



**Interim Summary Financial Statements**

**For the period from 1 January 2010 till 31 March 2010**

**SIDENOR STEEL PRODUCTS  
MANUFACTURING COMPANY S.A.**

**Societe Anonyme Reg. No.: 2310/06/B/86/20 2-4 Mesogeion Ave. Athens**

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## A. Interim Financial Statements

### Statement of Financial Position

<i>Amounts in Euro</i>	Note	CONSOLIDATED DATA		COMPANY DATA	
		31/3/2010	31/12/2009	31/3/2010	31/12/2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Land & Buildings		257.050.790	259.877.583	57.220.276	57.652.581
Machinery		442.324.429	453.457.277	80.938.005	83.040.999
Other tangible assets		76.324.500	71.889.396	4.949.078	4.657.240
Intangible assets		664.328	661.701	40.902	54.536
Investments in associates	6	29.819.099	28.983.897	10.929.011	10.929.011
Investments in subsidiaries	7	-	-	210.179.260	210.089.260
Available for sale financial assets		1.485.009	1.485.009	1.354.368	1.354.368
Deferred tax assets		108.169	100.780	-	-
Other receivables		4.549.263	4.552.574	3.826.152	3.844.839
		<b>812.325.586</b>	<b>821.008.217</b>	<b>369.437.052</b>	<b>371.622.834</b>
<b>Current Assets</b>					
Inventories		279.990.417	278.674.914	71.799.349	68.409.489
Trade and other receivables		200.787.820	169.946.332	142.783.374	125.605.751
Tax receivables		8.413.803	8.409.872	7.746.548	-
Derivative financial instruments	8	1.271.564	788.549	-	-
Financial assets at fair value through profit or loss		7.337	7.337	-	-
Cash and cash equivalents		23.627.968	29.145.546	8.640.854	10.506.818
		<b>514.098.908</b>	<b>486.972.551</b>	<b>230.970.125</b>	<b>204.522.058</b>
		<b>1.326.424.494</b>	<b>1.307.980.768</b>	<b>600.407.177</b>	<b>576.144.892</b>
<b>Total Assets</b>					
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders</b>					
Share capital		39.460.002	39.460.002	39.460.002	39.460.002
Share premium		120.406.136	120.406.136	120.406.136	120.406.136
Currency translation adjustments		-2.420.264	-3.132.400	-	-
Other reserves		106.145.682	105.511.985	59.173.244	59.187.445
Retained earnings		245.929.267	253.453.729	67.288.116	71.272.835
Total		<b>509.520.823</b>	<b>515.699.453</b>	<b>286.327.498</b>	<b>290.326.418</b>
<b>Minority interest</b>					
Total Equity		<b>620.967.768</b>	<b>626.810.256</b>	<b>286.327.498</b>	<b>290.326.418</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	9	218.849.418	203.199.630	92.416.668	78.750.000
Derivative financial instruments	8	219.240	93.862	45.034	26.700
Deferred tax liabilities		67.355.243	67.393.900	17.945.720	18.291.324
Retirement benefit obligations		5.661.642	5.647.264	1.771.411	1.724.326
Government Grants		11.591.696	11.863.613	203.101	223.010
Provisions for other liabilities and charges		6.571.065	6.281.527	266.629	266.629
Other non-current liabilities		791.506	791.506	-	-
		<b>311.039.810</b>	<b>295.271.302</b>	<b>112.648.563</b>	<b>99.281.990</b>
<b>Current liabilities</b>					
Trade and other payables		132.493.514	125.638.376	125.304.913	126.071.424
Current tax liabilities		6.728.869	8.737.967	5.834.142	7.778.867
Borrowings	9	247.982.095	245.653.441	68.851.408	52.541.935
Other current liabilities		3.572.700	1.458.771	1.296.395	-
Derivative financial instruments	8	329.262	1.017.533	-	-
Retirement benefit obligations		237.763	199.683	144.258	144.258
Provisions for other liabilities and charges		3.072.713	3.193.441	-	-
		<b>394.416.916</b>	<b>385.899.210</b>	<b>201.431.116</b>	<b>186.536.484</b>
		<b>705.456.726</b>	<b>681.170.512</b>	<b>314.079.679</b>	<b>285.818.474</b>
		<b>1.326.424.494</b>	<b>1.307.980.768</b>	<b>600.407.177</b>	<b>576.144.892</b>
<b>Total liabilities</b>					
<b>Total equity and liabilities</b>					

The notes on pages 8 to 36 form an integral part of these interim financial statements.

## Income Statement

<i>Amounts in Euro</i>	Note	CONSOLIDATED DATA		COMPANY DATA	
		3 months until 31/3/2010	3 months until 31/3/2009	3 months until 31/3/2010	3 months until 31/3/2009
<b>Sales</b>		<b>207.265.974</b>	<b>283.831.095</b>	<b>58.769.453</b>	<b>47.949.112</b>
Cost of sales		-186.924.442	-250.408.241	-54.602.492	-46.840.682
<b>Gross profit</b>		<b>20.341.532</b>	<b>33.422.854</b>	<b>4.166.961</b>	<b>1.108.429</b>
Selling expenses		-15.880.731	-29.803.313	-4.610.970	-4.101.385
Administrative expenses		-6.682.378	-7.889.147	-3.091.040	-3.282.380
Other operating income		3.831.205	7.982.162	2.619.966	2.708.303
Other operating expenses		-5.861.952	-9.236.154	-2.468.566	-2.209.544
<b>Operating results</b>		<b>-4.252.323</b>	<b>-5.523.599</b>	<b>-3.383.649</b>	<b>-5.776.577</b>
Financial Income		660.909	892.165	43.794	26.612
Financial Expenses		-4.123.050	-7.795.295	-986.336	-2.194.450
Dividend income		118.647	-	-	1.718.071
Profits/ (losses) from participations		-22.260	-8.200	-	-
Profits/(losses) from subsidiaries	6	-133.860	-1.090.384	-	-
<b>Profits/(losses) before taxes</b>		<b>-7.751.937</b>	<b>-13.525.313</b>	<b>-4.326.190</b>	<b>-6.226.343</b>
Income tax expense		172.812	618.966	341.471	270.820
<b>Profits/(losses) after taxes</b>		<b>-7.579.126</b>	<b>-12.906.346</b>	<b>-3.984.719</b>	<b>-5.955.523</b>
<b>Attributable to:</b>					
Equity holders of the company		-7.553.182	-11.396.030	-3.984.719	-5.955.523
Minority interest		-25.944	-1.510.316	-	-
		<b>-7.579.126</b>	<b>-12.906.346</b>	<b>-3.984.719</b>	<b>-5.955.523</b>
<b>Earnings per share attributable to the equity holders of the Company during the year (expressed in Euro per share)</b>					
Basic		-0,0785	-0,1185	-0,0414	-0,0620
Diluted		-0,0785	-0,1185	-0,0414	-0,0620

The notes on pages 8 to 36 form an integral part of these interim financial statements.

## Statement of Comprehensive Income

	CONSOLIDATED DATA		COMPANY DATA	
	3 months until 31/3/2010	3 months until 31/3/2009	3 months until 31/3/2010	3 months until 31/3/2009
<b>Profits/(losses) after taxes</b>	-7.579.126	-12.906.346	-3.984.719	-5.955.523
<b>Other Comprehensive Income after taxes</b>				
Exchange differences translation of the financial statements from international business operations	913.808	-815.629	-	-
Profit / (loss) after tax from the change of the fair value of the cash flow hedging	794.111	-989.881	-14.200	-29.717
Comprehensive income after tax	<u>1.707.919</u>	<u>-1.805.510</u>	<u>-14.200</u>	<u>-29.717</u>
<b>Cumulative Comprehensive results after taxes</b>	<u><b>-5.871.207</b></u>	<u><b>-14.711.856</b></u>	<u><b>-3.998.920</b></u>	<u><b>-5.985.241</b></u>
<b>Attributable to:</b>				
Equity holders of the company	-6.207.348	-12.859.116	-3.998.920	-5.985.241
Minority interest	336.142	-1.852.739	-	-
	<u><b>-5.871.207</b></u>	<u><b>-14.711.856</b></u>	<u><b>-3.998.920</b></u>	<u><b>-5.985.241</b></u>

The notes on pages 8 to 36 form an integral part of these interim financial statements.

