

# **ANNUAL FINANCIAL REPORT**

## **FOR THE PERIOD**

**01/01/2009 – 31/12/2009**

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

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## **A. Statement by the Members of the Board of Directors**

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

Hereby, it is confirmed that to the best of our knowledge, the annual company and consolidated financial statements of CORINTH PIPEWORKS SA, for year end 2009 (1/1/2009 – 31/12/2009), have been prepared in accordance with the International Financial Reporting Standards and provide a true and fair view of the assets, the liabilities, the own capital and the financial results of the company and the entities included in the consolidated financial statements, taken as a whole.

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

Athens, March 19, 2010

**The Chairman of BoD**

**A member of the BoD**

**The General Manager**

**Konstantinos Bakouris**

**Ioannis Stavropoulos**

**Christophoros Catsambas**

**Id.C. No : AB 649471**

**Id C. No: K 221209**

**Id C. No: AB 287307**

## **B. BOARD OF DIRECTORS REPORT of the Company “CORINTH PIPEWORKS S.A.” on the consolidated and the Company Financial Statements for the period 1/1/2009-31/12/2009**

Dear Shareholders,

Pursuant to the provisions of Law 3556/2007, of Law 2190/1920 and the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission we submit the Annual Consolidated Board of Directors Report of the company “CORINTH PIPEWORKS S.A.” for the Consolidated and the Company Financial Statements of FY 2009. This Report contains all information of paragraphs 7 & 8 of article 4 of Law 3556/2007, the Consolidated and Company Financial Statements of FY 2009, the notes of the Financial Statements of the same fiscal year according to the International Financial Reporting Standards as well as the Audit Report of the independent Auditor Accountant.

### **1) Group Financial performance**

2009 was a year full of disequilibriums, unprecedented characteristics, as well as of major opportunities. In an uncertain environment, where economic activity and international trade seriously retreated, the markets where CORINTH PIPEWORKS operates (energy, steel, and freight) could not remain unaffected. The considerable decrease of demand for oil and gas, combined with the financing difficulties for some major projects, forced energy companies, especially the non state ones, to adjust their capital expenditure. Furthermore, prevailing protectionism in many parts of the world and appreciation of Euro against USD, in the second half of 2009 further deteriorated company’ competitive position in some core markets like Americas and Middle East. On the other hand, correction of raw material prices and sea freight, from record highs in 2008, partly offset the decreased demand effects and allowed CORINTH PIPEWORKS to improve its profitability. Moreover, the continuous improvement culture at company’s operations, as well as our efforts to reduce borrowing, are proved to be extremely important against international economic crisis.

Sales: Consolidated turnover amounted to EUR 285,2 million (2008: EUR 385,1 million), marking a 26% decrease. Sales to the energy sector amounted to EUR 265,9 26% lower than 2008 due to the decrease of global investment in energy infrastructure. On the other hand, weakness of the construction sector in Europe and the decline of steel prices halted the five-year upward trend of structurals’ sales that finally amounted to EUR 19,3 million.

Gross Profit: Despite the abovementioned decrease of sales, consolidated gross profit increased by 9,8% approximately versus the previous fiscal year and stood at EUR 79,6 million. This is the result, of further improvement in operations efficiency, as well as the correction of raw material prices (steel and plastics), compared to record highs of 2008. On the other hand, gross profit suffered a 7 million EUR impairment of inventories. Gross margin finally stood at 27,9% versus 18,8% in FY2008.

Administrative Expenses: They increased 10,3% (EUR 6,2 million versus EUR 5,6 million in FY 2008), which is mainly attributed to the higher provisions versus personnel expenses that are not related with regular payroll which has not changed compared to the previous year. The remaining administrative expenses decreased 4,6%.

Selling Expenses: They amounted to EUR 43,4 million, marking a 13,3% decrease versus FY 2008. It is noted that said expenses also include foreign exchange differences, amounting to EUR 6,9 million versus EUR 6 million in the previous year. Moreover, freight expense stood at EUR 15,6 million versus EUR 26,2 million in 2008. CORINTH PIPEWORKS, unlike the previous year, managed to take advantage of the freight rates correction, and partly offset sales decline.

Financial Expenses (net): Further decrease of company’s net debt due to operational profitability and prudent working capital management along with the fact that interest rates remained at low level. have contributed to substantial decrease of net financial expenses (48%) compared to previous fiscal year, and finally stood at EUR 3,7 million.

Russian ZAO TMK-CPW, 49 % of which is controlled by HUMBEL Ltd, steered well in the crisis. Despite the slowdown in Russian energy market as well as the cease of operations to upgrade the line for structurals production, company generated EUR 3,1 million earnings after tax, versus EUR 4,9 million in FY 2008.

Earnings before tax amounted to EUR 28,1 million (versus EUR 15,8 million in FY 2008), marking an increase of 77,8%, while earnings after tax and minorities increased by 127% to EUR 20,2 million (versus EUR 8,9 million in FY 2008).

Finally, it is noted that efficient working capital management, led to further decrease of the Group' s net debt, which stood at EUR 39,1 million on 31/12/2009 versus EUR 57,2 million on 31/12/2008. The shareholders' equity was further enhanced and amounted to EUR 149,6 million. It is important to note that the profitable course of the last four years allowed to offset the cumulative loss (EUR 84,4 million as of 31/12/2005), and profit carried forward now amounts to EUR 15 million. The following table illustrates the evolution of the key financial ratios:

	31/12/2009	31/12/2008
<b>General Liquidity</b>	1,58	0,92
<b>Own Capital/Total Assets</b>	57,3%	31,5%
<b>EBITDA/Sales</b>	14,4%	8,1%
<b>Earnings per share</b>	0,163	0,071

## **2. Risks and uncertainties**

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

### **i) Foreign exchange risk**

The Group operates internationally (95% of the sales are to abroad, while all raw materials are imported) and is exposed to foreign exchange risk arising from various currencies, but mainly from the US dollar. The Group follows a full hedging policy, either with natural hedging (purchase of resources priced in the sale currency) or with FX forwards or with both.

### **(ii) Interest rate risk**

The Group has borrowings both with fixed and variable interest rates. The interest rate risk deriving from the variable interest rate loans is partly hedged by making use of interest rate swaps. Although the Group's respective policy in the last years, dictates that at least 50% of the borrowings will not be subject to interest rate risk, the current environment of low interest-rates has altered the mentioned percentage to 40 %.

### **iii) Credit risk**

Credit risk arises from deposits, derivative financial instruments (banks and financial institutions credit risk), as well as credit, granted to customers. The Group is banking with some of the largest and healthiest financial institutions of the Greek market, whose credit rating is at least BBB / F2 (Fitch).

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

### **(iv) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the ability of funding each project that the Group undertakes through an adequate amount of committed credit facilities. Because of the different cash flow cycle of each project, the Treasury Dept. analyzes the needs and whenever it is necessary, uses the

committed credit lines with banks and other financial institutions. It is noted that on 31/12/2009 the Group had EUR 12,4 million in cash.

**v) Capital risk**

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

**vi) Business risks**

Regarding the business risks, the Group is active in the international markets of energy, which makes it more vulnerable against the prevailing protectionism of the past 18 months. Beyond cuts on investment expenditures made by major energy companies, the international economical crisis lead governments throughout the world into direct and indirect subsidization of local industry. This has an important effect on the competitive position of CORINTH PIPEWORKS in the markets. Should these economical practices endure, the Group's turn over and profitability will be affected,.

Sales in the energy sector are on a project basis, where both selling prices and cost of raw materials are fixed throughout the execution period. However, the market of structurals is often subject to major fluctuations of prices and steel cost. The weakness of the construction sector in Europe and the decline of steel prices, led to impairment of inventories, which, for 2009, amounted to EUR 3,7 million.

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

Furthermore, freight, which is a major cost item for the Group, has been extremely volatile in the last few years. Even though the Group has contracts on a project basis for a big part of its transportation requirements, in cases when it is not possible, ships are chartered in the spot market, that in turn affects these projects' profitability. Hedging of the freight risk with the use of FFAs (Forward Freight Agreements) will depend to a large extent on the improvement in the liquidity in the said market.

**3. Prospects – Estimations**

Despite ad hoc opportunities that may arise, the business environment in which CORINTH PIPEWORKS operates has deteriorated. Protectionism has halted the progress made the last few years in international trade, trend that is not expected to change dramatically within 2010. Furthermore, the low prices of oil and mainly natural gas, combined with the limited financing from the international banking system lead to postponement some major energy projects.

On the other hand, the world economy seems to come out of the recession, even at low pace, fact that will gradually lead to an increase of energy demand and therefore to new projects (probably of lower scale) in the energy infrastructure. The lack of investment during the last two years and the apparent increase of prices in steel, plastic and freight markets, could stimulate construction in drilling and transmission of oil and gas. Finally, appreciation of US dollar at current levels or even further strengthening is likely to enhance the competitive position of the company, in the international energy markets.

After a successful year, the company has to retain its competitive edge, having a solid financial structure, a competitive cost basis and an established position as one of the most reliable and innovative pipe manufacturers in the world. Moreover, the upgrade of the ERW/HFI line, to produce pipes up to 26", further broadens the range of solutions offered to our worldwide clientele.

Finally, health and safety in the workplace, harmonious coexistence with the local society, protection of the environment and corporate responsibility in general, constitute nonnegotiable targets, fully integrated in

company's operations. Then, positioning of CORINTH PIPEWORKS at the 25<sup>th</sup> place of the "Accountability Rating Greece 2009", constitutes a basis for further improvement of our corporate responsibility performance.

#### **4. Transactions with related parties (IFRS 24)**

SIDENOR SA owns 78,55% of CORINTH PIPEWORKS SA shares, while the remaining 21,45% is free float. The ultimate shareholder of the Group is VIOHALCO SA. During the year 2009, the transactions of the company with the related parties were carried out with the usual market conditions and within its normal course of business.

In the following tables, are illustrated the important intra-company sales and other transactions with related parties (according to IFRS 24), during the full year 2009. The related parties are members of VIOHALCO Group.:

<b>Sale of goods to</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
ANAMET SA	664.422,96	962.161,83
METAL AGENCIES LTD	483.429,92	1.769.425,33
METAL GLOBE	24.708,00	-
SID PAK BULGARIA	47.878,40	204.937,85
SID PAK ROMANIA	13.694,70	78.100,65
TEPROMETAL SA	430.176,17	-
SIDENOR SA	54.236,16	210.981,02
SIDMA SA	57.256,85	375.161,05
SOVEL SA	1.800,00	41.639,51
<b>Sale of services to</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
BELANTEL HOLDINGS LTD	103.476,55	307.589,46
STEELMET (CY) LTD	7.000,00	1.154.190,00
TEPROMETAL SA	33.211,51	-
DIAVIPETHIV SA	502.582,43	699.976,22
HELLENIC CABLES SA	18.000,00	-
SIDENOR SA	44.147,91	91.386,18
SOVEL SA	-	35.514,50
<b>Sales of Fixed assets to</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
BET SA	1.450,00	-
DIAVIPETHIV SA	8.383,94	-
SIDENOR SA	6.301,12	5.984,88
<b>Purchase of goods from</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
LESCO	24.751,45	674.650,90
SOFIA MED	12.066,81	468.167,77
STOMANA INDUSTRY	-	3.072.070,37
METALOURGIA KORINTH SA	-	694.874,96
SIDENOR SA	357.550,71	1.611.497,63
SIDMA SA	33.636,67	41.585,56
HALKOR SA	265.885,67	1.804.777,78
<b>Purchase of services from</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
METAL AGENCIES LTD	45.719,99	48.938,16
NOVAL SA	207.820,00	192.000,00
STEELMET (CY) LTD	355.409,67	1.724.824,83
TEPROMETAL SA	143.820,57	270.394,93
VIEXAL SA	292.131,13	352.072,73
DIAVIPETHIV SA	1.027.334,14	1.250.633,70

ELKEME	66.000,00	49.051,00
ETIL SA	13.284,00	-
PRAXIS SA	67.761,84	168.593,65
SIDENOR SA	96.313,85	146.354,12
SIDMA SA	95.225,60	165.319,90
SOVEL SA	-	31.948,00
STILMET SA	469.385,35	521.317,82
<b>Purchase of fixed assets from</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
DIAVIPETHIV SA	10.695,63	
HELLENIC CABLES SA	-	6.045,61
ERGOSTIL SA	520.136,50	-
METALOURGIA KORINTH SA	-	129.182,98
PANELCO SA	-	98.593,85
SIDMA SA	2.753,84	81.819,88
<b>Receivables from related parties</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
ANAMET SA	9.805,01	103.831,73
ANTIMET SA	87.877,10	73.983,83
BELANTEL HOLDINGS LTD	103.476,55	169.092,82
METAL AGENCIES LTD	671.068,63	820.861,72
NOVAL SA	1.152.000,00	1.344.000,00
STEELMET (CY) LTD	-698,29	658.251,71
TEPROMETAL SA	437.312,46	-
DIAVIPETHIV SA	3.616.173,67	4.390.844,00
ELVAL SA	7.927,52	-
HELLENIC CABLES SA	3.570,01	10.710,00
METALOURGIA KORINTH SA	28.000,00	-
SIDMA SA	757.539,64	1.680.108,97
<b>Payables to related parties</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
LESCO	10.520,25	-
METAL AGENCIES LTD	45.376,69	49.359,10
NOVAL SA	1.203.660,52	-
STEELMET (CY) LTD	104.365,12	1.260.666,78
STOMANA INDUSTRY	-	2.057.788,26
TEPROMETAL AE	69.619,85	49.323,06
VIEXAL SA	11.448,61	-
DIAVIPETHIV SA	436.512,93	437.847,14
ELKEME	13.090,00	14.809,55
ERGOSTIL SA	155.293,72	-
SIDENOR SA	371.244,61	200.083,53
SIDMA SA	15.857,04	25.387,59
SOVEL SA	11.664,07	-
STILMET SA	239.108,35	143.523,81
HALKOR SA	-	334.303,19
<b>Income from dividends</b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
VIOHALCO SA	2.572,26	-

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

	<u>31/12/2009</u>	<u>31/12/2008</u>
Remuneration to the BoD and Management	876.304,00	901.602,00
Employment termination fees	184.630,72	-
Amounts payable to the BoD and Management	11.353,48	13.953,00

### **5. Facilities and branches**

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

The Company has the following branches :

Warehouse and branch in Thisvi plant.

