders meeting | 13028 | 19-May-10 |
| Announcement of other important information | 12810 | 18-May-10 |
| Presentation of Corinth Pipeworks to the board of institutional investors | 10839 | 28-Apr-10 |
| Announcement on financial statement commentary | 6529 | 22-Mar-10 |
| Financial Statements under IFRS | 6522 | 22-Mar-10 |
| Financial Statements under IFRS | 6517 | 22-Mar-10 |
| Financial Calendar 2009 (correct resubmission) | 6452 | 22-Mar-10 |
| Financial Calendar 2010 | 6450 | 22-Mar-10 |
| Announcement of other important information | 5564 | 11-Mar-10 |

The above “Annual Financial Statements” on December 31, 2010 and the attached notes were approved by the Company’s Board of Directors in its meeting on March 28th, 2010. The persons responsible for the compilation of the interim financial statements of the parent company and its group on December 31, 2010 and the attached notes and the accuracy of the data contained therein are: Konstantinos Bakouris, Chairman of BoD, Ioannis Stavropoulos, member of the BoD, Papavasiliou Apostolos, General Manager, Michael Mastorakis, Financial Director, Koumpis Pavlos, Accounting Manager.

| | | | | |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|---|
| The Chairman of BoD | A member of the BoD | The General Manager | The Financial Director | Accounting Manager |
| Konstantinos Bakouris | Ioannis Stavropoulos | Papavasiliou Apostolos | Michael Mastorakis | Koumpis Pavlos |
| Id.C. No: AB 649471 | Id C. No: K 221209 | Id C. No: AI 666035 | Id. C. No.: X 625227 | Id. C. No.: AB 589945 E.C.G. Licence No. 0018936 A Class |