## Statement of Changes in Shareholders' Equity

Amounts in Euro	Attributable to shareholders of the parent company				Consolidated currency exchange differences	Total	Minority interest	Total Shareholders Equity
	Share Capital & Share Premium Reserves	Fair Value Reserve	Other reserves	Results carried forward				
<b>CONSOLIDATED DATA</b>								
<b>Balance as of 1 January 2009</b>	159.459.958	-4.447.092	102.663.930	328.717.858	-2.154.242	584.240.412	112.520.630	696.761.042
Cumulative Comprehensive earnings after taxes	-	-814.385	-	-11.396.030	-648.702	-12.859.116	-1.852.739	-14.711.856
Total recognised net profit for the year	-	-	12.862	-254.317	-	-241.455	-43.651	-285.106
Increase - decrease participation percentage in subsidiary	-	-	-	-	-	-	-	-
<b>Balance as of 31 March 2009</b>	159.459.958	-5.261.477	102.676.792	317.067.511	-2.802.944	571.139.840	110.624.240	681.764.080
<b>Balance as of 31 March 2009</b>	159.459.958	-5.261.477	102.676.792	317.067.511	-2.802.944	571.139.840	110.624.240	681.764.080
Cumulative Comprehensive earnings after taxes	-	5.075.463	-	-59.928.654	-329.456	-55.182.648	-550.196	-55.732.844
Total recognised net profit for the year	-	5.075.463	-	-59.928.654	-329.456	-55.182.648	-550.196	-55.732.844
Employee stock options	-	-	-	-	-	-	-	-
Income from share issue	406.180	-	-	-	-	406.180	-	406.180
Share Capital issuance / (decrease)	-	-	-	-	-	-	1.463.343	1.463.343
Increase - decrease participation percentage in subsidiary	-	-	76.313	-463.864	-	-578.073	-400.503	-978.577
Transfer of reserves	-	-523	2.945.417	-2.945.417	-	-	-	-
Dividend taxes	-	-	-	-85.847	-	-85.847	-26.737	-112.584
Dividend	-	-	-	-	-	-	656	656
	406.180	-523	3.021.730	-3.685.128	-	-257.740	1.036.759	779.020
<b>Balance as of 31 December 2009</b>	159.866.138	-186.537	105.698.522	253.453.729	-3.132.400	515.699.452	111.110.803	626.810.256
<b>Balance as of 1 January 2010</b>	159.866.138	-186.537	105.698.522	253.453.729	-3.132.400	515.699.452	111.110.803	626.810.255
Cumulative Comprehensive earnings after taxes	-	633.697	-	-7.553.182	712.136	-6.207.348	336.142	-5.871.207
Total recognised net profit for the year	-	-	-	28.719	-	28.719	-	28.720
Increase - decrease participation percentage in subsidiary	-	-	-	-	-	-	-	-
<b>Balance as of 31 March 2010</b>	159.866.138	447.160	105.698.522	245.929.266	-2.420.264	509.520.823	111.446.944	620.967.769

The consolidated comprehensive earnings after taxes, for the periods presented, as analyzed as follows:

CONSOLIDATED DATA	Attributable to shareholders of the parent company				Consolidated currency exchange differences	Total	Minority interest	Total Shareholders Equity
	Share Capital & Share Premium Reserves	Fair Value Reserve	Other reserves	Results carried forward				
Profits/(losses) after taxes	-	-	-	-11.396.030	-	-11.396.030	-1.510.316	-12.906.346
Exchange differences from activities abroad	-	-	-	-	-648.702	-648.702	-166.927	-815.629
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-814.385	-	-	-	-814.385	-175.496	-989.881
<b>1 Jan 2009 - 31 Mar 2009</b>	-	-814.385	-	-11.396.030	-648.702	-12.859.116	-1.852.739	-14.711.856
Profits/(losses) after taxes	-	-	-	-59.928.654	-	-59.928.654	-2.004.257	-61.932.911
Exchange differences from activities abroad	-	-	-	-	-329.456	-329.456	25.405	-304.052
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	5.075.463	-	-	-	5.075.463	1.428.656	6.504.119
<b>1 Apr 2009 - 31 Dec 2009</b>	-	5.075.463	-	-59.928.654	-329.456	-55.182.648	-550.196	-55.732.844
Profits/(losses) after taxes	-	-	-	-7.553.182	-	-7.553.182	-25.944	-7.579.126
Exchange differences from activities abroad	-	-	-	-	712.136	712.136	201.672	913.808
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	633.697	-	-	-	633.697	160.414	794.111
<b>1 Jan 2010 - 31 Mar 2010</b>	-	633.697	-	-7.553.182	712.136	-6.207.348	336.142	-5.871.207
<b>COMPANY DATA</b>								
<b>Balance as of 1 January 2009</b>	159.459.958	136.394	56.333.539	113.672.670	-	329.602.561	-	329.602.561
Cumulative Comprehensive earnings after taxes	-	-29.717	-	-5.955.523	-	-5.985.241	-	-5.985.241
<b>Balance as of 31 March 2009</b>	159.459.958	106.677	56.333.539	107.717.147	-	323.617.320	-	323.617.320
Cumulative Comprehensive earnings after taxes	-	-126.702	-	-33.570.381	-	-33.697.083	-	-33.697.083
Total recognised net profit for the year	-	-126.702	-	-33.570.381	-	-33.697.083	-	-33.697.083
Employee stock options	-	-	-	-	-	-	-	-
Income from share issue	406.180	-	-	-	-	406.180	-	406.180
Transfer of reserves	-	-	2.873.931	-2.873.931	-	-	-	-
	406.180	-	2.873.931	-2.873.931	-	406.180	-	406.180
<b>Balance as of 31 December 2009</b>	159.866.138	-20.025	59.207.470	71.272.835	-	290.326.418	-	290.326.418
<b>Balance as of 1 January 2009</b>	159.459.958	136.394	56.333.539	113.672.671	-	329.602.561	-	329.602.561
Cumulative Comprehensive earnings after taxes	-	-156.419	-	-39.525.905	-	-39.682.324	-	-39.682.324
Total recognised net profit for the year	-	-156.419	-	-39.525.905	-	-39.682.324	-	-39.682.324
Employee stock options	-	-	-	-	-	-	-	-
Income from share issue	406.180	-	-	-	-	406.180	-	406.180
Transfer of reserves	-	-	2.873.931	-2.873.931	-	-	-	-
	406.180	-	2.873.931	-2.873.931	-	406.180	-	406.180
<b>Balance as of 31 December 2009</b>	159.866.138	-20.025	59.207.470	71.272.835	-	290.326.418	-	290.326.418
<b>Balance as of 1 January 2010</b>	159.866.138	-20.025	59.207.470	71.272.835	-	290.326.418	-	290.326.418
Cumulative Comprehensive earnings after taxes	-	-14.200	-	-3.984.719	-	-3.998.920	-	-3.998.920
Total recognised net profit for the year	-	-14.200	-	-3.984.719	-	-3.998.920	-	-3.998.920
<b>Balance as of 31 March 2010</b>	159.866.138	-34.226	59.207.470	67.288.116	-	286.327.498	-	286.327.498

The notes on pages 8 to 36 form an integral part of these interim financial statements.

The company comprehensive earnings after taxes, for the periods presented, as analyzed as follows:

COMPANY DATA	Share Capital & Share Premium Reserve	Fair Value Reserve	Other reserves	Results carried forward	Consolidated currency exchange differences	Total	Minority interest	Total Shareholders Equity
Profits/(losses) after taxes	-	-	-	-5.955.523	-	-5.955.523	-	-5.955.523
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-29.717	-	-	-	-29.717	-	-29.717
<b>1 Jan 2009 - 31 Mar 2009</b>	-	-29.717	-	-5.955.523	-	-5.985.241	-	-5.985.241
Profits/(losses) after taxes	-	-	-	-33.570.381	-	-33.570.381	-	-33.570.381
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-126.702	-	-	-	-126.702	-	-126.702
<b>1 Apr 2009 - 31 Dec 2009</b>	-	-126.702	-	-33.570.381	-	-33.697.083	-	-33.697.083
Profits/(losses) after taxes	-	-	-	-3.984.719	-	-3.984.719	-	-3.984.719
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-14.200	-	-	-	-14.200	-	-14.200
<b>1 Jan 2010 - 31 Mar 2010</b>	-	-14.200	-	-3.984.719	-	-3.998.920	-	-3.998.920

The notes on pages 8 to 36 form an integral part of these interim financial statements.

## Statement of Cash Flows

	Note	CONSOLIDATED DATA		COMPANY DATA	
		1/1 to 31/3/2010	1/1 to 31/3/2009	1/1 to 31/3/2010	1/1 to 31/3/2009
<i>Amounts in Euro</i>					
<b>Cash flows from operating activities</b>					
Cash flows from operating activities	10	-12.906.731	44.023.699	-28.639.179	34.446.797
Interest paid		-3.136.333	-7.129.299	-785.399	-2.010.511
Income tax paid		-2.405.197	-2.285.724	-1.944.714	-
<b>Net cash flows from operating activities</b>		<b>-18.448.260</b>	<b>34.608.676</b>	<b>-31.369.292</b>	<b>32.436.286</b>
<b>Cash Flows from investing activities</b>					
Purchase of property, plant and equipment		-5.781.629	-11.788.974	-426.806	-3.641.775
Purchase of intangible assets		-53.001	-3.890	-	-
Sale of property, plant and equipment		12.251	17.932	200	1.500
Dividends received		-	-	-	1.000.000
Interest received		-	657	-	-
Increase - acquisition of participation in associates		-	-2.600.882	-	-1.835.764
Increase - acquisition of participation in subsidiaries		-22.260	-600.000	-90.000	-600.000
<b>Net Cash Flows from investing activities</b>		<b>-5.844.639</b>	<b>-14.975.158</b>	<b>-516.606</b>	<b>-5.076.039</b>
<b>Cash flow from financing activities</b>					
Proceeds from borrowings		98.117.168	57.648.454	40.347.022	1.889.505
Repayment of borrowings		-80.138.725	-61.926.763	-10.370.882	-3.000.000
Dividends distributed to minority		-9.486	-4.938	-	-
Other		660.909	891.509	43.794	26.612
<b>Net Cash flow from financing activities</b>		<b>18.629.866</b>	<b>-3.391.738</b>	<b>30.019.934</b>	<b>-1.083.883</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>-5.663.034</b>	<b>16.241.780</b>	<b>-1.865.964</b>	<b>26.276.364</b>
Cash and cash equivalents at the beginning of the year		29.145.546	35.420.254	10.506.818	8.895.036
Foreign exchange differences in cash and cash equivalents		145.456	442.255	-	-
<b>Cash and cash equivalents at the end of the period</b>		<b>23.627.968</b>	<b>52.104.289</b>	<b>8.640.854</b>	<b>35.171.400</b>

The notes on pages 8 to 36 form an integral part of these interim financial statements.