Headquarters in Athens.

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

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

### **6. Major events following 31/12/2009**

In February, 4 2010, dissolution procedure of CPW European, seated in Germany, was finally completed. CPW European had been in dormant status, since June 2006. It is noted that due to the impairment of Group' s participation in the company, during the previous years, the impact of the said corporate event on the financial results and the assets of the Group was negligible. There are no other post balance sheet events that are likely to affect the financial statements of the Group and the parent company.

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS**

**(according to article 4 του Ν. 3556/2007)**

**a) Share Capital Structure**

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

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

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

**b) Restrictions in the Transfer of Company Shares**

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

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

The significant participations (over 5%) as of 31-12-2009 were as follows:

SIDENOR SA 78,55% of voting rights

**d) Shares that offer Special Control Rights**

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

**e) Restrictions in voting rights**

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

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

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

**f) Agreements between Company Shareholders**

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

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

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

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

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

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

Bond loans issued by the Company and undertaken in their entirety by banks, with a total balance of EUR 17.500.000 as of 31 December 2009, include a clause in their terms for the event of change of control, which, if enacted, gives bondholders the right to terminate the loan before maturity.

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

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

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

Athens, March 19, 2010

The Chairman of the Board of Directors

Konstantinos Bakouris

## C. Annual Financial Statements Group and Company

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**Statement of financial position**

<i>Amounts in Euros</i>	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>ASSETS</b>					
<b>Non-Current assets</b>					
Tangible fixed assets	6	134.589.522	144.160.178	134.552.757	144.114.864
Intangible assets	7	13.566	97.244	13.566	97.244
Investments in associated companies	9	10.165.308	9.037.676	1.073.950	687.125
Investments in subsidiary companies	8	-	-	11.345.179	11.319.068
Deferred Tax Asset	19	100.780	133.198	-	-
Other receivables	12	3.976.813	3.985.022	3.976.813	3.985.022
		<b>148.845.989</b>	<b>157.413.318</b>	<b>150.962.265</b>	<b>160.203.323</b>
<b>Current Assets</b>					
Inventories	11	56.071.370	125.338.067	51.919.420	112.719.165
Trade and other receivables	12	43.052.161	90.776.614	46.420.895	85.871.131
Derivative financial instruments	13	788.549	3.324.973	788.549	3.324.973
Financial assets at fair value through profit and loss	14	7.337	48.537	7.337	48.537
Cash & Cash equivalent	15	12.409.128	19.405.270	7.126.379	13.360.065
		<b>112.328.545</b>	<b>238.893.461</b>	<b>106.262.580</b>	<b>215.323.871</b>
<b>Total Assets</b>		<b>261.174.534</b>	<b>396.306.779</b>	<b>257.224.845</b>	<b>375.527.194</b>
<b>EQUITY</b>					
<b>Equity attributable to shareholders of the company</b>					
Share capital	16	96.852.757	96.852.757	96.852.757	96.852.757
Reserve from issuance of shares above par	16	27.427.850	27.427.850	27.427.850	27.427.850
Foreign exchange difference from consolidation of subsidiaries	17	-3.267.305	-2.446.001	-	-
Other reserves	17	13.405.266	7.968.621	13.405.266	7.968.620
Profits / (losses) carried forward		15.140.099	-5.100.650	10.451.751	-7.782.742
<b>Total equity</b>		<b>149.558.667</b>	<b>124.702.577</b>	<b>148.137.624</b>	<b>124.466.485</b>
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Loans	18	24.218.511	7.500.000	24.218.511	7.500.000
Deferred tax liabilities	19	10.669.625	1.601.811	11.788.940	2.727.747
Liabilities for remuneration to retired personnel	20	1.087.609	1.031.561	1.087.609	1.031.561
Provisions	21	4.682.941	2.709.448	5.081.279	3.506.125
Other long-term liabilities	22	-	12.792	-	-
		<b>40.658.686</b>	<b>12.855.612</b>	<b>42.176.339</b>	<b>14.765.433</b>
<b>Short-term liabilities</b>					
Suppliers and other liabilities	22	38.874.993	175.576.630	35.004.362	153.864.317
Income tax		653.085	775.838	586.938	144.357
Loans	18	27.313.911	62.928.501	27.313.911	62.928.501
Derivative financial instruments	13	1.017.533	10.802.817	1.017.533	10.802.817
Other short-term financial liabilities	36	-	6.194.998	-	6.194.998
Provisions	21	3.097.659	2.469.806	2.988.138	2.360.286
		<b>70.957.181</b>	<b>258.748.590</b>	<b>66.910.882</b>	<b>236.295.276</b>
<b>Total liabilities</b>		<b>111.615.867</b>	<b>271.604.202</b>	<b>109.087.221</b>	<b>251.060.709</b>
<b>Total equity and liabilities</b>		<b>261.174.534</b>	<b>396.306.779</b>	<b>257.224.845</b>	<b>375.527.194</b>

The notes on pages 17 to 66 constitute an integral part of these financial statements.

**Statement of comprehensive income**

<i>Amounts in Euros</i>	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
<b>Sales</b>	5	<b>285.171.744</b>	<b>385.122.868</b>	<b>276.368.845</b>	<b>346.006.732</b>
Cost of sales	23	-205.527.917	-312.561.689	-201.319.874	-280.699.997
<b>Gross profit</b>		<b>79.643.827</b>	<b>72.561.179</b>	<b>75.048.971</b>	<b>65.306.735</b>
Selling expenses	23	-43.435.733	-50.073.391	-41.972.136	-47.372.291
Administrative expenses	23	-6.179.706	-5.602.681	-5.054.511	-4.733.264
Other income	25	8.938.085	11.496.393	8.619.423	10.136.644
Other expenses	26	-4.828.595	-1.316.745	-4.515.357	-1.048.023
Other gains / (losses) net	27	-4.232.603	-6.883.291	-4.232.603	-6.883.291
<b>Operating profit</b>		<b>29.905.275</b>	<b>20.181.464</b>	<b>27.893.787</b>	<b>15.406.510</b>
Finance income	28	1.331.693	2.536.327	1.232.502	2.404.166
Finance expenses	28	-5.027.545	-9.663.915	-4.977.714	-9.597.675
<b>Finance expenses - net</b>		<b>-3.695.852</b>	<b>-7.127.588</b>	<b>-3.745.212</b>	<b>-7.193.509</b>
Income form dividends		2.572	-	1.131.572	2.314.691
Share of profit of associates	9	1.872.048	2.783.850	-	-
<b>Profit before tax</b>		<b>28.084.043</b>	<b>15.837.726</b>	<b>25.280.147</b>	<b>10.527.692</b>
Income tax	29	-7.843.293	-6.979.045	-7.045.654	-4.837.001
<b>Profit after tax</b>		<b>20.240.750</b>	<b>8.858.681</b>	<b>18.234.493</b>	<b>5.690.691</b>
<b>Other comprehensive income:</b>					
Profit / (Loss) after tax from change of fair market value of cash flow hedge	17,29	5.436.645	-6.199.101	5.436.645	-6.199.101
Foreign exchange difference from investment in associates	17,29	-821.304	-1.545.247	-	-
<b>Other comprehensive income for the period, after income tax</b>		<b>4.615.341</b>	<b>-7.744.348</b>	<b>5.436.645</b>	<b>-6.199.101</b>
<b>Total comprehensive income for the period</b>		<b>24.856.091</b>	<b>1.114.333</b>	<b>23.671.138</b>	<b>-508.410</b>
<b>Profit attributable to :</b>					
Owners of the parent company		20.240.750	8.858.681	18.234.493	5.690.691
		<b>20.240.750</b>	<b>8.858.681</b>	<b>18.234.493</b>	<b>5.690.691</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent company		24.856.091	1.114.333	23.671.138	-508.410
		<b>24.856.091</b>	<b>1.114.333</b>	<b>23.671.138</b>	<b>-508.410</b>
<b>Profits/(losses) per share that attributable to the owners of the parent company of the company during the period (expressed in € per share)</b>					
Basic and reduced	31	0,1630	0,0713	0,1469	0,0458

The notes on pages 17 to 66 constitute an integral part of these financial statements.

## Owner's Equity Statements

<i>Amounts in Euros</i>	Note	Attributable to the owners of the parent company			
		Share Capital	Share Capital	Share Capital	Share Capital
<b>CONSOLIDATED FIGURES</b>					
Balance on January 1, 2008		124.280.607	13.266.968	-13.959.333	123.588.242
Net profit of period		-	-	8.858.681	8.858.681
<b>Other comprehensive income for the period</b>					
Foreign exchange difference	17	-	-1.545.247	-	-1.545.247
(Loss) after tax from change of fair market value of cash flow hedge	17	-	-6.199.101	-	-6.199.101
<b>Total comprehensive income for the period after tax</b>		-	-7.744.348	8.858.681	1.114.333
Balance on December 31, 2008		124.280.607	5.522.620	-5.100.652	124.702.575
Balance on January 1, 2009		124.280.607	5.522.620	-5.100.652	124.702.575
Net profit of period		-	-	20.240.751	20.240.751
<b>Other comprehensive income for the period</b>					
Foreign exchange difference	17	-	-821.304	-	-821.304
Profit after tax from change of fair market value of cash flow hedge	17	-	5.436.645	-	5.436.645
<b>Total comprehensive income for the period after tax</b>		-	4.615.341	20.240.751	24.856.092
Balance on December 31, 2009		124.280.607	10.137.961	15.140.099	149.558.667

<i>Amounts in Euros</i>	Note	Attributable to the owners of the parent company			
		Share Capital	Share Capital	Share Capital	Share Capital
<b>COMPANY FIGURES</b>					
Balance on January 1, 2008		124.280.607	14.167.722	-13.473.434	124.974.895
Net profit of period		-	-	5.690.692	5.690.692
<b>Other comprehensive income for the period</b>					
(Loss) after tax from change of fair market value of cash flow hedge	17	-	-6.199.101	-	-6.199.101
<b>Total comprehensive income for the period after tax</b>		-	-6.199.101	5.690.692	-508.409
Balance on December 31, 2008		124.280.607	7.968.621	-7.782.742	124.466.486
Balance on January 1, 2009		124.280.607	7.968.621	-7.782.742	124.466.486
Net profit of period		-	-	18.234.493	18.234.493
<b>Other comprehensive income for the period</b>					
Profit after tax from change of fair market value of cash flow hedge	17	-	5.436.645	-	5.436.645
<b>Total comprehensive income for the period after tax</b>		-	5.436.645	18.234.493	23.671.138
Balance on December 31, 2009		124.280.607	13.405.266	10.451.751	148.137.624

The notes on pages 17 to 66 constitute an integral part of these financial statements.

## Cash Flow Statements

	Notes	CONSOLIDATED FIGURES		COMPANY FIGURES	
		1/1 until 31/12/2009	1/1 until 31/12/2008	1/1 until 31/12/2009	1/1 until 31/12/2008
<i>Amounts in Euros</i>					
<b>Cash flows from operating activities</b>					
Cash flows from operating activities	32	17.694.504	47.194.039	16.382.427	46.542.586
Interest paid		-5.329.672	-9.829.892	-5.279.841	-9.763.650
Income tax paid		-1.374.361	-261.096	-89.736	-96.540
Income tax received		736.151	-	735.640	-
<b>Net cash flows from operating activities</b>		<b>11.726.622</b>	<b>37.103.051</b>	<b>11.748.490</b>	<b>36.682.396</b>
<b>Cash flows from investment activities</b>					
Purchase of tangible fixed assets	6	-1.550.678	-5.469.953	-1.550.678	-5.440.053
Purchase of intangible assets	7	-19.151	-	-19.151	-
Sale of tangible assets	32	14.225	56.654	14.225	56.280
Dividends received		473.934	-	1.131.572	2.314.691
Sale of financial assets at fair value through profit and loss	14	46.949	-	46.949	-
Interest received		1.331.693	2.536.328	1.232.502	2.404.167
Establishment of subsidiary company		-	-	-26.111	-
Sale of associates	9	103.350	-	103.350	-
<b>Net cash flows from investment activities</b>		<b>400.322</b>	<b>-2.876.971</b>	<b>932.658</b>	<b>-664.915</b>
<b>Cash flows from financing activities</b>					
Dividends paid to the shareholders of the parent company		-18.755	-	-18.755	-
Proceeds from borrowings		171.410.000	93.750.206	171.410.000	93.750.206
Repayments of borrowings		-190.306.079	-120.555.613	-190.306.079	-120.555.613
Payments of leasing principle		-	-15.321	-	-15.321
<b>Net cash flows from financing activities</b>		<b>-18.914.834</b>	<b>-26.820.728</b>	<b>-18.914.834</b>	<b>-26.820.728</b>
Net (decrease)/increase in cash and cash equivalent		-6.787.890	7.405.352	-6.233.686	9.196.753
<b>Cash and cash equivalent at the beginning of the period</b>	<b>15</b>	<b>19.405.270</b>	<b>11.591.569</b>	<b>13.360.065</b>	<b>4.163.313</b>
Foreign exchange differences in cash and cash equivalent		-208.252	408.349	-	-
<b>Cash and cash equivalent at the end of the period</b>	<b>15</b>	<b>12.409.128</b>	<b>19.405.270</b>	<b>7.126.379</b>	<b>13.360.066</b>

The notes on pages 17 to 66 constitute an integral part of these financial statements.