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## **B. Notes of the Financial Statements**

### **1 General Information**

These current interim financial statements include the interim company financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the Company”) and the interim consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the first quarter of 2010.

The main activities of the Group are the production and sale of steel construction and industrial products and steel pipes.

The Group operates in Greece, in the broader region of the Balkans and Europe, as well as in the United States of America. The Company’s shares are listed on the Athens Stock Exchange. The SIDENOR Group of companies is a member of the VIOHALCO Group of companies.

The Company is registered in Athens, Greece, 2-4 Mesogheion Ave., Attiki. The Company’s website address is [www.sidenor.gr](http://www.sidenor.gr).

The current interim financial statements have been approved for issue by the Board of Directors on 26.05 2010.

### **2 Summary of significant accounting policies**

The principal accounting policies applied by the Group in the preparation of these interim financial statements, are the same with the previous annual financial statements that are set out below. These policies have been consistently applied to all the years presented.

#### **2.1 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 reporting period and subsequent reporting periods. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

##### Standards effective for year ended 31 December 2010

##### **IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements” (effective for annual periods beginning on or after 1 July 2009)**

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 amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

##### **IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards” (effective for annual periods beginning on or after 1 January 2010)**

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This amendment provides additional clarifications for first-time adopters of IFRSs in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment will not impact the Group's financial statements since it has already adopted IFRSs. This amendment has not yet been endorsed by the EU.

**IFRS 2 (Amendment) “Share-based Payment”** (effective for annual periods beginning on or after 1 January 2010)

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 is not expected to impact the Group's financial statements.

**IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”** (effective for annual periods beginning on or after 1 July 2009)

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. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

Interpretations effective for year ended 31 December 2010

**IFRIC 12 – Service Concession Arrangements** (EU endorsed for periods beginning 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 17 “Distributions of non-cash assets to owners”** (effective 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 is not expected to impact the Group's financial statements.

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

The amendments set out below describe the key changes to IFRSs following the publication in July 2009 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 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

**IFRS 2 “Share-Based payment”** (effective for annual periods beginning on or after 1 July 2009)

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.

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**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.

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**IFRIC 9 “Reassessment of Embedded Derivatives”** (effective for annual periods beginning on or after 1 July 2009)

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”** (effective for annual periods beginning on or after 1 July 2009)

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 effective after year ended 31 December 2010**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 24 (Amendment) “Related Party Disclosures”** (effective for annual periods beginning on or after 1 January 2011)

This amendment attempts to relax 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. This amendment has not yet been endorsed by the EU.

**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.

Interpretations effective after year ended 31 December 2010

**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. This amendment has not yet been endorsed by the EU.

**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. This amendment has not yet been endorsed by the EU.

## **2.2 Basis of preparation**

These interim summary financial statements have been prepared under IAS 34, based on the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

The summary interim financial information for the six month period were prepared according to the same accounting policies followed for the preparation and presentation of the financial statements for the Company and the Group for 2009.

The summary interim financial information must be taken into account in conjunction with the audited financial statements of the Company and the Group for the year ended 31 December 2009, posted on the Company's web site, which were prepared in accordance with IFRS.

Tax on profits in the summary interim financial information is calculated by means of the tax rate which shall apply for annual profits.

## **2.3 Financial statements**

### *(a) Subsidiary companies*

Subsidiaries are all entities which the Group has the power to govern. 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 de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and

liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The company registers the investments to its affiliates at the cost of acquisition less the impairments.

*(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 recognized 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 recognized in the income statement, and its share of post-acquisition movements in reserves is recognized 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized 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.

The company registers the investments to its affiliates at the cost of acquisition less the impairments.

*(c) Increase of equity participation in subsidiaries*

When there is an increase of the Group's equity interest in subsidiaries, goodwill is calculated based on the book value of the subsidiary's assets. The impact on the retained earnings and the minority interests due to change in the equity participation rate is treated as a transaction between the equity holders of the Group and therefore is recorded directly in equity.

## **2.4 Segment Reporting**

Operational sectors are presented in line with internal financial reports to the head of Corporate Decision making (General Manager) who is responsible for their performance evaluation and asset allocation.

## **2.5 Foreign exchange conversions**

*(a) Functional and presentation currency*

Items included in the financial statements of each of the Groups 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 parent 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 period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

*(c) Group Companies*

The results and financial position of all 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:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

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). The resulting exchange differences are recognized in equity reserve and are transferred to profit and loss when these enterprises are sold as part of profit or loss after the 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 cost less subsequent depreciation and impairment. Acquisition cost may also include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Buildings	10-33	Years
- Machinery	5-20	Years
- Vehicles	6-7	Years
- Furniture, fittings and equipment	3-8	Years

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

When an asset's carrying amount is greater than its estimated recoverable amount, the difference (impairment) is written down immediately to results.

Upon sale of tangible fixed assets, any difference between the proceeds and their book value is recorded as profit or loss in the operating results.

Financial assets concerning the construction of assets are being capitalized for the period needed until the completion of the construction. All other financial expenses are recognized in the income statement.

## **2.7 Intangible Assets**

### *Computer Software*

Acquired computer software licenses are valued at the acquisition cost less any accumulated depreciation, less any accumulated impairment. These costs are amortized based on the fixed amortization method over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognized as an expense in the Income Statement as incurred.

### *Development Expenses*

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

## **2.8 Non-current assets (or disposal groups) held for sale**

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

## **2.9 Offset of Financial Data**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, in so far as there is a legal right to offset and the intention to settle them on a net basis or to recognize the asset and to settle the liability at the same time.

## **2.10 Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The cost of impairment is recognized as cost at the Income Statement during the fiscal year of the impairment.

## 2.11 Financial assets

The Group classifies its financial assets in the following categories. The classification depends 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*

This category includes financial assets held for sale in a short time period. Moreover, it includes derivatives, unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

### *(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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.

### *(c) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

### *(d) 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.

The purchase and sales of investments are recorded for on the trade-date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized 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 or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Investments are derecognized 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.

Then, the available-for-sale financial assets are evaluated at fair value and the relevant profits or losses are recorded in the reserves of equity until these assets are sold or impaired. During the sale or when designated as impaired, the profits and losses are carried over to the results. Impairment losses being recognized in profit or loss shall not be reversed through the results.

Realized and non-realized profits or losses arising from the changes in the fair values of the financial assets evaluated at fair value through profit or loss are presented in the income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. As regards non traded assets, their fair value is established using measurement techniques such as analysis of recent transactions, comparable assets traded and cash flow discounting.

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 as an indicator that the securities are impaired. If impairment is demonstrated, accumulated loss in equity which is the difference between the cost of acquisition and the fair value shall be carried over to results. Impairment

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losses recognized in the income statement on equity instruments are not reversed through the income statement.

## **2.12 Derivative Financial Instruments**

### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within finance costs.

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 existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within other gains/(losses) – net.

## **2.13 Inventories**

Inventories are estimated at the lower value between their acquisition cost and their net realizable value. The acquisition cost is determined based on the average monthly weighted cost method. Financial expenses are not included in the acquisition cost. The net realizable 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 concurs.

## **2.14 Trade Receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

## **2.15 Cash and equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks.

## **2.16 Share capital**

Ordinary shares are classified as equity.

Direct expenses attributable to the issue of new shares appear following the subtraction of the relevant income tax, as a deduction from the proceeds. Expenses directly linked to new share issued for the acquisition of companies, are included in the acquisition cost of these companies.

Treasury share acquisition cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any

consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included as reserves in equity attributable to the Company's equity holders.

### **2.17 Suppliers**

The claims from suppliers are accounted for initially at fair value and are subsequently evaluated at the net value using the effective rate method.

### **2.18 Borrowings**

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

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. In this case borrowings are classified as non-current liabilities.

### **2.19 Deferred Income Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for 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 the accounting or the taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax is recognized for temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

### **2.20 Income Tax**

Income tax is calculated based on the tax rates enacted and in effect in the countries where the Group operations take place, and is recognized as an expense during the year in which the related income arises.

### **2.21 Employee benefits**

#### *(a) Pension obligations*

The employee benefits after their retirement include defined contribution programs and defined benefit programs.

The accrued cost of defined contribution programs is recognized as expense during the relevant period.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the current value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees expected average remaining working lives. Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) *Short term benefits*

Short term employee benefits both in money and kind are accounted for as expense when they occur.

## **2.22 Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

## **2.23 Share Options Plan to Employees**

The company has granted prior to 2002, rights for the acquisition of shares (Share Option Plans) to certain executives which are vesting gradually from year 2002 up to year 2011. The exercise price of the right was fixed as the mid-closing price of the share on the Athens Stock Exchange. The company did not account for these Share Options in accordance with provisions of IFRS 2 "Share Based Payments", since they were granted before November 7, 2002, the effective date which IFRS 2 provisions become applicable, apart from the paragraphs 44 and 45 of the IFRS 2.

## **2.24 Provisions**

A provision shall be recognized when:

- i. an entity has a present obligation (legal or constructive) as a result of a past event;
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### **2.25 Revenue Recognition**

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Intercompany revenues within the Group are fully written off in the consolidated financial statements. Revenue is recognized as follows:

*(a) Sales of goods*

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

*(b) Sales of services*

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

*(c) Interest income*

Interest income is recognized 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, and continues accreting the discount as interest income. Thereafter, interests are calculated by using the same rate on the impaired value (new accounting value).

*(d) Dividends*

Dividends are recognized when the right to receive payment is established.

### **2.26 Leases**

Leases of property, plant and equipment on which the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the leases inception 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 charges so as to achieve a constant rate on the finance balance outstanding. The property, plant and equipment acquired under finance leases is depreciated over the assets useful life.

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.

### **2.27 Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the Groups financial statements in the period in which the dividends are approved by the Company's shareholders.

### **2.28 Roundings**

The numbers contained in these financial statements have been rounded to Euros. Accordingly in certain cases, the sum of the numbers in a column may not conform to the total figure given for that column or the figure presented in the notes may differ to the number shown in the primary financial statements.

### **2.29 Earnings per Share**

The basic earnings per share calculated by dividing the profits attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

The diluted earnings per share are calculated by dividing the net profit given to the shareholders of the parent company (since first subtracting the interest rate on the convertible ordinary shares, after taxes) with the weighted average number of ordinary shares (adjusted by the influence of the diluted converted shares).

## **3 Financial Risk Management**

The Group is exposed to Credit Risk, Liquidity Risk and Market Risk arising from the use of its financial instruments. This memo provides information regarding the exposure of the Group to each of the above risks, the goals of the Group, its risk assessment and management policies and procedures, as well as the Group's capital management. More quantitative information on these notifications is included throughout the Financial Statements.

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

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

### **3.1 Credit Risk**

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

### **3.2 Customers and Other Receivables**

The Group's exposure to credit risk is mainly affected by the specific characteristics of each customer. The demographic characteristics of the Group's customer base, including the risk of payment default characterizing the specific market and country wherein customers operate, do not affect credit risk to the same extent, as no correlation between geographic location and credit risk has been observed. No customer

exceeds 10% of sales and, as a result, market risk is divided among a large number of customers.

The Board of Directors has established a credit policy whereby each new customer is individually checked for creditworthiness before the usual payment terms are proposed. Credit limits are set on a customer by customer basis and are re-estimated according to current trends and if necessary the sales and collection terms are readjusted. Customer credit lines are mainly determined based on the insurance limits set by the insurance companies based on which the company proceeds with insuring the receivables.

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

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

### **3.3 Investments**

Investments are classified by the Group based on the purpose for which they were acquired. Management decides on the suitable classification of the investment at the time of its purchase and reexamines said classification on each presentation date.

Management estimates that there will be no payment default on these investments.

### **3.4 Guarantees**

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

### **3.5 Liquidity Risk**

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

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

### **3.6 Market Risk**

The main market risk is the risk of fluctuations in the prices of raw materials (scrap), which determine to a

great extent the final price of the products. Additionally, exchange and interest rates affect the Groups financial results or the value of its financial instruments.

The purpose of risk management against market conditions is to control the Group's exposure to those risks, within the framework of acceptable parameters while optimizing results.

### **3.7 Currency Risk**

The Group operates in Europe, and consequently the greater part of the Group's transactions are carried out in Euros. However, part of the Group's purchases is denominated in US Dollar.

To avoid this risk the Group makes use of forward contracts and pay his vendors promptly.

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

The Groups investments in other subsidiaries are not hedged, as these are regarded as long-term currency investments and have mainly been carried out in Euros.

### **3.8 Interest Rate Risk**

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

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

### **3.9 Capital Management**

The policy of the Board of Directors consists of the preservation of a solid capital base, in order to maintain investor, creditor and market confidence in the Group and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Group as the net results divided by the total net position, excluding non-convertible preferred shares and minority interests into consideration. The Board of Directors also monitors the level of dividends paid to the holders of ordinary shares.

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

The Group does not have a specific own share buyback plan.

No changes occurred insofar as the approach adopted by the group in relation to capital management during the fiscal period being reported.

### **3.10 Fair value estimation**

Since 1<sup>st</sup> January 2009, the group has applied the revised IFRS 7 with regards to the financial data appearing in financial statements in fair value. The table in note 15 analyses the financial instruments showing their fair value and based on the valuation method used.

The different levels have been defined as follows:

First level: Based on prices that refer to organized markets

Second Level: Based on price inputs apart from prices in organized markets included in the first level, which inputs are used directly (as prices) or indirectly (as price results).

Third Level: Based on inputs which are not a result of organized markets (non-observable prices).

The fair value of financial instruments traded in active markets (stock exchanges) (such as trading, bonds and available-for-sale securities) is based on quoted market prices at the balance sheet date. The offer price is used for financial assets, while the bid price is used for financial liabilities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on market conditions existing at each balance sheet date.

The nominal value less impairment provision of trade receivables is assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by the present value of the discounted future cash flows of specific contracts at the current market interest rate prices that is available to the Group for similar financial instruments.

#### **4 Accounting estimates and assumptions**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **4.1 Significant accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) The Group recognizes provisions for anticipated negative outcome of legal cases based on assessments performed the Group's Legal Department.

c) Also, provisions are recognized, based on historical information and past experience, for estimated losses that are expected to arise in the future due to customer claims for contractual obligations undertaken by the Group.

d) The Group recognizes provisions for impairments to investments taking into account the future gains from those investments.

e) Employee benefits



	Steel			
	Construction	Products	Pipes	Total
<b>3 months ended 31 March 2009 (Amounts in Euro)</b>				
<b>Total gross sales per segment</b>	<b>204.631.452</b>	<b>126.896.996</b>		<b>331.528.448</b>
Intra-company sales	-37.772.485	-9.924.869		-47.697.353
<b>Net sales</b>	<b>166.858.968</b>	<b>116.972.127</b>		<b>283.831.095</b>
Operating results	-13.250.128	7.726.529		-5.523.599
Financial income	632.183	259.982		892.165
Financial expenditures	-5.897.514	-1.897.781		-7.795.295
Profits/losses of associates	-	-8.200		-8.200
Share results by subsidiaries	-1.461.037	370.653		-1.090.384
<b>Profits / (losses) before taxes</b>	<b>-19.976.496</b>	<b>6.451.183</b>		<b>-13.525.313</b>
Income tax expense	686.661	-67.695		618.966
<b>Net profits/(loss)</b>	<b>-19.289.835</b>	<b>6.383.488</b>		<b>-12.906.346</b>
<b>31/12/2009 (Amounts in Euro)</b>				
Assets (apart from investments in associates)	1.022.920.903	256.075.966		1.278.996.870
Investments in Associates	19.785.555	9.198.342		28.983.897
<b>Total Assets</b>	<b>1.042.706.458</b>	<b>265.274.308</b>		<b>1.307.980.767</b>
Total liabilities	575.517.470	105.653.041		681.170.511

*Other items per segment included in the results for the 3 months till 31 March 2009 are as follows:*

	Steel			
	Construction	Products	Pipes	Total
<b>3 months ended 31 March 2009 (Amounts in Euro)</b>				
Depreciation of property, plant and equipment	11.589.240	2.944.764		14.534.004
Depreciation of intangible assets	64.733	29.588		94.321
<b>Total depreciation</b>	<b>11.653.973</b>	<b>2.974.352</b>		<b>14.628.325</b>
Impairment of receivables	-	32.854		32.854
Impairment of inventories	-464.758	-2.221.427		-2.686.185
Investments in tangible, intangible assets and investments in fixed assets	11.194.333	598.532		11.792.865

Pursuant to the provisions of IAS 2 according to which inventories are valued at the lowest price between the acquisition cost and the net realizable value, subsidiary CORINTH PIPIWORKS S.A. recognized the impairment of inventories in the amount of € (11,861) thousand. The above amount is related to the piping segment.

The expenses per segment have been defined by the operating activities of each segment.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions, similar to those applicable for transactions with unrelated third parties.