## **Notes on the annual financial statements**

### **1) General information**

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

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

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

The Company was established and is seated in Greece, 2-4 Mesogheion Ave., Athens. The Company’s web address is [www.cpw.gr](http://www.cpw.gr).

The annual financial statements have been approved by the company’s Board of Directors on March 19, 2010 and are uploaded on the company’s web page where they will remain for at least 5 years from publication date.

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

The principal accounting policies applied in the preparation of these financial statements are set out below. The annual financial statements were prepared according to the same accounting principles that were followed for the preparation and the presentation of the Company’s and the Group’s financial statements for 2008, unless otherwise stated.

#### **2.1 Framework in which the financial statements have been prepared**

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

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

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

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

## **2.2 New standards, interpretations and amendment of existing standards**

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 ending 31 December 2009

#### **IFRS 7 (Amendment) "Financial instruments – Disclosures"**

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As these changes only result in additional disclosures, there is no impact on earnings per share.

#### **IAS 1 (Revised) "Presentation of Financial Statements"**

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present one statement.

#### **IFRS 8 "Operating Segments"**

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.

#### **IAS 23 (Amendment) "Borrowing Costs"**

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment will not impact the Group as all applicable borrowing costs were capitalised.

#### **IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations**

The amendment clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Group's financial statements.

#### **IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment)**

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Group's financial statements.

#### **IAS 39 (Amended) "Financial Instruments: Recognition and Measurement"**

This amendment clarifies that entities should no longer use hedge accounting for transactions between segments in their separate financial statements. This amendment is not applicable to the Group as it does not apply hedge accounting in transactions between sectors.

Interpretations effective for year ending 31 December 2009

**IFRIC 13 – Customer Loyalty Programmes**

This interpretation clarifies the treatment of entities that grant loyalty award credits such as “points” and “travel miles” to customers who buy other goods or services. This interpretation is not relevant to the Group’s operations.

**IFRIC 15 - Agreements for the construction of real estate**

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

**IFRIC 16 - Hedges of a net investment in a foreign operation**

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

**IFRIC 18 “Transfers of assets from customers”** (effective for transfers of assets received on or after 1 July 2009)

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

Standards effective after year ended 31 December 2009

**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. These changes will be applied to the Group on the day they become effective..

**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.

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

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. 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.

**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 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. The amendment will be applied to the Group the on the day it becomes effective.

Interpretations effective after year ended 31 December 2009

**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. The Group will apply this interpretation from its effective date.

**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.

**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. These amendments have not yet been endorsed by the EU. 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.

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

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

**IFRS 8 “Operating Segments”**

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

**IAS 1 “Presentation of Financial Statements”**

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

**IAS 7 “Statement of Cash Flows”**

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

**IAS 17 “Leases”**

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

### **IAS 18 “Revenue”**

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

### **IAS 36 “Impairment of Assets”**

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

### **IAS 38 “Intangible Assets”**

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

### **IAS 39 “Financial Instruments: Recognition and Measurement”**

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

### **IFRIC 9 “Reassessment of Embedded Derivatives”** (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.

## **2.3. Consolidation**

### **a) Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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 recognised directly in the income statement.

The effect on results carried forward and minority rights due to changes in holding percentages are deemed as transactions between the Group’s shareholders and, consequently, are recognised directly in Equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. The same applies to non-realised losses, unless there are indications that the fixed asset that was transferred has been devaluated. The accounting principles that are applied by the Group's subsidiary companies have been readjusted so that they may be consistent with those that have been adopted by the Group.

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

#### **(b) Associates**

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

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

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

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

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

#### **2.4. Segment reporting**

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

#### **2.5. Foreign currency translation**

##### **(a) Functional and presentation currency**

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

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

##### **(b) Transactions and balances**

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

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

**(c) Group companies**

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

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

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

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

**2.6. Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement as incurred

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

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

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

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

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

## **2.7. Intangible assets**

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

## **2.8. Impairment of non-financial assets**

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

## **2.9. Financial Assets**

### **2.9.1. Classification**

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

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

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

#### **(b) Borrowings (assets) and receivables**

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

#### **(c) Available-for-sale financial assets**

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

### **2.9.2. Recognition and measurement**

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

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

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

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

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

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

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

Impairment testing of trade receivables is described in note 2.12.

## **2.10. Derivative financial instruments and hedging activities**

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

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

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

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

### Cash flow hedge

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

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit. The gain or losses related to the effective portion of currency forward hedge are recognised in the income statement within “gains/(losses) net”. The gain or loss related to the interest rate swaps hedging variable rate borrowings is recognised in the income statement within “finance costs”. The gain or loss related to the ineffective portion is recognised in the income statement within “other gains/(losses) - net”.

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

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

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

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

#### **2.11. Inventories**

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

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

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

#### **2.12. Trade receivables**

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

#### **2.13. Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **2.14. Share capital**

Share capital includes the ordinary shares of the Company.

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

### **2.15. Trade payables**

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

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

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

### **2.16. Borrowings**

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

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

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

### **2.17. Current and deferred income tax**

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

The current income tax charge is calculated on the basis of the applicable tax laws and tax rates in the countries where the operates and is recognised the period when taxable income is generated. Management periodically evaluates assumptions made on tax legislation and forms provisions against amounts expected to be paid to the tax authorities

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

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

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

### **2.18. Employee benefits**

#### **(a) Short-term benefits**

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

**(b) Benefits following withdrawal from service**

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

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

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

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

**2.19. Subsidies**

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

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

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

**2.20. Provisions**

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

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

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

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

**2.21. Revenue recognition**

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Sales within the Group are fully eliminated. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

All risks have been undertaken by the buyer and the future profits that arise from the transactions are certain. Revenue is recognised as follows:

**(a) Sales of goods**

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

**(b) Sales of services**

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

**(c) Interest income**

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

**(d) Dividend income**

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

**2.22. Leases**

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

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

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

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

**2.24. Offset of financial assets and liabilities**

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

**2.25. Dividend distribution**

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

## **2.26. Comparative figures and roundings**

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

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

## **3) Financial risk management**

### **3.1. Financial risk factors**

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

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

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

#### **a) Market risk**

##### **(i) Foreign exchange risk**

The Group operates internationally (more than 95% of the sales are abroad, while all raw and indirect materials are imported) and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. The Group follows a full hedging policy, either with natural hedging (purchase of resources based on the sale currency) or with FX forwards or with both.

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

At 31/12/09, if the Euro had strengthened by 10% (2008 9%) against the Russian Ruble , with all other variables held constant, the Group's equity before tax would have been reduced by € 2.193.000 (2008: € 1.1790.000) . If the Euro had weakened by 10% (2008 9 %) the Group's equity before tax would have been increased by € 2.692.000 (2008: € 2.147.000).

At 31/12/09, if the USD had strengthened / weakened by 10% (2008:11%) against the Euro, with all other variables held constant, the Company's and Group's profit before tax would have been increased/reduced correspondingly by € 3.030.015 (2008: € 4.882.752) and € 2.479.103 (2008: € 6.089.724), mainly as a result of foreign exchange losses / gains on translation of US Dollar – denominated trade receivables, payables and cash and cash equivalents. Equity would have been correspondingly affected.

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

##### **(ii) Interest rate risk**

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

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Although, the last years Company's policy was to maintain higher than 50% of its borrowings in fixed rate instruments, the current environment of low interest rates has altered that percentage to 40%. During 2009 and 2008, the Group's borrowings at variable rate, were denominated in euro.

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

At 31/12/09, if interest rates had been 1%(-1%) higher / lower, with all other variables held constant, the Group's and Company's profit before tax would have been reduced / increased correspondingly by € 239.149, mainly because of the increased / decreased financial cost of loans with variable interest rate (2008: € 322.358). The Group's and Company's Equity would have been correspondingly affected.

### **(iii) Price risk**

A large portion of sales (more than 90%) is on project basis, where selling prices are fixed throughout the whole project period. Furthermore, according to the policy decided by the Board of Directors, prices of raw and auxiliary materials have to be fixed during the project period, in order to avoid exposure to risks from price volatility. For the rest of the sales (hollow sections), product and raw materials' prices are subject to changes according to the international steel prices, which can lead to impairments of inventories, as it happened in 2008 and 2009. In the end of 2008, trading of future contracts on HRC started in the US, with small trade volumes and few participants. The company regularly follows the said market and its correlation with the underlying asset and if liquidity increases, it can be a useful hedging tool.

### **b) Credit risk**

Credit risk is managed by the Group's Financial Department. Credit risk arises from deposits, derivative financial instruments (banks and financial institutions credit risk), as well as credit exposures to customers. The Group collaborates with some of the biggest and healthiest banks and financial institutions of the Greek market whose credit rating is at least BBB / F2 (Fitch).

The Group has adopted and applies strict procedures for the control of credit and political risk of its clients, investigating data like financial status, payments' background, possible counter guarantees etc. A large part of its sales take place against LCs, or downpayments. In cases, where this is impossible, the company uses credit insurance, factoring and when required political risk insurance.

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

### **c) Liquidity risk**

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

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

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

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

**At 31 December 2009**

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

**At 31 December 2008**

CONSOLIDATED FIGURES	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings	62.928.501	3.303.779	5.445.402
Derivatives	5.344.955	-	-
Suppliers and other liabilities	131.420.548	12.792	-
Financial Leases	6.194.998	-	-

**At 31 December 2009**

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

**At 31 December 2008**

COMPANY FIGURES	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings	62.928.501	3.303.779	5.445.402
Derivatives	5.344.955	-	-
Suppliers and other liabilities	125.673.164	-	-
Financial Leases	6.194.998	-	-

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

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

**At 31 December 2009**

Forward F/X contracts

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

**At 31 December 2008**

Forward F/X contracts

Consolidated and company figures	Less than 1 year
Inflows	37.786.630
Outflows	40.309.559

**3.2. Capital risk management**

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

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

During 2009 the Company and Group strategy, which was unchanged from 2008, was to maintain the gearing ratio below 40%. The gearing ratios at 31 December 2009 and 2008 were as follows:

(Amounts in Euros)	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/09	31/12/08	31/12/09	31/12/08
Total borrowings (note 18)	51.532.422	70.428.501	51.532.422	70.428.501
Factoring (note 36)	-	6.194.998	-	6.194.998
Less: Cash and cash equivalent (note 15)	-12.409.128	-19.405.270	-7.126.379	-13.360.065
<b>Net Debt</b>	<b>39.123.294</b>	<b>57.218.229</b>	<b>44.406.043</b>	<b>63.263.434</b>
Equity	149.558.667	124.702.575	148.137.624	124.466.486
<b>Total Capital employed</b>	<b>188.681.961</b>	<b>181.920.804</b>	<b>192.543.667</b>	<b>187.729.920</b>
<b>Gearing ratio</b>	<b>21%</b>	<b>31%</b>	<b>23%</b>	<b>34%</b>

### 3.3. Fair value estimation

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

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

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

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

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

	CONSOLIDATED FIGURES			
	31/12/2009	LEVEL 1	LEVEL 2	Total
Derivative financial assets used for hedging	-	-	788.549	788.549
			<b>788.549</b>	<b>788.549</b>
Derivative financial liabilities used for hedging	-	-	1.017.533	1.017.533
			<b>1.017.533</b>	<b>1.017.533</b>
<b>31/12/2008</b>				
Financial assets at fair value (trading securities)	41.200	41.200	-	41.200
Derivative financial assets used for hedging	-	-	3.324.973	3.324.973
		<b>41.200</b>	<b>3.324.973</b>	<b>3.366.173</b>
				-
Derivative financial liabilities used for hedging	-	-	-10.802.817	-10.802.817
		<b>41.200</b>	<b>-10.802.817</b>	<b>-10.802.817</b>

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

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level1.

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

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

Specific valuation techniques used to value financial instruments include:

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

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

#### **4) Critical accounting estimates and judgements**

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

##### **4.1. Critical accounting estimates and assumptions**

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

a) The Group's judgment is required in order to determine the income tax provision. There are many transactions and estimations due to which final tax calculation is uncertain. Group recognises tax liabilities, based on accounting estimations on possible future tax burden and tax assets related to future offsets of tax losses carried forward. If the final tax is different from the initially recognised tax, the difference shall affect the income tax and the provision for deferred taxation of the period.