## 6 Investments in associates

Amounts in €	CONSOLIDATED DATA		COMPANY DATA	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
<b>Beginning of the year</b>	<b>28.983.897</b>	<b>30.584.715</b>	<b>10.929.011</b>	<b>9.082.992</b>
Share in profit / (loss) after tax	-133.860	-2.078.133	-	-
Income from dividends (-)	-	-1.473.943	-	-
Foreign exchange differences	969.061	-659.879	-	-
Additions	-	2.611.137	-	1.846.019
<b>Balance at the period end</b>	<b>29.819.099</b>	<b>28.983.897</b>	<b>10.929.011</b>	<b>10.929.011</b>

The affiliated companies that are consolidated using the equity method are the following

Company	Country	Participation Rate	
		31-Mar-10	31-Dec-09
SIDMA S.A.	Greece	24,23%	24,23%
DIAPEM S.A.	Greece	33,35%	33,35%
V.EPE.M. S.A.	Greece	50,00%	50,00%
METALWORKS OF ATTICA S.A.	Greece	50,00%	50,00%
EL.K.E.ME. S.A.	Greece	20,00%	20,00%
DOMOPLEX LTD	Cyprus	45,00%	45,00%
BIODIESEL S.A.	Greece	15,69%	15,69%
ZAO TMK-CPW	Russia	38,49%	38,49%
AWM SPA	Italy	29,10%	29,10%
<b>Condensed financial information of Associates</b>	<b>31-Mar-10</b>	<b>31-Dec-09</b>	<b>31-Mar-09</b>
Assets	256.484.224	238.060.345	-
Liabilities	175.912.748	157.770.813	-
Revenues (Sales)	43.487.469	-	41.143.432
Profit/ (loss) after tax	-851.845	-	-5.054.376

## 7 Investments in subsidiaries

Amounts in €	COMPANY DATA	
	31/3/2010	31/12/2009
<b>Beginning of the year</b>	<b>210.089.260</b>	<b>203.318.871</b>
Additions	90.000	65.189.295
Sales	-	-139.800
Reductions	-	-58.279.106
<b>Balance at the period end</b>	<b>210.179.260</b>	<b>210.089.260</b>

Investments in subsidiaries, which are fully consolidated, are as follows:

2010	Company	Country of Establishment	Direct Participation %	Indirect Participation %	Direct & Indirect Participation %	Activity sector
	SOVEL S.A.	Greece	62,74%	0,00%	62,74%	Steel Construction Products
	DEPAL S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
	STOMANA INDUSTRY S.A.	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
	ERLIKON WIRE PROCESSING S.A.	Greece	98,92%	0,00%	98,92%	Steel Construction Products
	AEIFOROS S.A.	Greece	90,00%	0,00%	90,00%	Steel Construction Products
	ETAL S.A.	Greece	95,79%	2,64%	98,43%	Steel Construction Products
	PROSAL S.A.	Greece	100,00%	0,00%	100,00%	Pipes
	PROSAL TUBES S.A.	Bulgaria	0,00%	100,00%	100,00%	Pipes
	TEPRO STEEL EAD	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
	DOJLAN STEEL LLCOP	Skopje	75,00%	0,00%	75,00%	Steel Construction Products
	ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
	BOZETTI LTD	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
	VEMET S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
	ETIL S.A.	Greece	3,89%	66,10%	69,99%	Steel Construction Products
	PRAKSYS S.A.	Greece	51,00%	0,00%	51,00%	Steel Construction Products
	DIA.VIPE.THIV. S.A.	Greece	53,01%	17,09%	70,10%	Pipes
	AEIFOROS BULGARIA SA	Bulgaria	0,00%	90,00%	90,00%	Steel Construction Products
	VET S.A.	Greece	0,00%	61,80%	61,80%	Pipes
	VEAT S.A.	Greece	0,00%	40,78%	40,78%	Steel Construction Products
	SIGMA S.A.	Bulgaria	0,00%	69,28%	69,28%	Steel Construction Products
	ARGOS S.A.	Greece	0,00%	69,28%	69,28%	Steel Construction Products
	SIDERAL SHPK	Albania	100,00%	0,00%	100,00%	Steel Construction Products
	SIDEROM STEEL SLR	Romania	100,00%	0,00%	100,00%	Steel Construction Products
	PORT SVISHTOV WEST SA	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
	PRISTANISHTEN KOMPLEX SVILOSA EOOD	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
	SIDEBALK STEEL DOO	Serbia	100,00%	0,00%	100,00%	Steel Construction Products
	CORINTH PIPEWORKS S.A.	Greece	78,55%	0,00%	78,55%	Pipes

2009	Company	Country of Establishment	Direct Participation %	Indirect Participation %	Direct & Indirect Participation %	Activity sector
	SOVEL A.E.	Greece	62,74%	0,00%	62,74%	Steel Construction Products
	DEPAL S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
	STOMANA INDUSTRY S.A.	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
	ERLIKON WIRE PROCESSING S.A.	Greece	98,92%	0,00%	98,92%	Steel Construction Products
	AEIFOROS S.A.	Greece	90,00%	0,00%	90,00%	Steel Construction Products
	ETAL S.A.	Greece	95,79%	2,64%	98,43%	Steel Construction Products
	PROSAL S.A.	Greece	100,00%	0,00%	100,00%	Pipes
	PROSAL TUBES S.A.	Bulgaria	0,00%	100,00%	100,00%	Pipes
	TEPRO STEEL EAD	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
	DOJLAN STEEL LLCOP	Skopje	75,00%	0,00%	75,00%	Steel Construction Products
	ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
	BOZETTI LTD	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
	VEMET S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
	ETIL S.A.	Greece	3,89%	66,10%	69,99%	Steel Construction Products
	PRAKSYS S.A.	Greece	51,00%	0,00%	51,00%	Steel Construction Products
	DIA.VLPE.THIV. S.A.	Greece	53,01%	17,09%	70,10%	Pipes
	AEIFOROS BULGARIA SA	Bulgaria	0,00%	90,00%	90,00%	Steel Construction Products
	VET S.A.	Greece	0,00%	61,80%	61,80%	Pipes
	VEAT S.A.	Greece	0,00%	40,78%	40,78%	Steel Construction Products
	SIGMA S.A.	Bulgaria	0,00%	69,28%	69,28%	Steel Construction Products
	ARGOS S.A.	Greece	0,00%	69,28%	69,28%	Steel Construction Products
	SIDERAL SHPK	Albania	100,00%	0,00%	100,00%	Steel Construction Products
	SIDEROM STEEL SLR	Romania	100,00%	0,00%	100,00%	Steel Construction Products
	PORT SVISHTOV WEST SA	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
	PRISTANISHTEN KOMPLEX SVILOSIA EOOD	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
	SIDEBALK STEEL DOO	Serbia	100,00%	0,00%	100,00%	Steel Construction Products
	CORINTH PIPEWORKS S.A.	Greece	78,55%	0,00%	78,55%	Pipes

Neither the subsidiaries and associates of SIDENOR S.A., nor their subsidiaries and associates, hold any shares of in the parent company.

During the current period there was no change in the composition of the group.

## 8 Derivative Financial Instruments

	CONSOLIDATED DATA		COMPANY DATA	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
<i>Amounts in €</i>				
<b>Current assets</b>				
Forward foreign exchange contracts for cash flow hedging	1.271.564	788.549	-	-
<b>Total</b>	<b>1.271.564</b>	<b>788.549</b>	<b>-</b>	<b>-</b>
<b>Long term liabilities</b>				
Interest rate swaps for cash flow hedging	219.240	93.862	45.034	26.700
<b>Total</b>	<b>219.240</b>	<b>93.862</b>	<b>45.034</b>	<b>26.700</b>
<b>Short term liabilities</b>				
Forward foreign exchange contracts for cash flow hedging	329.262	1.017.533	-	-
<b>Total</b>	<b>329.262</b>	<b>1.017.533</b>	<b>-</b>	<b>-</b>
Amounts recorded in the results as income or (expense)	-2.854.717	-4.320.941	-	-
<b>Details of interest rate swaps</b>				
	<b>31/3/2010</b>	<b>31/12/2009</b>	<b>31/3/2010</b>	<b>31/12/2009</b>
Nominal value of interest rate swaps (in €)	18.750.000	18.750.000	8.750.000	8.750.000
Nominal value of forward foreign exchange (\$)	7.771.960	-	3.945.960	-
Nominal value of forwards (in USD)	46.716.062	53.530.585	-	-
Nominal value of forwards (in GBP)	173.521	173.521	-	-

The above derivative financial instruments cover foreign exchange risk from purchases (US Dollar) as well as interest rate risk.

Gains and losses relating to forward foreign exchange contracts recognized in equity (hedging reserve) on 31/03/2010 will be recognized in profit or loss during the financial year.

## 9 Borrowings

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/12/2009</b>	<b>31/3/2010</b>	<b>31/12/2009</b>
<b>Long term borrowings</b>				
Bank loans	59.932.750	59.949.630	-	-
Bond Loans	158.916.668	143.250.000	92.416.668	78.750.000
<b>Total long term borrowings</b>	<b>218.849.418</b>	<b>203.199.630</b>	<b>92.416.668</b>	<b>78.750.000</b>
<b>Current Borrowings</b>				
Credit limits bank accounts	16.144.137	38.520.350	1.268.076	1.291.935
Bank loans	231.837.958	207.133.091	67.583.332	51.250.000
<b>Total current borrowings</b>	<b>247.982.095</b>	<b>245.653.441</b>	<b>68.851.408</b>	<b>52.541.935</b>
<b>Total borrowings</b>	<b>466.831.513</b>	<b>448.853.070</b>	<b>161.268.076</b>	<b>131.291.935</b>
Total Cash and Cash Equivalents	23.627.968	29.145.546	8.640.854	10.506.818
<b>Net Debt</b>	<b>443.203.545</b>	<b>419.707.525</b>	<b>152.627.222</b>	<b>120.785.118</b>

The maturity dates of long term loans, excluding finance lease obligations, are as follows:

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/12/2009</b>	<b>31/3/2010</b>	<b>31/12/2009</b>
Between 1 and 2 years	111.281.108	102.349.049	57.583.332	51.250.000
Between 2 and 5 years	107.568.309	100.850.581	34.833.336	27.500.000
	<b>218.849.418</b>	<b>203.199.630</b>	<b>92.416.668</b>	<b>78.750.000</b>

The effective weighted average interest rates on the date of the balance sheet are as follows:

	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/12/2009</b>	<b>31/3/2010</b>	<b>31/12/2009</b>
Bank loans (long-term)	2,88%	2,91%	-	-
Bank loans (short-term)	3,51%	3,85%	3,80%	3,26%
Bond Loans	2,18%	2,18%	2,38%	2,38%

The maturity dates of all the group's borrowings, including finance lease obligations, are as follows:

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/12/2009</b>	<b>31/3/2010</b>	<b>31/12/2009</b>
Up to 1 year	247.982.735	245.654.081	68.851.408	52.541.935
Between 1 and 2 years	111.281.108	102.349.049	57.583.332	51.250.000
Between 2 and 5 years	107.567.669	100.849.941	34.833.336	27.500.000
<b>Total</b>	<b>466.831.513</b>	<b>448.853.070</b>	<b>161.268.076</b>	<b>131.291.935</b>

	CONSOLIDATED DATA		COMPANY DATA	
	Current value		Current value	
	Beginning of year	End of period	Beginning of year	End of period
<b>Long term Borrowing</b>				
Bank loans	60.165.246	60.163.942	-	-
Bond Loans	143.250.000	158.916.668	78.750.000	92.416.668
<b>Total</b>	<b>203.415.246</b>	<b>219.080.610</b>	<b>78.750.000</b>	<b>92.416.668</b>
	CONSOLIDATED DATA		COMPANY DATA	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
<b>Total borrowings (per currency)</b>				
Euro	428.119.498	390.625.761	160.000.957	130.000.494
GBP	1.267.119	1.291.441	1.267.119	1.291.441
BGL	37.444.896	56.935.868	-	-
<b>Total</b>	<b>466.831.513</b>	<b>448.853.070</b>	<b>161.268.076</b>	<b>131.291.935</b>

The repeat ordinary general meeting that took place on 26/06/2008 decided upon the issue of € 60 m., of which 30 m. have been acquired.

Moreover SIDENOR S.A. informs that, pursuant to article 16, par.3 of Law 3556/2007 and following the respective resolution of SOVEL's Extraordinary Shareholders Meeting dated 19/1/2010, subsidiary SOVEL SA proceeded on 3/3/2010 to the issue of a common bond loan amounting euro 10 mil with NATIONAL BANK OF GREECE S.A. and NATIONAL BANK OF GREECE (CYPRUS) LTD as bond holders, with a three year maturity in order to refinance the Company's outstanding debt.

## 10 Operating Cash Flows

	Note	CONSOLIDATED DATA		COMPANY DATA	
		1/1 to 31/3/2010	1/1 to 31/3/2009	1/1 to 31/3/2010	1/1 to 31/3/2009
<i>Amounts in €</i>					
Profit for the Period		-7.579.126	-12.906.346	-3.984.719	-5.955.523
Adjustments for:					
Income tax		-172.812	-618.966	-341.471	-270.820
Depreciation of tangible fixed assets		14.809.219	14.534.004	2.669.009	2.549.042
Depreciation of intangible assets		46.940	94.321	13.634	13.634
Impairment		11.861	5.661.254	-	-
(Profits)/losses from the sale of tangible assets		-12.250	12.594	-199	-1.500
Profits/ (losses) from financial assets at fair value through profit or loss		-	8.200	-	-
Interest (income)		-660.909	-892.165	-43.794	-26.612
Interest expenses		4.123.050	7.795.295	986.336	2.194.450
Dividend (income)		-118.647	-	-	-1.718.071
Amortisation of grants		-271.917	-272.556	-19.909	-19.909
(Profits) / losses from the acquisition of a affiliated companies	7	133.860	1.090.384	-	-
Loss from fixed asset destruction		-	7.086	-	-
Other		89.167	136.267	1.257	-
		<b>10.398.436</b>	<b>14.649.372</b>	<b>-719.857</b>	<b>-3.235.311</b>
<b>Changes in working capital</b>					
(Increase)/Decrease in inventory		-1.500.590	57.013.507	-3.389.860	2.839.598
(Increase)/Decrease in receivables		-30.737.839	80.396.550	-24.905.494	58.317.980
Increase /(decrease) of liabilities		8.463.196	-111.007.351	328.947	-23.423.496
Increase /(decrease) of provisions		417.607	3.017.371	-	-
Increase / (decrease) in personnel benefits due to retirement		52.458	-45.751	47.085	-51.975
		<b>-23.305.167</b>	<b>29.374.327</b>	<b>-27.919.322</b>	<b>37.682.108</b>
<b>Net cash flows from operating activities</b>		<b>-12.906.731</b>	<b>44.023.699</b>	<b>-28.639.179</b>	<b>34.446.797</b>
<i>Profits /(losses) from sale of tangible assets include:</i>					
<i>Amounts in €</i>					
Net book value		1	30.526	1	-
Profits/(losses) from sale of tangible assets		12.250	-12.594	199	1.500
Income from sale of tangible assets		<b>12.251</b>	<b>17.932</b>	<b>200</b>	<b>1.500</b>
<i>Profits from other financial instruments include:</i>					
<i>Amounts in €</i>					
Profits/ (losses) from valuation or sale of other financial instruments		-	8.200	-	-



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On the 1st of April 2010, the Court of First Instance issued their judgment on litigated tax differences pertaining to the fiscal year of 2000, for the subsidiary company ETIL S.A.. According to this judgment, an amount of €217 thousand was found to be tax differences, for which the company had already created a provision of €268 thousand, which covers the aforementioned amount.

On the 1st of January 2010, subsidiary Stomana Industry S.A. had recognized a provision of €339 thousand against lawsuits by former employees due to dismissals and labour accidents. During the year, €3 thousand have been used. The current amount of the provision is €336 thousand.

Moreover subsidiary Corinth Pipeworks S.A. on 31.03.2010 recognized a provision of €8,205 thousand. (of which €317 thousands regards cases in court or under arbitration of a total amount of €552 thousand). Moreover, the company has made other provisions of €7,888 thousand regarding losses that may occur as a result of the company's contractual obligations to its customers.

A provision of €800 thousand for the Group and €267 thousand for the Company respectively has been made for unaudited tax years.

There is also a balance of other provisions amounting to €34 thousand concerning general expenses of subsidiary SIGMA SA.

The total amount of provisions that have been made is deemed sufficient and no additional charge is expected to arise.

### **13 Existing Collaterals**

There are mortgages and liens on the immovable property of subsidiary Corinth Pipeworks S.A. amounting to €73,200 thousand in favour of banks for loans with outstanding balance €19,802 thousand and STOMANA S.A. amounting to €55,000 thousand in favour of banks for loans with outstanding balance €25,856 thousand.

### **14 Related Parties**

The under mentioned transactions are mostly being referred to transactions with companies of VIOHALCO Group.

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/3/2009</b>	<b>31/3/2010</b>	<b>31/3/2009</b>
<b>Sales of goods</b>				
Subsidiaries	-	-	18.736.248	19.261.666
Affiliates	2.695.855	3.142.562	349.553	99.374
Other Related Parties	4.413.633	7.508.790	3.070.512	2.895.229
	<b>7.109.487</b>	<b>10.651.353</b>	<b>22.156.314</b>	<b>22.256.269</b>
<b>Sales of services</b>				
Subsidiaries	-	-	4.678.282	5.445.278
Affiliates	20.327	851	775	775
Other Related Parties	258.388	410.981	41.608	24.171
	<b>278.715</b>	<b>411.832</b>	<b>4.720.666</b>	<b>5.470.224</b>
<b>Sales of fixed assets</b>				
Subsidiaries	-	-	100	-
Other Related Parties	100	17.200	403.758	-
	<b>100</b>	<b>17.200</b>	<b>403.858</b>	<b>-</b>
<b>Purchases of goods</b>				
Subsidiaries	-	-	16.702.007	12.260.266
Affiliates	107.904	144.688	-	30
Other Related Parties	15.285.733	12.441.234	2.242.127	3.109.965
	<b>15.393.637</b>	<b>12.585.922</b>	<b>18.944.134</b>	<b>15.370.260</b>
<b>Purchases of services</b>				
Subsidiaries	-	-	134.894	328.545
Affiliates	842.115	735.578	584.174	478.265
Other Related Parties	2.167.136	2.454.836	1.028.035	1.075.646
	<b>3.009.251</b>	<b>3.190.415</b>	<b>1.747.103</b>	<b>1.882.455</b>
<b>Purchases of fixed assets</b>				
Subsidiaries	-	-	-	60.801
Affiliates	12.030	684	-	-
Other Related Parties	569.264	758.595	327.250	-
	<b>581.294</b>	<b>759.280</b>	<b>327.250</b>	<b>60.801</b>
<b>Board of Directors' and Senior Officers' Remuneration</b>				
<i>Amounts in €</i>				
Salaries and other benefits to directors and key management	888.591	1.083.772	465.444	548.677
	<b>888.591</b>	<b>1.083.772</b>	<b>465.444</b>	<b>548.677</b>
<b>Liabilities to senior Management and Board Members</b>	<b>31/3/2010</b>	<b>31/3/2009</b>	<b>31/3/2010</b>	<b>31/3/2009</b>
	<b>2.214.981</b>	<b>2.712.290</b>	<b>550.000</b>	<b>550.000</b>

Balances, as of period end, that relate to the sales and purchases of goods, services, fixed assets, etc. with the companies of VIOCHALCO Group

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/3/2009</b>	<b>31/3/2010</b>	<b>31/3/2009</b>
<b>Receivables from related parties:</b>				
Subsidiaries	-	-	40.948.157	40.896.400
Affiliates	14.277.599	11.164.756	9.221.961	7.095.614
Other associates	19.712.440	17.457.353	15.173.131	12.694.199
	<b>33.990.040</b>	<b>28.622.109</b>	<b>65.343.249</b>	<b>60.686.213</b>
<b>Prepayments for Share Capital Increase</b>				
Subsidiaries	-	-	4.200.000	3.200.000
	<b>-</b>	<b>-</b>	<b>4.200.000</b>	<b>3.200.000</b>
<i>Amounts in €</i>				
<b>Advances for inventory purchases</b>				
Subsidiaries	-	-	161.796	116.567
Other associates	145.873	15.168	-	-
	<b>145.873</b>	<b>15.168</b>	<b>161.796</b>	<b>116.567</b>
<b>Liabilities to associates:</b>				
Subsidiaries	-	-	83.174.706	94.365.842
Affiliates	936.243	766.444	494.666	451.728
Other associates	8.232.534	9.094.118	2.976.201	1.698.183
	<b>9.168.777</b>	<b>9.860.561</b>	<b>86.645.573</b>	<b>96.515.752</b>

The services and sales/purchases of goods to and from related parties are carried out on the basis of the price catalogues valid for non affiliated parties. There are no special rules of payment and no interest is charged.