If the actual final outcome differs by 20% from management estimates, the Company's and Group's deferred tax liability will increase/decrease by € 38.000.

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

If the actual final outcome differs by 10% from management estimates, the Group's provision will increase/decrease by € 32.000.

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

If the actual final outcome differs by 10% from management estimates, the Group's provision will increase/decrease by € 444.000

d) Pension benefits

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

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

If the used discount rate, deviated 10% from actuary' s estimation, then the present value of the non financed liabilities would be increased / decreased by € 90.000.

If the total benefits' increase, taken into consideration was 11%,different then the present value of the non financed liabilities would be increased/decreased by by € 100.000.

#### **4.2. Critical judgments in applying the entity's accounting policies**

As referred on note 19 the Group's management re-estimated the possibility of offsetting transferred tax losses with future taxable earnings and recognised deferred tax claim for the transfer of a portion of tax losses amounting to € 4.399.227 for which the realization of a relative financial benefit due to future taxable earnings is possible.

#### **5) Reporting by sector**

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

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

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

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

##### **ii) Construction Unit (hollow sections)**

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

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

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

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

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

The operating result of the sector of constructions has been charged with the amount of € 3.657.284 as impairment of inventories (difference between cost and present realizable value) related to the significant fall of international steel prices.

Respectively, the results of each sector for 12 months until December 31, 2008 had as follows:

(Amounts in Euros)	Sector of energy	Sector of constructions	Total
<b>Total gross sales by sector</b>	<b>519.218.955</b>	<b>33.793.342</b>	<b>553.012.297</b>
Inter-company sales	-167.889.429	-	-167.889.429
<b>Net sales</b>	<b>351.329.526</b>	<b>33.793.342</b>	<b>385.122.868</b>
Operating profits / (losses)	20.772.443	-590.979	20.181.464
Net financial expenses (note 28)			-7.127.588
Share of profits from associates (note 9)			2.783.850
<b>Profits / (Losses) before taxes</b>			<b>15.837.726</b>
Taxation (note 29)			-6.979.045
<b>Profits / (Losses) for the period after taxes</b>			<b>8.858.681</b>

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

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

Other figures per sector included in the operating profit/(loss) for the 12 months until December 31 2008 are the following:

(Amounts in Euros)	Sector of energy	Sector of constructions	Total
<b>Amortisation of tangible assets (note 6)</b>	<b>9.922.647</b>	<b>954.430</b>	<b>10.877.077</b>
<b>Amortisation of intangible assets (note 7)</b>	<b>118.353</b>	<b>-</b>	<b>118.353</b>
<b>Provisions (note 32)</b>	<b>560.638</b>	<b>-</b>	<b>560.638</b>
<b>Impairment of inventories (note 11)</b>	<b>882.294</b>	<b>2.092.775</b>	<b>2.975.069</b>

The operating profit/(loss) of the sectors include profits and losses from forwards for cash flow hedging, related to purchases and sales (note 27).

The financial cost includes results from cash flow hedges of interest-bearing loans that are presented in the statement of comprehensive income during the year (note 28).

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

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

(Amounts in Euros)	Sector of energy	Sector of constructions	Total
<b>Assets</b>	<b>55.385.695</b>	<b>7.716.065</b>	<b>63.101.760</b>
<b>Investments in associated companies</b>	9.198.343	-	<b>9.198.343</b>
<b>Total Assets</b>	<b>64.584.038</b>	<b>7.716.065</b>	<b>72.300.103</b>
<b>Total liabilities</b>	42.799.527	2.359.209	<b>45.158.736</b>
<b>Capital expenditures</b>	598.361	-	<b>598.361</b>

The sectors' assets and liabilities at December 31 2008 and investments in property, plant and equipment for the ended period at that date have as follows:

(Amounts in Euros)	Sector of energy	Sector of constructions	Total
<b>Assets</b>	135.734.841	11.719.051	<b>147.453.892</b>
<b>Investments in associated companies</b>	8.480.374	-	<b>8.480.374</b>
<b>Total Assets</b>	<b>144.215.215</b>	<b>11.719.051</b>	<b>155.934.266</b>
<b>Total liabilities</b>	182.809.400	1.656.329	<b>184.465.729</b>
<b>Capital expenditures</b>	4.093.997	-	<b>4.093.997</b>

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

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

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

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

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

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

31/12/2008	Assets	Liabilities
Segment assets and liabilities	155.934.266	184.465.729
<b>Unallocated:</b>		
Tangible fixed assets	144.160.179	-
Deferred Tax Asset	133.198	1.601.811
Derivative financial instruments	3.324.973	10.802.817
Inventories	62.738.681	-
Other receivables	10.004.374	-
Financial assets at fair value through profit and loss	48.537	-
Cash & Cash equivalent	19.405.270	-
Investments in associated companies	557.301	-
Income tax	-	775.838
Loans	-	70.428.501
Liabilities for personnel compensation due to withdrawal from service	-	1.031.561
Other liabilities	-	2.497.947
<b>Total</b>	<b>396.306.779</b>	<b>271.604.204</b>

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

Sales	CONSOLIDATED FIGURES	
	12months until 31/12/2009	12months until 31/12/2008
<i>Amounts in Euros</i>		
Greece	13.347.576	12.486.289
Euro zone	52.022.109	68.253.287
Other European Countries	64.441.406	22.290.939
Asia	37.571.291	74.154.404
America	79.533.986	207.534.657
Africa	38.255.376	403.291
<b>Total</b>	<b>285.171.744</b>	<b>385.122.868</b>

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

Sales of € 137.818.806 (2008: € 161.901.239) are concentrated to three customers in abroad (two in 2008), seated in UK, France and US (US and Asia in 2008). However such a situation is not rare, since the Company undertakes large scale projects. The said transactions were for energy pipes.

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

<i>Amounts in Euros</i>	31/12/2009	31/12/2008
Greece	238.420.966	363.055.282
Eurozone	102.101	872.373
America	10.055.476	23.208.252
Poland	2.330.758	-
	<b>250.909.301</b>	<b>387.135.907</b>

All non-current assets other than investments in associates and deferred tax assets are located in Greece € 138.543.137 (2008: € 148.197.130), in other countries of the Eurozone € 1.260 (2008: € 2.205) and America € 35.505 (2008: € 43.109).

Assets refer to the country where they are located.

### Capital expenditures

<i>Amounts in Euros</i>	12months until 31/12/2009	12months until 31/12/2008
Greece	1.569.829	5.463.375
America	-	6.578
<b>Total</b>	<b>1.569.829</b>	<b>5.469.953</b>

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

### Analysis of revenue by category

Amounts in Euros	12months until 31/12/2009	12months until 31/12/2008
Sales of merchandise and products	285.168.967	385.122.868
Income from services	2.777	-
<b>Total</b>	<b>285.171.744</b>	<b>385.122.868</b>

### 6) Tangible Fixed assets

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

CONSOLIDATED FIGURES							
Amounts in Euros	Land	Buildings	Machinery	Vehicles	Furnitures, fittings and equipment	Assets under construction	Total
<b>Cost</b>							
<b>Balance as of January 1 2008</b>	<b>15.967.152</b>	<b>42.689.921</b>	<b>131.945.381</b>	<b>2.265.396</b>	<b>1.703.980</b>	<b>3.314.140</b>	<b>197.885.970</b>
Foreign exchange differences	-	-	-	-	8.983	-	8.983
Additions	-	293.665	1.209.932	119.982	277.315	3.569.059	5.469.953
Sales (Note 32)	-	-	-	-561.114	-2.091	-	-563.205
Contribution in related company (Note 9)	-3.603.024	-	-	-	-	-	-3.603.024
Reclassifications	-	-	4.355.122	-	-	-4.355.122	-
<b>Balance as of December 31 2008</b>	<b>12.364.128</b>	<b>42.983.586</b>	<b>137.510.435</b>	<b>1.824.264</b>	<b>1.988.187</b>	<b>2.528.077</b>	<b>199.198.677</b>
<b>Accumulated depreciation</b>							
<b>Balance as of January 1 2008</b>	<b>-</b>	<b>-8.492.045</b>	<b>-33.326.720</b>	<b>-1.616.863</b>	<b>-1.200.116</b>	<b>-</b>	<b>-44.635.744</b>
Foreign exchange differences	-	-	-	-	-6.954	-	-6.954
Depreciation of the year (Note 23)	-	-2.140.378	-8.393.722	-152.120	-190.856	-	-10.877.076
Sales (Note 32)	-	-	-	479.558	1.717	-	481.275
<b>Balance as of December 31 2008</b>	<b>-</b>	<b>-10.632.423</b>	<b>-41.720.442</b>	<b>-1.289.425</b>	<b>-1.396.209</b>	<b>-</b>	<b>-55.038.499</b>
<b>Undepreciated value as of 31 December 2008</b>	<b>12.364.128</b>	<b>32.351.163</b>	<b>95.789.993</b>	<b>534.839</b>	<b>591.978</b>	<b>2.528.077</b>	<b>144.160.178</b>
<b>Cost</b>							
<b>Balance as of January 1 2009</b>	<b>12.364.128</b>	<b>42.983.586</b>	<b>137.510.435</b>	<b>1.824.264</b>	<b>1.988.187</b>	<b>2.528.077</b>	<b>199.198.677</b>
Foreign exchange differences	-	-	-	-	-6.073	-	-6.073
Additions	-	83.655	289.154	15.695	71.930	1.090.244	1.550.678
Sales (Note 32)	-	-	-7.169	-10.600	-2.901	-	-20.670
Impairment	-	-	-	-	-	-25.000	-25.000
Reclassifications	-	962.696	555.584	-	-	-1.518.280	-
<b>Balance as of December 31 2009</b>	<b>12.364.128</b>	<b>44.029.937</b>	<b>138.348.004</b>	<b>1.829.359</b>	<b>2.051.143</b>	<b>2.075.041</b>	<b>200.697.612</b>
<b>Accumulated depreciation</b>							
<b>Balance as of January 1 2009</b>	<b>-</b>	<b>-10.632.423</b>	<b>-41.720.442</b>	<b>-1.289.425</b>	<b>-1.396.209</b>	<b>-</b>	<b>-55.038.499</b>
Foreign exchange differences	-	-	-	-	4.697	-	4.697
Depreciation of the year (Note 23)	-	-2.170.017	-8.616.954	-107.981	-184.812	-	-11.079.764
Sales (Note 32)	-	-	1.799	2.487	1.189	-	5.475
<b>Balance as of December 31 2009</b>	<b>-</b>	<b>-12.802.440</b>	<b>-50.335.597</b>	<b>-1.394.919</b>	<b>-1.575.135</b>	<b>-</b>	<b>-66.108.091</b>
<b>Undepreciated value as of 31 December 2009</b>	<b>12.364.128</b>	<b>31.227.497</b>	<b>88.012.407</b>	<b>434.440</b>	<b>476.008</b>	<b>2.075.041</b>	<b>134.589.522</b>

COMPANY FIGURES							
Amounts in Euros	Land	Buildings	Machinery	Vehicles	Furnitures, fittings and equipment	Assets under construction	Total
<b>Cost</b>							
Balance as of January 1 2008	15.967.152	42.689.920	131.498.271	2.265.396	1.546.134	3.314.140	197.281.013
Additions	-	293.666	1.186.609	119.982	270.737	3.569.059	5.440.053
Sales (Note 32)	-	-	-	-561.114	-1.070	-	-562.184
Εισφορά σε συγγενή εταιρεία (σημείωση 9)	-3.603.024	-	-	-	-	-	-3.603.024
Reclassifications	-	-	4.355.122	-	-	-4.355.122	-
<b>Balance as of December 31 2008</b>	<b>12.364.128</b>	<b>42.983.586</b>	<b>137.040.002</b>	<b>1.824.264</b>	<b>1.815.801</b>	<b>2.528.077</b>	<b>198.555.858</b>
<b>Accumulated depreciation</b>							
Balance as of January 1 2008	-	-8.492.044	-32.856.286	-1.616.863	-1.090.618	-	-44.055.811
Depreciation of the year (Note 23)	-	-2.140.379	-8.393.723	-152.120	-179.589	-	-10.865.811
Sales (Note 32)	-	-	-	479.558	1.070	-	480.628
<b>Balance as of December 31 2008</b>	<b>-</b>	<b>-10.632.423</b>	<b>-41.250.009</b>	<b>-1.289.425</b>	<b>-1.269.137</b>	<b>-</b>	<b>-54.440.994</b>
<b>Undepreciated value as of 31 December 2008</b>	<b>12.364.128</b>	<b>32.351.163</b>	<b>95.789.993</b>	<b>534.839</b>	<b>546.664</b>	<b>2.528.077</b>	<b>144.114.864</b>
<b>Cost</b>							
Balance as of January 1 2009	12.364.128	42.983.586	137.040.002	1.824.264	1.815.801	2.528.077	198.555.858
Additions	-	83.655	289.154	15.695	71.930	1.090.244	1.550.678
Sales (Note 32)	-	-	-7.169	-10.600	-2.901	-	-20.670
Impairment	-	-	-	-	-	-25.000	-25.000
Reclassifications	-	962.696	555.584	-	-	-1.518.280	-
<b>Balance as of December 31 2009</b>	<b>12.364.128</b>	<b>44.029.937</b>	<b>137.877.571</b>	<b>1.829.359</b>	<b>1.884.830</b>	<b>2.075.041</b>	<b>200.060.866</b>
<b>Accumulated depreciation</b>							
Balance as of January 1 2009	-	-10.632.423	-41.250.009	-1.289.425	-1.269.137	-	-54.440.994
Depreciation of the year (Note 23)	-	-2.170.017	-8.616.954	-107.981	-177.638	-	-11.072.590
Sales (Note 32)	-	-	1.799	2.487	1.189	-	5.475
<b>Balance as of December 31 2009</b>	<b>-</b>	<b>-12.802.440</b>	<b>-49.865.164</b>	<b>-1.394.919</b>	<b>-1.445.586</b>	<b>-</b>	<b>-65.508.109</b>
<b>Undepreciated value as of 31 December 2009</b>	<b>12.364.128</b>	<b>31.227.497</b>	<b>88.012.407</b>	<b>434.440</b>	<b>439.244</b>	<b>2.075.041</b>	<b>134.552.757</b>