## 15 Earnings per share

<b>Basic</b>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/3/2009</b>	<b>31/3/2010</b>	<b>31/3/2009</b>
<i>Amounts in Euro</i>				
Profits attributable to parent company shareholders	-7.553.182	-11.396.030	-3.984.719	-5.955.523
Weighted average number of shares	96.243.908	96.129.491	96.243.908	96.129.491
Basic earnings per share (Euros per share)	-0,0785	-0,1185	-0,0414	-0,0620
<b>Diluted</b>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>31/3/2010</b>	<b>31/3/2009</b>	<b>31/3/2010</b>	<b>31/3/2009</b>
<i>Amounts in Euro</i>				
Profits attributable to parent company shareholders	-7.553.182	-11.396.030	-3.984.719	-5.955.523
Weighted average number of shares	96.243.908	96.129.491	96.243.908	96.129.491
<i>Adjustments for rights in shares</i>				
Total weighted average number of shares for diluted earnings per share	96.243.908	96.129.491	96.243.908	96.129.491
Diluted earnings per share (Euro per share)	-0,0785	-0,1185	-0,0414	-0,0620

The basic and diluted earnings per share are calculated by dividing the profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

## 16 Fiscal Years non-audited by tax authorities

Several of the Group's subsidiary companies have not been audited by tax authorities for various fiscal years from 2002 until 2010.

<b>Company</b>	<b>Unaudited years</b>
SIDENOR S.A.	2007 - 2010
SOVEL S.A.	2009 - 2010
DEPAL S.A.	2007 - 2010
STOMANA INDUSTRY S.A.	2005 - 2010
ERLIKON WIRE PROCESSING S.A.	2006 - 2010
AEIFOROS S.A.	2009 - 2010
ETAL S.A.	2007 - 2010
PROSAL S.A.	2007 - 2010
TEPRO STEEL EAD	2002 - 2010
ELMONTE HOLDINGS LIMITED	2008 - 2010
BOZETTI LTD	2008 - 2010
VEMET S.A.	2003 - 2010
ETIL S.A.	2004 - 2010
PRAKSYS S.A.	2007 - 2010
DIA.VI.PE.THIV. S.A.	2003 - 2010
AEIFOROS BULGARIA SA	2007 - 2010
VET S.A.	2007 - 2010
VEAT S.A.	2003 - 2010
SIGMA S.A.	2004 - 2010
ARGOS S.A.	2005 - 2010
CORINTH PIPEWORKS S.A.	2008 - 2010
SIDMA S.A.	2007 - 2010
DIAPEM S.A.	2006 - 2010
V.EPE.M. S.A.	2003 - 2010
METALWORKS OF ATTICA S.A.	2006 - 2010
EL.K.E.ME. S.A.	2007 - 2010
DOMOPLEX LTD	2007 - 2010
DOJLAN STEEL LLCOP	2008 - 2010
PROSAL TUBES S.A.	2007 - 2010
SIDERAL SHPK	2006 - 2010
SIDEROM STEEL SLR	2007 - 2010
ZAO TMK-CPW	2007 - 2010
BIODIESEL S.A.	2009 - 2010
AWM SPA	2006 - 2010
PORT SVISHTOV WEST SA	2008 - 2010
PRISTANISHTEN KOMPLEX SVILOSA EOOD	2004 - 2010
SIDEBALK STEEL DOO	2009 - 2010

On a regular basis, Group's companies calculate the annual income tax according to the relevant tax laws. Under these circumstances, the Group management believes that there will be no significant additional taxes imposed in the future due to audits carried out by the tax authorities.

### **17 Number of Personnel**

Number of personnel employed at the end of the current period: Group: 2,951 and Company: 336. In the respective 2009 period, Group's personnel amounted to 3,153 employees and Company's to 357 employees.

### **18 Events after the Balance Sheet date**

On the 1st April 2010, the Court of First Instance issued their judgment on litigated tax differences pertaining to the fiscal year of 2000, for the subsidiary company ETIL S.A.. According to this judgment, an amount of €217 thousand was found to be tax differences, for which the company had already created a provision of €268 thousand, which covers the aforementioned amount.

### **19 Significant Events**

In February 2010 the scheduled tax audit of the subsidiary company SOVEL S.A. for the fiscal years of 2006, 2007 and 2008 was completed. The company was charged with €197 thousand in extra taxes and €50 thousand in penalties, i.e. €247 thousand in total, for which a provision of €300 thousand had been set aside. Therefore, no additional charges to the company's economic results and equity, are expected for the current period.

Athens, May 26 2010

The Chairman  
of the Board of  
Directors

The Chief Executive  
Officer


The Financial Manager

Kalfarentzos Georgios  
ID Card no. F 147183

Milios Sarantos  
ID Card no. P 998326

Thomadakis Stratos  
LICENCE NO. 0065081  
CLASS A

## C. Figures and Information

 SOCIETE ANONYME REGISTER NO. 2110/06/B/06/20 2-4 MEGALON STR, ATHENS 115 27 Summary Financial Results for the period 01/01/10 - 31/03/2010 (In terms of article 45/07/20.04.2009 of the HCMC's Board of Directors)				
The figures illustrated below, aim at providing summary information about the financial position and results of "SIDENOR Steel Products Manufacturing Company SA" and the "SIDENOR Group". Readers are suggested before making any investment or other transaction with the company to be formed by the company's website where the interim financial statements and the auditors reports, where needed, are posted.				
Web Site Address: <a href="http://www.sidenor.gr">http://www.sidenor.gr</a>				
Date of approval of the financial statements from the Board of Directors: May 26 2010				
Auditor : Dimitris Sourbis (Reg. No. SOEL 16891)				
Audit Firm : PRICEWATERHOUSECOOPERS S.A.				
Type of Audit Report: Not requested				
<b>CONDENSED STATEMENT OF FINANCIAL POSITION (Group &amp; Company) Amounts in €</b>				
	Group		Company	
	31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
<b>ASSETS</b>				
Land and Buildings	257.650.790	259.877.583	57.220.276	57.625.581
Machinery	442.324.429	453.457.277	80.938.003	83.040.999
Other Assets for own use	76.324.000	71.899.396	4.909.078	4.657.240
Intangible Assets	644.125	641.791	40.002	44.538
Investments in Associates	29.819.009	28.983.897	221.184.271	221.014.271
Available for sale financial assets	1.485.009	1.485.009	1.324.368	1.324.368
Other Tangible Assets	4.457.431	4.453.354	3.826.152	3.844.839
Inventories	279.990.417	278.474.913	71.799.349	68.499.489
Trade Receivables	135.447.227	107.229.252	58.081.787	38.994.956
Other Assets	98.661.255	101.077.385	101.148.989	97.127.611
<b>TOTAL ASSETS</b>	<b>1.326.424.404</b>	<b>1.307.980.768</b>	<b>600.407.177</b>	<b>576.144.892</b>
<b>EQUITY AND LIABILITIES</b>				
Share Capital	39.460.002	39.460.002	39.460.002	39.460.002
Share Premium	120.406.136	120.406.136	120.406.136	120.406.136
Other Shareholders Equity	349.654.685	355.833.314	126.461.300	130.460.200
Total Shareholders Equity (a)	509.520.823	515.699.453	286.327.498	290.326.418
Minority interest ( b )	111.446.985	111.110.803	-	-
Total Equity (a) + (b)	620.967.708	626.810.256	286.327.498	290.326.418
Long Term Borrowings	218.849.418	203.199.630	92.416.668	78.750.000
Deferred Tax Liabilities	67.355.243	67.393.960	17.945.720	18.291.324
Provisions / Other Long Term Liabilities	24.833.149	24.677.772	2.286.175	2.240.666
Short Term Borrowings	247.982.095	245.653.441	68.851.408	52.541.935
Other Short Term Liabilities	146.434.821	140.245.769	132.579.708	133.994.549
Total liabilities (d)	705.456.726	681.170.512	314.079.679	285.818.474
<b>TOTAL EQUITY AND LIABILITIES (c) = (a) + (d)</b>	<b>1.326.424.404</b>	<b>1.307.980.768</b>	<b>600.407.177</b>	<b>576.144.892</b>
<b>CONDENSED STATEMENT OF CHANGES IN EQUITY (Group &amp; Company) Amounts in €</b>				
	Group		Company	
	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009
Equity balance at the beginning of the period (1/1/2010 & 1/1/2009 respectively)	626.810.256	696.761.041	290.326.418	329.602.561
Total comprehensive income after taxes for the period	-5.871.207	-14.711.856	-3.998.920	-5.985.241
Increase % of participation in subsidiaries	420.070.609	402.600.788	206.327.498	224.627.321
Total Equity of the period (31/3/2010 & 31/3/2009 respectively)	620.967.708	681.764.000	286.327.498	323.617.321
<b>CASH FLOW STATEMENT (Group &amp; Company) Amounts in € - Indirect Method</b>				
	Group		Company	
	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009
<b>Cash Generated from operations</b>				
Profits (Losses) before taxes (Continuing Operations)	-7.551.937	-13.525.313	-4.326.190	-6.226.343
Adjustments for:				
Depreciation	14.856.159	14.828.325	2.642.643	2.562.676
Provisions	470.065	2.971.620	47.085	-51.975
(Income)expenses & (profit)losses from investment activities	-130.897	19.680	-199	-1.719.571
Interest payable & related expenses	4.123.050	7.795.295	986.336	2.194.450
Other adjustments	-697.938	5.731.384	-42.446	-46.521
Plus / minus adjustments for working capital changes or related to operating activities:				
Decrease / (increase) in inventories	-1.500.590	57.013.507	-3.389.860	2.839.598
Decrease / (increase) in receivables	-30.737.839	80.396.550	-24.985.494	58.317.980
(Decrease) / Increase in liabilities (except Banks)	8.463.196	-11.007.351	328.947	-23.423.496
Minus:				
Interest payable & related expenses	-3.136.333	-7.129.299	-785.399	-2.010.511
Tax Paid	-2.495.197	-2.285.724	-3.614.714	-
<b>Total Cash Generated from Operating Activities (a)</b>	<b>-18.448.268</b>	<b>34.468.676</b>	<b>-31.369.392</b>	<b>32.426.286</b>
<b>Cash generated Investment Activities</b>				
Acquisition - sale of subsidiaries, associates, joint ventures and other investments	-22.260	-3.200.882	-90.000	-2.435.764
Purchase of tangible and intangible assets	-5.834.630	-11.792.864	-426.806	-3.641.775
Sales income from tangible and intangible assets	12.251	17.932	200	1.800
Interest Income	-	657	-	-
Dividends received	-	-	-	1.000.000
<b>Total cash generated from Investing activities (b)</b>	<b>-5.844.609</b>	<b>-14,975,158</b>	<b>-426,606</b>	<b>-6,076,639</b>
<b>Cash generated from Financing Activities</b>				
Proceeds from borrowings	98.117.168	57.648.454	40.347.022	1.889.565
Repayment of Borrowings	-80.138.725	-61,926,763	-10,370,882	-3,000,000
Income from securities	660.909	891.509	43.793	26.612
Dividends paid	-9.486	-4.938	-	-
<b>Total Cash Generated from Financing activities (c)</b>	<b>18,629,866</b>	<b>-3,291,738</b>	<b>30,019,934</b>	<b>-1,885,883</b>
<b>Net increase (decrease) in cash &amp; equivalent for the period (a) + (b) + (c)</b>	<b>-5,663,011</b>	<b>16,241,780</b>	<b>-1,865,964</b>	<b>28,276,364</b>
Cash & equivalent accounts at the beginning of the period	29,145,546	35,420,254	10,586,816	8,895,036
Foreign Exchange differences in Cash and cash and cash equivalent	145,456	442,255	-	-
<b>Cash &amp; equivalent at the end of the period</b>	<b>23,627,991</b>	<b>52,104,289</b>	<b>8,640,852</b>	<b>35,171,400</b>

<b>CONDENSED INCOME STATEMENT (Group &amp; Company) Amounts in €</b>				
	Group		Company	
	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009
<b>Turnover</b>	297,265,974	283,831,095	58,709,453	47,649,112
Cost of Goods Sold	(196,526,452)	(209,408,231)	(35,697,492)	(36,849,082)
<b>Gross Profit</b>	<b>100,739,522</b>	74,422,864	23,011,961	10,800,030
Selling Expenses	(15,800,731)	(25,803,313)	(4,619,970)	(4,101,385)
Administrative Expenses	(4,462,378)	(7,899,147)	(1,091,040)	(1,282,380)
Other Income / (Expenses) - Net	(2,030,246)	(1,253,902)	151,401	489,759
<b>Profit/(Losses) before taxes, financing &amp; investment results</b>	<b>-4,242,323</b>	(8,524,599)	(3,243,449)	(5,776,477)
Profit/(Losses) before taxes, financing & investment & depreciation	10,603,836	9,104,726	791,806	(2,213,991)
<b>Total Profit/(Losses) before Tax</b>	<b>-7,551,937</b>	(13,525,313)	(4,326,190)	(6,226,343)
Minus Taxes	172,812	618,966	341,471	270,820
<b>Profit/(Losses) after taxes from continuing operations (a)</b>	<b>-7,579,126</b>	(12,906,346)	(3,984,719)	(5,955,523)
<b>Profit/(Losses) after taxes per share - basic (in €)</b>	<b>(0,0785)</b>	(0,1185)	(0,0414)	(0,0620)
Company's Shareholders	-7,553,182	(11,396,030)	(3,984,719)	(5,955,523)
Minority Interest	-25,944	(1,510,316)	-	-
<b>Total comprehensive income, after taxes (b)</b>	<b>-7,579,126</b>	(12,906,346)	(3,984,719)	(5,955,523)
<b>Total comprehensive income for the period, after taxes (a) + (b)</b>	<b>-1,907,919</b>	(1,805,510)	(14,200)	(29,717)
Company's Shareholders	-6,207,348	(12,859,116)	(3,998,920)	(5,985,241)
Minority Interest	336,142	(1,852,739)	-	-
<b>Total comprehensive income for the period, after taxes (a) + (b)</b>	<b>-5,871,207</b>	(14,711,856)	(3,998,920)	(5,985,241)

<b>Other important data and information:</b>						
	Company	Registered Office	Direct	Direct & Indirect	Consolidation Method	
1. These financial statements are consolidated by VIOHALCO Group with the following information:	VIOHALCO SA	Greece	65,59%	70,18%	Full Consolidation	
2. Parent Company has been audited from the tax authorities till the financial period of 2006. The unaudited financial periods for the subsidiaries are being mentioned at note No 16.						
3. In the publishing date of these annual financial statements the disputes against subsidiaries were amounted at € 1.156 thousand. The provision for any disputes against subsidiaries at 31.03.2010 is € 0.1 thousand for the group. Furthermore the provision for tax unaudited years is analyzed as follows: Group 6300 thousand, Company 6247 thousand. The other group's provisions at 31.03.2010 were € 7.823 thousand. (Note 12)						
4. Mortgages and statutory actions of mortgage in the amount of € 128.200 thousands in favour of banks, have been filed against the fixed assets of subsidiaries, while the current balance of the loans is € 45.658 thousand.						
5. Number of persons employed at 31.03.2010: Company 336 and Group 2.943 while at 31.03.2009: Company 357 and Group 3.153.						
6. Sales and purchases which have been accumulated from the beginning of the accounting period as well as the balance of the receivables and liabilities at the end of the current period, have arisen from transactions with entities, under the meaning of International Accounting Standard (IAS) 24, are as follows:						
	Group	Company	2010	2009	2010	2009
(Amounts in 000€)						
i) Sales of goods, services and fixed assets	7.388	11.080	27.281	27.726	-	-
ii) Purchases of goods, services and fixed assets	18.984	16.536	21.018	17.314	-	-
iii) Receivables from affiliated entities	34.136	28.637	69.705	64.003	-	-
iv) Liabilities towards affiliated entities	9.169	9.861	86.646	96.516	-	-
v) Key Management Compensations	889	1.084	465	549	-	-
vi) Payables to directors and key management	2.215	2.712	550	550	-	-
vii) Liabilities due to termination of employment	-	-	-	-	-	-
7. Other total incomes after taxes are as follows:	Group	Company	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009	1 Jan - 31 Mar 2010	1 Jan - 31 Mar 2009
Currency translation differences	913.808	(815.629)	-	-	-	-
Cash flow hedges, net of tax	794.111	(889.881)	(14.200)	(29.717)	-	-
<b>Total comprehensive income after taxes</b>	<b>1,907,919</b>	(1,805,510)	(14,200)	(29,717)	-	-
8. In Income Statement the "Tax Expense" is analyzed as follows: - Group 2010 Income Tax € (119) thousand, deferred tax expense € 292 thousand - 2009 € (884) thousand and € (1.303) thousand respectively. - Company 2010 Income Tax € 0 thousand, deferred tax expense € 341 thousand - 2009 € 0 thousand and € 271 thousand, respectively.						
9. SIDENOR Group companies, and their accounting percentage participation, addresses, share capital and consolidation method are analyzed in Financial Statements Note 6 & 7.						
10. December 2009 Board of Directors of the affiliate companies ERIKON SA and ETAL SA decided to start merge procedure by the absorption of ETAL SA by ERIKON SA. Transformation date is 31/12/2009.						

THE CHAIRMAN OF THE BOARD OF DIRECTORS		THE FINANCIAL MANAGER	
GEORGE X.KALFARENTZOS	SARANTOS		