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

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Cost of sales	9.515.804	10.594.927	9.515.804	10.594.927
Administrative expenses	62.111	65.044	61.165	64.018
Selling expenses	138.730	162.633	138.730	162.633
Other income / (expenses)	1.363.119	54.473	1.356.891	44.233
<b>Total</b>	<b>11.079.764</b>	<b>10.877.077</b>	<b>11.072.590</b>	<b>10.865.811</b>

Leased mechanical equipment and transportation equipment that are included above based on leasing is analysed below :

Machinery	Consolidated and company figures	
	Amounts in Euros 31/12/2009	31/12/2008
Cost – capitalized leasing	8.795.304	8.795.304
Accumulated depreciation	-4.489.270	-3.939.564
<b>Net Book Amount</b>	<b>4.306.034</b>	<b>4.855.740</b>
Vehicles		
Cost – capitalized leasing	377.318	377.318
Accumulated depreciation	-256.550	-218.818
<b>Net Book Amount</b>	<b>120.768</b>	<b>158.500</b>

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

The Statement of Comprehensive Income includes leasing fees of € 531.597 (2008: 541.449) and € 482.120 (2008: € 487.701) for the Group and the Company respectively, for leasing vehicles, buildings and machinery (note 23).

### 7) Intangible Assets

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

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

Amounts in Euros	Development Expenses	Total
<b>Cost</b>		
Balance as of January 1 2008	355.093	355.093
Balance as of December 31 2008	355.093	355.093
<b>Accumulated depreciation</b>		
Balance as of January 1 2008	-139.496	-139.496
Depreciation of the year (Note 23)	-118.353	-118.353
Balance as of December 31 2008	-257.849	-257.849
Undepreciated value as of 31 December 2008	97.244	97.244

Depreciation is included in the cost of sales

### 8) Investments in subsidiaries

	COMPANY FIGURES	
Amounts in Euros	31/12/2009	31/12/2008
Beginning balance	11.319.068	11.319.068
Additions	593.455	-
Sales	-567.344	-
Closing balance	11.345.179	11.319.068

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

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

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

affiliate CPW AMERICA Co, seated in the USA and b) 1.231 shares amounting of 61.550 PLN (€ 26.111), with cash contribution. Following the completion of the above, the share capital of Warsaw Tubulars Trading sp. z.o.o. comprises of 55.675 shares, with a total value of 2.783.750 PLN (€ 593.455)..

Company	Country	Acquisition value at beginning of period	Acquisition value at end of period	Direct holding percentage
<b>2008</b>				
CPW EUROPEAN TRADING GmbH	Germany	-	-	100,00 %
CPW AMERICA CO.	America	567.344	567.344	100,00 %
HUMBEL Ltd	Cyprus	10.751.724	10.751.724	100,00 %
<b>Total</b>		<b>11.319.068</b>	<b>11.319.068</b>	

#### 9) Investments in associates

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<i>Amounts in Euros</i>				
<b>Beginning balance</b>	<b>9.037.676</b>	<b>7.987.071</b>	<b>687.125</b>	<b>687.125</b>
Foreign exchange difference	-659.879	-1.733.245	-	-
Share of profit from associated companies	1.872.048	2.783.850	-	-
Sales	-97.606	-	-97.606	-
Dividends	-471.362	-	-	-
Additions	484.431	-	484.431	-
<b>Closing balance</b>	<b>10.165.308</b>	<b>9.037.676</b>	<b>1.073.950</b>	<b>687.125</b>

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

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

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

Further to the approval of the Regulatory Plan of industrial zone in Thisvi, (Note 6), Corinth Pipeworks S.A. contributed in 2008 an amount of €484.430, for a share capital increase of the associate DIA.VI.PE.THI.V. The share capital increase has been approved by the Shareholders' General Assembly of DIA.VI.PE.THI.V. S.A, in 2009.

Company	Country	Assets	Liabilities	Sales	Profit/(Loss) after tax	Participation
<b>2008</b>						
DIAPETHIV S.A.	Greece	2.781.153	2.223.839	327.575	-93.959	21,37%
ZAO TMK – CPW	Russia	14.425.501	5.945.127	23.008.930	2.877.808	49,00%
		<b>17.206.654</b>	<b>8.168.966</b>	<b>23.336.505</b>	<b>2.783.850</b>	

**10) Financial instruments**
**a) Financial instruments by category**

Consolidated figures at 31/12/2009

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

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

Consolidated figures at 31/12/2008

Assets	Borrowings and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Trade and other receivables	68.692.904	-	-	68.692.904
Cash and cash equivalents	19.405.270	-	-	19.405.270
Short-term derivative financial instruments	-	-	3.324.973	3.324.973
Short-term financial assets at fair value through results	-	48.537	-	48.537
<b>Total</b>	<b>88.098.174</b>	<b>48.537</b>	<b>3.324.973</b>	<b>91.471.684</b>

Liabilities	Derivatives used for hedging	Other financial liabilities	Total
Long-term loans	-	7.500.000	7.500.000
Short-term loans	-	62.928.501	62.928.501
Derivative financial instruments (short-term)	10.802.817	-	10.802.817
Suppliers and other liabilities	-	131.433.340	131.433.340
Factoring	-	6.194.998	6.194.998
<b>Total</b>	<b>10.802.817</b>	<b>208.056.839</b>	<b>218.859.656</b>

Company figures at 31/12/2009

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

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

Company figures at 31/12/2008

Assets	Borrowings and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Trade and other receivables	63.553.108	-	-	<b>63.553.108</b>
Cash and cash equivalents	13.360.065	-	-	<b>13.360.065</b>
Short-term derivative financial instruments	-	-	3.324.973	<b>3.324.973</b>
Short-term financial assets at fair value through results	-	48.537	-	<b>48.537</b>
<b>Total</b>	<b>76.913.173</b>	<b>48.537</b>	<b>3.324.973</b>	<b>80.286.683</b>

Liabilities	Derivatives used for hedging	Other financial liabilities	Total
Long-term loans	-	7.500.000	<b>7.500.000</b>
Short-term loans	-	62.928.501	<b>62.928.501</b>
Derivative financial instruments (short-term)	10.802.817	-	<b>10.802.817</b>
Suppliers and other liabilities	-	125.673.164	<b>125.673.164</b>
Factoring	-	6.194.998	<b>6.194.998</b>
<b>Total</b>	<b>10.802.817</b>	<b>202.296.663</b>	<b>213.099.480</b>

**b) Credit quality of financial assets**

Derivative financial instruments (assets):

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

Amounts in Euros	Consolidated and Company figures - 2009	Consolidated and Company figures - 2008
AA+	-	16.399
AA-	-	758.044
A	-	2.069.852
A-	-	232.461
BBB+	788.549	248.217
<b>Total</b>	<b>788.549</b>	<b>3.324.973</b>

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/09	31/12/08	31/12/09	31/12/08
AA+	-	10.400	-	10.400
AA	117.613	-	29.400	-
AA-	-	111.530	-	15.798
A+	2.853.064	5.838.812	-	-
A	36.838	4.286.098	25.419	4.176.951
A-	-	8.866.970	-	8.866.970
BBB+	9.376.086	280.680	7.067.610	280.680
<b>Total</b>	<b>12.383.601</b>	<b>19.394.489</b>	<b>7.122.429</b>	<b>13.350.798</b>

### 11) Inventories

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/09	31/12/08	31/12/09	31/12/08
Finished products	22.240.029	34.335.097	18.088.079	21.716.195
Semi-finished products	7.828.698	30.137.950	7.828.698	30.137.950
By-products and scrap material	173.600	234.866	173.600	234.866
Work in progress	4.167	228.290	4.167	228.290
Raw and indirect materials	28.928.925	58.539.355	28.928.925	58.539.355
Consumables - spare parts & packaging materials	3.780.820	4.109.820	3.780.820	4.109.820
Advances for inventories purchase	141.044	727.758	141.044	727.758
<b>Total</b>	<b>63.097.283</b>	<b>128.313.136</b>	<b>58.945.333</b>	<b>115.694.234</b>
Less: Provision for impairment of inventories:				
Finished products	-3.688.532	-2.975.069	-3.688.532	-2.975.069
Raw material-consumables-spare parts-packaging	-3.337.381	-	-3.337.381	-
<b>Total net value</b>	<b>56.071.370</b>	<b>125.338.067</b>	<b>51.919.420</b>	<b>112.719.165</b>

The cost of stocks that was recorded as an expense in the cost of sales amounts to € 171.227.552 (2008: € 263.187.433) and € 167.019.509 (2008: € 231.325.742) for the Group and the Company respectively.

During the fiscal year stocks were estimated at the lower value between their cost and their net liquid value. The net liquid value was estimated based on the sales price of finished products in an active market. The net liquid value of certain finished products was lower, and as a result thereof an impairment loss in the amount of € 7.025.913 (2008: € 2.975.069) for the Group and the Company. The impairment loss is included in the cost of stocks that was included in the Statement of Comprehensive Income as an expense in the cost of sales (note 23).

### 12) Trade and other receivables

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade receivables	37.496.597	64.041.277	34.688.695	59.728.826
Less: provision for impairment of trade receivables	-272.711	-314.752	-201.824	-202.247
<b>Trade receivables net</b>	<b>37.223.886</b>	<b>63.726.525</b>	<b>34.486.871</b>	<b>59.526.579</b>
Less: Impairment provisions	1.013.716	2.249.156	1.010.377	2.374.936
Receivables from related parties (note 35)	6.879.739	9.260.381	12.989.934	8.433.036
Greek State	1.497.809	2.359.501	1.496.702	2.359.501
Other debtors	-	441.581	-	437.609
Purchases in transit	413.824	16.724.492	413.824	16.724.492
<b>Total</b>	<b>47.028.974</b>	<b>94.761.636</b>	<b>50.397.708</b>	<b>89.856.153</b>
Current Assets	43.052.161	90.776.614	46.420.895	85.871.131
Non-Current Assets	3.976.813	3.985.022	3.976.813	3.985.022
<b>Total</b>	<b>47.028.974</b>	<b>94.761.636</b>	<b>50.397.708</b>	<b>89.856.153</b>

Long-term receivables included in non-current assets € 373.789 (2008: € 381.998) concern guarantees to third parties within the framework of the Company's activities and do not have a specific maturity date. Regarding the remaining liabilities of € 3.603.024 see note 6.

The fair market values of clients and other receivables are approximately equal to their book values.

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

As of 31/12/2009 trade receivables of € 16.619.067 (2008: € 58.296.073) and €19.121.175 (2008: € 58.970.028) concern clients without delay in their payments, for the Company and the Group respectively.

Trade receivables that are less than three months past due are not considered impaired. As of 31/12/2009 Trade receivables that were past due but not impaired € 18.102.710 (2008: € 4.756.497) for the Group and € 17.867.804 (2008: € 1.230.506) for the Company. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these receivables are shown in the table below:

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
<b>Ageing</b>	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Trade receivables</b>				
0-3 months	480.028	4.099.516	338.513	627.425
3-6 months	17.467.569	102.798	17.419.153	48.898
> 6 months	155.113	554.183	110.138	554.183
<b>Total</b>	<b>18.102.710</b>	<b>4.756.497</b>	<b>17.867.804</b>	<b>1.230.506</b>

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

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

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Euro	15.316.831	65.511.566	15.569.431	65.313.512
US Dollar	31.040.141	21.916.449	34.155.825	17.209.020
Σλότι	-	-	450	-
UK Pound	671.068	823.461	671.068	823.461
United Arabic Emirates Dirham	934	45	934	45
Omani Rial	-	6.510.115	-	6.510.115
<b>Total</b>	<b>47.028.974</b>	<b>94.761.636</b>	<b>50.397.708</b>	<b>89.856.153</b>

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

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Beginning balance</b>	314.752	323.000	202.247	267.171
Provision for receivables impairment	-	50.305	-	-
Foreing exchange differences	-2.903	6.371	-	-
Provision reversed	-39.138	-64.924	-423	-64.924
<b>Closing balance</b>	<b>272.711</b>	<b>314.752</b>	<b>201.824</b>	<b>202.247</b>

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

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Other expenses	-	-50.305	-	-
Other income	39.138	64.924	423	64.924
<b>Total</b>	<b>39.138</b>	<b>14.619</b>	<b>423</b>	<b>64.924</b>

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

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

At the Balance Sheet date the Group did not possess any security against such customers. The good performance guarantees are mentioned in note 34.

### 13) Derivative financial instruments

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/09</b>	<b>31/12/08</b>	<b>31/12/09</b>	<b>31/12/08</b>
<b>Current Assets</b>				
Forward foreign exchange contracts – cash flow hedges	788.549	3.271.604	788.549	3.271.604
Interest rate swaps	-	53.369	-	53.369
<b>Total</b>	<b>788.549</b>	<b>3.324.973</b>	<b>788.549</b>	<b>3.324.973</b>
<b>Short-term Liabilities</b>				
Forward foreign exchange contracts – cash flow hedges	1.017.533	10.169.059	1.017.533	10.169.059
Forward foreign exchange on freight contracts (FFAs)	-	633.758	-	633.758
<b>Total</b>	<b>1.017.533</b>	<b>10.802.817</b>	<b>1.017.533</b>	<b>10.802.817</b>
<b>Amounts recognised in the income statement as income (or expense)</b>	<b>-4.320.941</b>	<b>-6.380.977</b>	<b>-4.320.941</b>	<b>-6.380.977</b>

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

The maximum exposure to credit risk at 31/12/2009 for the Group and the Company is the fair value of the derivative assets in the Statement of Financial Position.

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

#### a) Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts on 31/12/2009 were USD 53.530.585, GBP 173.521 compared to USD 140.549.000 on 31/12/2008. Gains and losses from forward foreign exchange contracts recognised, in equity, on 31/12/2009 will be transferred to the Statement of Comprehensive Income in various dates, between one to twelve months from the Balance Sheet date.

#### b) Interest rate swaps

There is no outstanding interest rate swaps contracts on 31/12/2009 (compared to €18.000.000 on 31/12/2008).

#### c) Forward foreign exchange on freight contracts (FFAs)

There is no outstanding forward freight agreements (FFAs) on 31/12/2009 compared to USD 1.036.000 on 31/12/2008.

**14) Financial assets at fair value through profit or loss**

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

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

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES	COMPANY FIGURES
<b>Balance on January 1, 2008</b>	<b>106.737</b>	<b>106.737</b>
Changes in fair value	-58.200	-58.200
<b>Balance on December 31, 2008</b>	<b>48.537</b>	<b>48.537</b>
Current Assets	48.537	48.537
<b>Total</b>	<b>48.537</b>	<b>48.537</b>

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES	COMPANY FIGURES
	31/12/2008	31/12/2008
<u>Listed securities</u>		
- Greek securities	41.200	41.200
<u>Not-listed securities</u>		
- Greek securities	7.337	7.337
<b>Total</b>	<b>48.537</b>	<b>48.537</b>

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

The fair value of all equity securities is based on their current bid prices in an active market.

**15) Cash & Cash equivalents**

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Cash on hand	25.527	10.781	3.950	9.267
Cash at banks	12.383.601	19.394.489	7.122.429	13.350.798
<b>Total</b>	<b>12.409.128</b>	<b>19.405.270</b>	<b>7.126.379</b>	<b>13.360.065</b>

**16) Share capital and premium**

<i>Amounts in Euros</i>	Number of shares	Ordinary shares	Share premium	Total
<b>December 31, 2008</b>	<b>124.170.201</b>	<b>96.852.757</b>	<b>27.427.850</b>	<b>124.280.607</b>
<b>December 31, 2009</b>	<b>124.170.201</b>	<b>96.852.757</b>	<b>27.427.850</b>	<b>124.280.607</b>

The total number of approved common shares amounts to 124,170,201 shares (2008: 124,170,201 shares) of a nominal value of 0,78 Euros each (2008: 0,78 Euros each). All issued shares have been paid up in full.

**17) Other reserves**

CONSOLIDATED FIGURES								
<i>Amounts in Euros</i>	Statutory reserve	Fair Value Reserve	Extra-ordinary reserves	Untaxed reserves	Other reserves	Total	Foreign exchange Differences from the Consolidation of foreign subsidiaries	Total
Balance on January 1, 2008	1.461.080	590.718	2.640.148	9.385.491	90.284	14.167.721	-900.754	13.266.967
Foreign exchange difference	-	-	-	-	-	-	-1.545.247	-1.545.247
(Loss) after tax from change of fair market value of cash flow hedge	-	-6.199.101	-	-	-	-6.199.101	-	-6.199.101
Balance on December 31, 2008	1.461.080	-5.608.383	2.640.148	9.385.491	90.284	7.968.620	-2.446.001	5.522.619
Balance on January 1, 2009	1.461.080	-5.608.383	2.640.148	9.385.491	90.284	7.968.620	-2.446.001	5.522.619
Foreign exchange difference	-	-	-	-	-	-	-821.304	-821.304
Profit after tax from change of fair market value of cash flow hedge	-	5.436.645	-	-	-	5.436.645	-	5.436.645
Balance on December 31, 2009	1.461.080	-171.738	2.640.148	9.385.491	90.284	13.405.265	-3.267.305	10.137.960

COMPANY FIGURES						
<i>Amounts in Euros</i>	Statutory reserve	Fair Value Reserve	Extra-ordinary reserves	Untaxed reserves	Other reserves	Total
Balance on January 1, 2008	1.461.080	590.718	2.640.148	9.385.491	90.284	14.167.721
(Loss) after tax from change of fair market value of cash flow hedge	-	-6.199.101	-	-	-	-6.199.101
Balance on December 31, 2008	1.461.080	-5.608.383	2.640.148	9.385.491	90.284	7.968.620
Balance on January 1, 2009	1.461.080	-5.608.383	2.640.148	9.385.491	90.284	7.968.620
Profit after tax from change of fair market value of cash flow hedge	-	5.436.645	-	-	-	5.436.645
Balance on December 31, 2009	1.461.080	-171.738	2.640.148	9.385.491	90.284	13.405.265

**(a) Statutory reserves**

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

**(b) Extraordinary reserves**

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

**(c) Untaxed reserves**
Special law untaxed reserves

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

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

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

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

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

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

**18) Borrowings**

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Long-Term borrowings</b>				
Bank loans	12.218.511	-	12.218.511	-
Debentures	12.000.000	7.500.000	12.000.000	7.500.000
<b>Total Long-Term borrowings</b>	<b>24.218.511</b>	<b>7.500.000</b>	<b>24.218.511</b>	<b>7.500.000</b>
<b>Short-Term borrowings</b>				
Bank loans	21.813.911	32.095.165	21.813.911	32.095.165
Debentures	5.500.000	30.833.336	5.500.000	30.833.336
<b>Total Short-Term borrowings</b>	<b>27.313.911</b>	<b>62.928.501</b>	<b>27.313.911</b>	<b>62.928.501</b>
<b>Total borrowings</b>	<b>51.532.422</b>	<b>70.428.501</b>	<b>51.532.422</b>	<b>70.428.501</b>

It is noted that based on IFRS1 long-term loan (balance on 31/12/2009 : 12.218.511,04 euro) from the European Investment Bank that was included in short-term borrowings, since the Company had not met some of the required financial covenants, has been classified again to long-term borrowings after the waiver provided by the creditor for years 2009 and 2010.

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

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

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Less than 6 months	33.952.222	28.727.601	33.952.222	28.727.601
Between 6 and 12 months	-	18.000.000	-	18.000.000
1-5 years	17.580.200	23.700.900	17.580.200	23.700.900
<b>Total</b>	<b>51.532.422</b>	<b>70.428.501</b>	<b>51.532.422</b>	<b>70.428.501</b>

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

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Between 1 and 2 years	13.459.411	2.500.000	13.459.411	2.500.000
Between 2 and 5 years	10.759.100	5.000.000	10.759.100	5.000.000
<b>Total</b>	<b>24.218.511</b>	<b>7.500.000</b>	<b>24.218.511</b>	<b>7.500.000</b>

All of the Group's loans are in Euros.

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

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Bank Loans	5,12%	6,72%	5,12%	6,72%
Bank Loans (short term)	2,88%	5,26%	2,88%	5,26%
Debentures	2,42%	5,13%	2,42%	5,13%

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

Company and Group figures		
Long-term borrowings	31/12/2009	31/12/2008
Bank Loans	12.434.127	-
Debentures	12.000.000	7.500.000
<b>Total</b>	<b>24.434.127</b>	<b>7.500.000</b>

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

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

The Group has unused credit lines of € 134.056.130 (2008: € 62.584.509) in order to cover any future financial needs. These credit lines are mentioned in variable rate contracts and they do not have a determined date of expiration.

## 19) Deferred income tax

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

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Deferred tax asset	-100.780	-133.198	-	-
Deferred tax liability	10.669.625	1.601.811	11.788.939	2.727.747
<b>Total</b>	<b>10.568.845</b>	<b>1.468.613</b>	<b>11.788.939</b>	<b>2.727.747</b>

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

The total change in deferred income tax is as follows:

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/08	31/12/2009	31/12/08
<b>Balance at the beginning of the year</b>	<b>1.468.613</b>	<b>-1.277.027</b>	<b>2.727.747</b>	<b>57.115</b>
Foreign exchange difference	4.714	-7.553	-	-
Charged/(credited) to the statement of comprehensive income (note 29)	7.283.303	4.819.559	7.248.977	4.736.998
Charged/(credited) directly to Equity	1.812.215	-2.066.366	1.812.215	-2.066.366
<b>Balance at year-end</b>	<b>10.568.845</b>	<b>1.468.613</b>	<b>11.788.939</b>	<b>2.727.747</b>

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

Deferred tax liabilities:

CONSOLIDATED FIGURES	Tangible assets/Difference in depreciation	Recognition of income	Fair value Profit	Other	Total
<i>Amounts in Euros</i>					
<b>Balance on 1/1/2008</b>	<b>13.279.475</b>	<b>19.223</b>	<b>196.905</b>	<b>927.598</b>	<b>14.423.201</b>
Debited/(credited) to statement of comprehensive income	-761.424	795.412	-	-8.558	25.430
Transfer to deferred tax assets	-	-	-196.905	-	-196.905
<b>Balance on 31/12/2008</b>	<b>12.518.051</b>	<b>814.635</b>	<b>-</b>	<b>919.040</b>	<b>14.251.726</b>
<b>Balance on 1/1/2009</b>	<b>12.518.051</b>	<b>814.635</b>	<b>-</b>	<b>919.040</b>	<b>14.251.726</b>
Debited/(credited) to statement of comprehensive income	803.550	-575.436	-	532.355	760.469
<b>Balance on 31/12/2009</b>	<b>13.321.601</b>	<b>239.199</b>	<b>-</b>	<b>1.451.395</b>	<b>15.012.195</b>

Deferred tax assets:

CONSOLIDATED FIGURES	Provisions differences	Non-recognized intangible assets	Fair value Profit	Tax losses	Total
<i>Amounts in Euros</i>					
<b>Balance on 1/1/2008</b>	<b>-1.534.319</b>	<b>-1.005.271</b>	<b>-</b>	<b>-13.160.638</b>	<b>-15.700.228</b>
Foreign exchange difference	-7.553	-	-	-	-7.553
Debited/(credited) to the statement of comprehensive income	128.945	316.491	-	4.348.693	4.794.129
Debited/(credited) directly to other comprehensive income	-	-	-2.066.366	-	-2.066.366
Transfer from deferred tax liabilities	-	-	196.905	-	196.905
<b>Balance on 31/12/2008</b>	<b>-1.412.927</b>	<b>-688.780</b>	<b>-1.869.461</b>	<b>-8.811.945</b>	<b>-12.783.113</b>
<b>Balance on 1/1/2009</b>	<b>-1.412.927</b>	<b>-688.780</b>	<b>-1.869.461</b>	<b>-8.811.945</b>	<b>-12.783.113</b>
Foreign exchange difference	4.714	-	-	-	4.714
Debited/(credited) to the statement of comprehensive income	-1.275.971	114.119	-	7.684.686	6.522.834
Debited/(credited) directly to other comprehensive income	-	-	1.812.215	-	1.812.215
<b>Balance on 31/12/2009</b>	<b>-2.684.184</b>	<b>-574.661</b>	<b>-57.246</b>	<b>-1.127.259</b>	<b>-4.443.350</b>

Deferred tax liabilities:

COMPANY FIGURES	Fair value Profit	Recognition of income	Tangible assets/Difference in depreciation	Other	Total
<i>Amounts in Euros</i>					
<b>Balance on 1/1/2008</b>	<b>196.905,0</b>	<b>19.223</b>	<b>14.084.713</b>	<b>1.397.215</b>	<b>15.698.056</b>
Debited/(credited) to the statement of comprehensive income	-	795.412	-888.580	176.375	83.207
Transfer to deferred tax assets	-196.905	-	-	-	-196.905
<b>Balance on 31/12/2008</b>	<b>-</b>	<b>814.635</b>	<b>13.196.133</b>	<b>1.573.590</b>	<b>15.584.358</b>
<b>Balance on 1/1/2009</b>	<b>-</b>	<b>814.635</b>	<b>13.196.133</b>	<b>1.573.590</b>	<b>15.584.358</b>
Debited/(credited) to the statement of comprehensive income	-	-575.436	724.550	-134.912	14.202
<b>Balance on 31/12/2009</b>	<b>-</b>	<b>239.199</b>	<b>13.920.683</b>	<b>1.438.678</b>	<b>15.598.560</b>

Deferred tax assets:

COMPANY FIGURES	Provisions differences	Non-recognised intangible assets	Fair value Profits	Tax losses	Total
<i>Amounts in Euros</i>					
<b>Balance on 1/1/2008</b>	<b>-1.475.031</b>	<b>-1.005.272</b>	<b>-</b>	<b>-13.160.638</b>	<b>-15.640.941</b>
Debit/(credit) recorded in the statement of comprehensive income	-11.636	316.734	-	4.348.693	4.653.791
Debited directly to other comprehensive income	-	-	-2.066.366	-	-2.066.366
Transfer to deferred tax liabilities	-	-	196.905	-	196.905
<b>Balance on 31/12/2008</b>	<b>-1.486.667</b>	<b>-688.538</b>	<b>-1.869.461</b>	<b>-8.811.945</b>	<b>-12.856.611</b>
<b>Balance on 1/1/2009</b>	<b>-1.486.667</b>	<b>-688.538</b>	<b>-1.869.461</b>	<b>-8.811.945</b>	<b>-12.856.611</b>
Debit/(credit) recorded in the statement of comprehensive income	-564.847	114.936	-	7.684.686	7.234.775
Debited directly to other comprehensive income	-	-	1.812.215	-	1.812.215
<b>Balance 31/12/2009</b>	<b>-2.051.514</b>	<b>-573.602</b>	<b>-57.246</b>	<b>-1.127.259</b>	<b>-3.809.621</b>

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

During this period, Group's Management re-estimated the possibility of offsetting tax losses carried forward with future tax gains and recognised deferred tax asset for the transfer of a portion of the tax losses amounting € 4.399.227 (2008: € 35.597.869) for which the realisation of a relative financial benefit due to future tax profits is possible.

The company has not recognised a deferred tax asset of € 2.745.277, because it does not expect to gain any benefits from future taxable income. The said losses could be used till 2010.

## 20) Retirement benefit obligations

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Balance sheet liabilities for:</b>				
Pension benefits	1.087.609	1.031.561	1.087.609	1.031.561
<b>Income statement debit (note 24)</b>				
Pension benefits	405.253	301.249	405.253	301.249

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Present value of non-financed liabilities	1.151.122	966.134	1.151.122	966.134
Non-recorded actuarial profits/(losses)	-22.765	108.621	-22.765	108.621
Non-recorded cost of past service	-40.748	-43.194	-40.748	-43.194
<b>Liability in the statement of financial position</b>	<b>1.087.609</b>	<b>1.031.561</b>	<b>1.087.609</b>	<b>1.031.561</b>

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Current service cost	132.796	132.003	132.796	132.003
Interest cost	52.759	59.484	52.759	59.484
Cutback losses from employee transfers	221.043	107.331	221.043	107.331
Amortisation of actuarial profits	-3.791	-15	-3.791	-15
Amortisation of the cost of past service during the year	2.446	2.446	2.446	2.446
<b>Total cost recognised in the statement of comprehensive income (note 24)</b>	<b>405.253</b>	<b>301.249</b>	<b>405.253</b>	<b>301.249</b>

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

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Cost of sales	248.633	348.923	248.633	348.923
Administrative expenses	156.620	-	156.620	-
Other operating income	-	-47.674	-	-47.674
<b>Total included in employee benefits</b>	<b>405.253</b>	<b>301.249</b>	<b>405.253</b>	<b>301.249</b>

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

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net liability at the beginning of the year	1.031.561	1.673.377	1.031.561	1.673.377
Παροχές που πληρώθηκαν	-349.205	-943.065	-349.205	-943.065
Total cost recognised in the statement of comprehensive income	405.253	301.249	405.253	301.249
<b>Net liability at year-end</b>	<b>1.087.609</b>	<b>1.031.561</b>	<b>1.087.609</b>	<b>1.031.561</b>

The main actuarial assumptions used are the following:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Discount rate	5,0%	5,5%	5,0%	5,5%
Future salary increases	4,5%	4,5%	4,5%	4,5%
Inflation	2,6%	2,0%	2,6%	2,0%

Death and sickness rates

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

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

	Change in assumption	Impact on overall liability
<b>Discount rate</b>	Increase/decrease 10%	Αύξηση/μείωση 8,0%
<b>Salary growth rate</b>	Increase/decrease 11%	Αύξηση/μείωση 8,9%

## 21) Provisions

CONSOLIDATED FIGURES				
Amounts in Euros	Pending litigations / cases under arbitration	Indemnification to counterparties	Restructuring	Total
<b>1-Jan-08</b>	<b>612.423</b>	<b>5.040.060</b>	<b>350.530</b>	<b>6.003.013</b>
Additional provisions	-	1.688.692	-	1.688.692
Reclassification of provisions	1.917.863	-1.917.863	-	-
Unused provision reversed	-100.000	-	-150.000	-250.000
Used provisions	-70.000	-2.101.440	-91.010	-2.262.450
<b>31-Dec-08</b>	<b>2.360.286</b>	<b>2.709.449</b>	<b>109.520</b>	<b>5.179.255</b>
Additional provisions	295.000	4.434.663	-	4.729.663
Reclassification of provisions	-1.917.864	1.917.864	-	-
Unused provision reversed	-255.000	-	-	-255.000
Used provisions	-160.000	-1.713.318	-	-1.873.318
<b>30-Dec-09</b>	<b>322.422</b>	<b>7.348.658</b>	<b>109.520</b>	<b>7.780.600</b>

<b>COMPANY FIGURES</b>			
<i>Amounts in Euros</i>	<b>Pending litigations / cases under arbitration</b>	<b>Indemnification to counterparties</b>	<b>Total</b>
<b>1-Jan-08</b>	<b>612.423</b>	<b>5.040.060</b>	<b>5.652.483</b>
Additional provisions	-	1.688.692	1.688.692
Reclassification of provisions	1.917.863	-1.917.863	-
Unused provision reversed	-100.000	-	-100.000
Used provisions	-70.000	-1.304.764	-1.374.764
<b>31-Dec-08</b>	<b>2.360.286</b>	<b>3.506.125</b>	<b>5.866.411</b>
Additional provisions	295.000	4.036.324	4.331.324
Reclassification of provisions	-1.917.864	1.917.864	-
Unused provision reversed	-255.000	-	-255.000
Used provisions	-160.000	-1.713.318	-1.873.318
<b>31-Dec-09</b>	<b>322.422</b>	<b>7.746.995</b>	<b>8.069.417</b>

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Short-term provisions	3.097.659	2.469.807	2.988.138	2.360.286
Long-term provisions	4.682.941	2.709.448	5.081.279	3.506.125
<b>Total</b>	<b>7.780.600</b>	<b>5.179.255</b>	<b>8.069.417</b>	<b>5.866.411</b>

### Pending litigations

Out of the total provision, an amount of € 170.000 concerns lawsuits filed by former Company's employees related to an accident that occurred at Corinth plant in April 2003. The amount of provisions is based on estimations of the Group's Legal Department. The additional provisions, are recognised in statement of comprehensive income of the same period in the Administration Expenses. Reversing of provisions has been recognised in the "other income". The balance amount of the provisions is expected to be used within the next year. The Management of the Company considers that the formed provision is sufficient and no additional burden is expected to arise.

### Indemnification to counterparties

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

### Restructuring of subsidiary companies

The said provision concerns expenses that may arise from the termination of CPW European Trading GmbH operations. The offset of this provision for year end 2008 is recognised in the "other operating income" The provision is expected to be used by the end of the next year.

## 22) Suppliers and other liabilities

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Suppliers	24.006.590	52.975.567	23.748.762	50.970.923
Cheques payable	-	67.598.900	-	67.598.900
Customer down payments	3.636.005	42.847.212	529.769	6.878.493
Social Security	673.390	844.228	673.390	844.228
Tax & duties payable	219.823	464.643	219.637	417.929
Amounts payable to affiliated companies (note 35)	2.726.112	4.640.576	2.729.188	22.867.378
Dividends payable	1.671	20.426	1.671	20.426
Other creditors	387.620	495.638	387.620	495.638
Accrued expenses	7.223.782	5.689.441	6.714.325	3.770.402
Other liabilities	-	12.792	-	-
<b>Total</b>	<b>38.874.993</b>	<b>175.589.423</b>	<b>35.004.362</b>	<b>153.864.317</b>
Long-term liabilities	-	12.792	-	-
Short-term liabilities	38.874.993	175.576.631	35.004.362	153.864.317
<b>Total liabilities</b>	<b>38.874.993</b>	<b>175.589.423</b>	<b>35.004.362</b>	<b>153.864.317</b>

**23) Expenses by nature**

Consolidated figures - 12 months until 31/12/2009

<i>Amounts in Euros</i>	Notes	Cost of sales	Distribution cost	Admin. expenses	Other expenses (note 26)	Total
Payroll and employees benefits	24	-11.609.375	-2.291.887	-3.007.733	-758.372	-17.667.367
Cost of stocks recognised as expense		-171.227.552	-	-	-	-171.227.552
Energy		-2.499.903	-84.100	-	-	-2.584.003
Depreciation	6, 7	-9.618.633	-138.730	-62.111	-1.363.119	-11.182.593
Insurance fees		-422.003	-2.196.121	-7.905	-	-2.626.029
Leasing fees		-130.350	-42.022	-311.538	-47.688	-531.598
Freight cost		-738.360	-15.634.931	-51.463	-	-16.424.754
Fees to third parties		-3.263.246	-5.253.601	-799.466	-241.294	-9.557.607
Provisions		-	-4.036.325	-295.000	-8.457	-4.339.782
Other (see below)		-6.018.495	-13.758.016	-1.644.490	-2.409.665	-23.830.666
<b>Total</b>		<b>-205.527.917</b>	<b>-43.435.733</b>	<b>-6.179.706</b>	<b>-4.828.595</b>	<b>-259.971.951</b>
<b>Other expenses</b>						
Consumables, packaging, spare parts		-3.004.249	-586.460	-2.268	-	-3.592.977
Foreign exchange differences	30	-3.156.298	-6.857.662	-3.693	-	-10.017.653
Pipe processing (concrete)		-	-3.462.549	-	-	-3.462.549
Duties		-	-1.117.816	-	-	-1.117.816
Other		142.052	-1.733.529	-1.638.529	-2.409.665	-5.639.671
<b>Total</b>		<b>-6.018.495</b>	<b>-13.758.016</b>	<b>-1.644.490</b>	<b>-2.409.665</b>	<b>-23.830.666</b>

Consolidated figures - 12 months until 31/12/2008

<i>Amounts in Euros</i>	Notes	Cost of sales	Distribution cost	Admin. expenses	Other expenses (note 26)	Total
Payroll and employees benefits	24	-15.798.708	-2.601.488	-2.593.499	-96.247	-21.089.942
Cost of stocks recognised as expense		-263.187.433	-	-	-	-263.187.433
Energy		-3.515.268	-186.797	-785	-	-3.702.850
Depreciation	6,7	-10.713.278	-162.633	-65.044	-54.473	-10.995.428
Insurance fees		-488.722	-2.742.820	-4.722	-	-3.236.264
Leasing fees		-146.910	-39.857	-302.630	-52.052	-541.449
Freight cost		-1.171.730	-26.166.805	-53.445	-	-27.391.980
Fees to third parties		-4.791.701	-8.599.884	-1.003.322	-9.147	-14.404.054
Provisions		-	-1.142.183	-	-	-1.142.183
Other (see below)		-12.747.939	-8.430.924	-1.579.234	-1.104.826	-23.862.923
<b>Total</b>		<b>-312.561.689</b>	<b>-50.073.391</b>	<b>-5.602.681</b>	<b>-1.316.745</b>	<b>-369.554.506</b>
<b>Other expenses</b>						
Consumables, packaging, spare parts		-4.986.986	-1.399.993	-4.048	-	-6.391.027
Foreign exchange differences	30	-6.452.699	-6.044.499	-146	-	-12.497.344
Other		-1.308.254	-986.432	-1.575.040	-1.104.826	-4.974.552
<b>Total</b>		<b>-12.747.939</b>	<b>-8.430.924</b>	<b>-1.579.234</b>	<b>-1.104.826</b>	<b>-23.862.923</b>

Company figures - 12 months until 31/12/2009

<i>Amounts in Euros</i>	Notes	Cost of sales	Distribution cost	Admin. expenses	Other expenses (note 26)	Total
Payroll and employees benefits	24	-11.609.375	-2.291.887	-2.021.661	-758.372	-16.681.295
Cost of stocks recognised as expense		-167.019.509	-	-	-	-167.019.509
Energy		-2.499.903	-84.100	-	-	-2.584.003
Depreciation	6, 7	-9.618.633	-138.730	-61.165	-1.356.891	-11.175.419
Insurance fees		-422.003	-2.196.121	-4.684	-	-2.622.808
Leasing fees		-130.350	-42.022	-309.749	-	-482.121
Freight cost		-738.360	-14.823.480	-51.463	-	-15.613.303
Fees to third parties		-3.263.246	-4.655.032	-784.872	-241.294	-8.944.444
Provisions		-	-4.036.325	-295.000	-8.457	-4.339.782
Other (see below)		-6.018.495	-13.704.439	-1.525.917	-2.150.343	-23.399.194
<b>Total</b>		<b>-201.319.874</b>	<b>-41.972.136</b>	<b>-5.054.511</b>	<b>-4.515.357</b>	<b>-252.861.878</b>

<b>Other expenses</b>						
Consumables, packaging, spare parts		-3.004.249	-586.460	-2.268	-	-3.592.977
Foreign exchange differences	30	-3.156.298	-6.857.662	-654	-	-10.014.614
Pipe processing (concrete)		-	-3.462.549	-	-	-3.462.549
Duties		-	-1.117.816	-	-	-1.117.816
Other		142.052	-1.679.952	-1.522.995	-2.150.343	-5.211.238
<b>Total</b>		<b>-6.018.495</b>	<b>-13.704.439</b>	<b>-1.525.917</b>	<b>-2.150.343</b>	<b>-23.399.194</b>

Company figures - 12 months until 31/12/2008

<i>Amounts in Euros</i>	<b>Notes</b>	<b>Cost of sales</b>	<b>Distribution cost</b>	<b>Admin. expenses</b>	<b>Other expenses (note 26)</b>	<b>Total</b>
Payroll and employees benefits	24	-15.798.708	-2.601.488	-1.780.730	-96.247	<b>-20.277.173</b>
Cost of stocks recognised as expense		-231.325.742	-	-	-	<b>-231.325.742</b>
Energy		-3.515.268	-186.797	-	-	<b>-3.702.065</b>
Depreciation	6, 7	-10.713.278	-162.633	-64.018	-44.233	<b>-10.984.162</b>
Insurance fees		-488.722	-2.742.820	-1.444	-	<b>-3.232.986</b>
Leasing fees		-146.910	-39.857	-300.934	-	<b>-487.701</b>
Freight cost		-1.171.730	-24.986.983	-53.445	-	<b>-26.212.158</b>
Fees to third parties		-4.791.701	-6.595.154	-956.090	-9.147	<b>-12.352.092</b>
Provisions		-	-1.688.692	-	-	<b>-1.688.692</b>
Other (see below)		-12.747.938	-8.367.868	-1.576.603	-898.396	<b>-23.590.805</b>
<b>Total</b>		<b>-280.699.997</b>	<b>-47.372.291</b>	<b>-4.733.264</b>	<b>-1.048.023</b>	<b>-333.853.575</b>
<b>Other expenses</b>						
Consumables, packaging, spare parts		-4.986.985	-1.399.993	-4.049	-	<b>-6.391.027</b>
Foreign exchange differences	30	-6.452.699	-6.044.499	-146	-	<b>-12.497.344</b>
Other		-1.308.254	-923.376	-1.572.408	-898.396	<b>-4.702.434</b>
<b>Total</b>		<b>-12.747.938</b>	<b>-8.367.868</b>	<b>-1.576.603</b>	<b>-898.396</b>	<b>-23.590.805</b>

	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/09</b>	<b>31/12/08</b>	<b>31/12/09</b>	<b>31/12/08</b>
Number of employees	469	531	458	521

#### 24) Employee benefit expenses

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>12 months until 31/12/2009</b>	<b>12 months until 31/12/2008</b>	<b>12 months until 31/12/2009</b>	<b>12 months until 31/12/2008</b>
Wages & salaries	13.492.125	16.316.657	12.688.990	15.672.951
Social security expenses	3.273.376	3.968.696	3.232.742	3.931.187
Pension benefits (note 20)	405.253	301.249	405.253	301.249
Other benefits	496.613	503.337	354.310	371.782
<b>Total</b>	<b>17.667.367</b>	<b>21.089.939</b>	<b>16.681.295</b>	<b>20.277.170</b>

#### 25) Other operating income

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>12 months until 31/12/2009</b>	<b>12 months until 31/12/2008</b>	<b>12 months until 31/12/2009</b>	<b>12 months until 31/12/2008</b>
<b>Other operating income</b>				
Income from consulting services	7.000	1.154.189	-	-
Foreign exchange differences (note 30)	7.388.805	7.341.646	7.388.769	7.341.646
Indemnification from insurance companies	1.307	628.042	1.307	628.042
Miscellaneous (See below breakdown)	1.540.973	2.372.516	1.229.347	2.166.956
<b>Total</b>	<b>8.938.085</b>	<b>11.496.393</b>	<b>8.619.423</b>	<b>10.136.644</b>

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
<b>Miscellaneous</b>				
Unloading costs and freight	582.081	668.702	288.092	668.702
Grants	58.031	50.950	58.031	50.950
Income from services	531.509	695.860	531.509	695.856
Rents	4.136	3.977	4.136	3.977
Income from provisions and write-offs	155.412	631.543	155.412	481.543
Other	209.805	321.484	192.168	265.928
<b>Total</b>	<b>1.540.974</b>	<b>2.372.516</b>	<b>1.229.348</b>	<b>2.166.956</b>

**26) Other operating Expenses**

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
<b>Other operating expenses</b>				
Production expenses not included in cost	-3.311.697	-165.543	-3.311.697	-165.543
Miscellaneous (See below breakdown)	-1.516.898	-1.151.202	-1.203.660	-882.480
<b>Total</b>	<b>-4.828.595</b>	<b>-1.316.745</b>	<b>-4.515.357</b>	<b>-1.048.023</b>

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
<b>Miscellaneous</b>				
Repayment of grants	-1.203.660	-882.480	-1.203.660	-882.480
Other	-313.238	-268.722	-	-
<b>Total</b>	<b>-1.516.898</b>	<b>-1.151.202</b>	<b>-1.203.660</b>	<b>-882.480</b>

**27) Other profit/(loss) net**

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Profit / (Loss) from sale of fixed assets	-970	-25.276	-970	-25.276
Gain from fair value of financial assets	5.749	-58.200	5.749	-58.200
Gain / (loss) from sale of affiliate	5.744	-	5.744	-
Gain from fair value of forward contracts	9.087.547	10.597.394	9.087.547	10.597.394
Loss from fair value of forward contracts	-13.330.673	-17.397.209	-13.330.673	-17.397.209
<b>Total</b>	<b>-4.232.603</b>	<b>-6.883.291</b>	<b>-4.232.603</b>	<b>-6.883.291</b>

**28) Financial expenses – net**

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
<b>Income</b>				
Interest receivable	78.445	347.392	52.239	215.231
Foreign exchange differences (note 30)	1.181.287	1.770.098	1.108.300	1.770.098
Interest rate swaps - fair market value	71.962	418.838	71.962	418.838
<b>Total income</b>	<b>1.331.694</b>	<b>2.536.328</b>	<b>1.232.501</b>	<b>2.404.167</b>
<b>Expenses</b>				
Interest payable	-2.971.271	-5.475.173	-3.027.091	-5.474.605
Promissory notes	-857.502	-2.446.585	-857.502	-2.446.585
Financial leasing	-1.895	-674	-	-
Foreign exchange differences (note 30)	-673.869	-1.115.527	-570.111	-1.050.528
Commissions of bank guarantees	-233.510	-398.858	-233.510	-398.858
Other	-289.498	-227.099	-289.499	-227.099
<b>Total expenses</b>	<b>-5.027.545</b>	<b>-9.663.916</b>	<b>-4.977.713</b>	<b>-9.597.675</b>
<b>Financial cost (net)</b>	<b>-3.695.851</b>	<b>-7.127.588</b>	<b>-3.745.212</b>	<b>-7.193.508</b>

**29) Taxation**

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Income tax	559.990	2.159.485	-203.323	100.000
Deferred Tax (note 19)	7.283.303	4.819.560	7.248.977	4.737.001
<b>Total</b>	<b>7.843.293</b>	<b>6.979.045</b>	<b>7.045.654</b>	<b>4.837.001</b>

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

Income Tax	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Amounts in Euros				
Profit before tax	28.084.043	15.837.725	25.280.148	10.527.693
Tax calculated on the basis of the applicable tax rates of the mother company (2009: 25, 2008: 25%)	7.021.011	3.959.431	6.320.037	2.631.930
Non tax-exempted expenses	353.156	735.348	353.156	585.121
Income not used in tax calculation	-126.942	-40.221	-	-
Tax losses for which deferred tax liabilities has not been accounted	596.929	2.622.768	536.676	2.615.603
Difference of tax rates applicable in foreign countries	152.268	250.586	-	-
Effect on opening deferred tax (31/12/2007) due to decreased tax rate in Greece	-	-1.057.457	-	-1.057.457
Differences of tax audit	8.290	138.137	-9.789	100.000
Effect from tax rate difference and deferred tax on temporary differences	31.015	-57.052	39.108	-38.196
Additional tax	1.100	427.505	-	-
Tax income, from sale of subsidiary recognized as expense in previous year	-730.473	-	-730.473	-
Extraordinary Contribution L. 3808/2009	536.938	-	536.938	-
<b>Σύνολο φόρου εισοδήματος</b>	<b>7.843.293</b>	<b>6.979.045</b>	<b>7.045.654</b>	<b>4.837.001</b>

According to L 3808/2009 an Extraordinary Contribution of so called social responsibility was levied based on 2008 profits ((€ 10.527.693) and amounted to € 536.938. The said amount burdened tax expenses of year 2009 and consequently Company's and Group's Equity. This amount will be gradually paid within 2010.

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

CONSOLIDATED FIGURES (in euros)	2009			2008		
	Before tax	TAX (Debit)/Credit	After tax	Before tax	TAX (Debit)/Credit	After tax
Profit / (Loss) after tax from change of fair market value of cash flow hedge	7.248.860	-1.812.215	5.436.645	-8.265.467	2.066.366	-6.199.101
Currency translation differences	-821.304	-	-821.304	-1.545.247	-	-1.545.247
<b>Other comprehensive income</b>	<b>6.427.556</b>	<b>-1.812.215</b>	<b>4.615.341</b>	<b>-9.810.714</b>	<b>2.066.366</b>	<b>-7.744.348</b>
Deferred Tax (note 19)	-	-1.812.215	-	-	2.066.366	-
<b>Total</b>	<b>-</b>	<b>-1.812.215</b>	<b>-</b>	<b>-</b>	<b>2.066.366</b>	<b>-</b>

COMPANY FIGURES (in euros)	2009			2008		
	Before tax	TAX (Debit)/Credit	After tax	Before tax	TAX (Debit)/Credit	After tax
Profit / (Loss) after tax from change of fair market value of cash flow hedge	7.248.860	-1.812.215	5.436.645	-8.265.467	2.066.366	-6.199.101
<b>Other comprehensive income</b>	<b>7.248.860</b>	<b>-1.812.215</b>	<b>5.436.645</b>	<b>-8.265.467</b>	<b>2.066.366</b>	<b>-6.199.101</b>
Deferred Tax (note 19)	-	-1.812.215	-	-	2.066.366	-
<b>Total</b>	<b>-</b>	<b>-1.812.215</b>	<b>-</b>	<b>-</b>	<b>2.066.366</b>	<b>-</b>

The deferred tax expense/(income) is analysed as follows :

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Deferred tax expense/(income) resulting from changes in tax rates	-	-1.057.457	-	-1.057.457
Deferred tax expense/(income) due to origination or reversal of temporary differences	7.283.303	5.877.017	7.248.977	5.794.458
<b>Deferred tax expense/(income) for the period</b>	<b>7.283.303</b>	<b>4.819.560</b>	<b>7.248.977</b>	<b>4.737.001</b>

### 30) Foreign exchange differences

Foreign exchange differences have been posted in Profit & Loss Statement as follows:

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Cost of sales	-3.156.298	-6.452.699	-3.156.298	-6.452.699
Selling expenses	-6.857.662	-6.044.499	-6.857.662	-6.044.499
Administration expenses	-3.693	-146	-654	-146
Financial expenses	-673.869	-1.115.527	-570.111	-1.050.528
<b>Subtotal</b>	<b>-10.691.522</b>	<b>-13.612.871</b>	<b>-10.584.726</b>	<b>-13.547.872</b>
Financial income	1.181.287	1.770.098	1.108.300	1.770.098
Other income	7.388.805	7.341.646	7.388.769	7.341.646
<b>Total</b>	<b>-2.121.430</b>	<b>-4.501.126</b>	<b>-2.087.656</b>	<b>-4.436.127</b>

### 31) Earnings per share

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	12 months until 31/12/2009	12 months until 31/12/2008	12 months until 31/12/2009	12 months until 31/12/2008
Profits attributed to the parent company' s shareholders	20.240.750	8.858.681	18.234.493	5.690.691
Weighted average number of shares	124.170.201	124.170.201	124.170.201	124.170.201
Basic profits per share (Euros per share)	0,1630	0,0713	0,1469	0,0458

#### Basic earnings per share

Basic profits per share are calculated by dividing the profit that corresponds to the parent company's shareholders, by the weighted average number of common shares during the period, excluding the own common shares that were purchased by the Company (own shares).

**32) Operational cash flows**

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	1/1 until 31/12/2009	1/1 until 31/12/2008	1/1 until 31/12/2009	1/1 until 31/12/2008
Profit before tax	28.084.043	15.837.726	25.280.147	10.527.693
Adjustments for:				
Depreciation of tangible assets (note 6)	11.079.764	10.877.077	11.072.590	10.865.811
Depreciation of intangible assets (note 7)	102.829	118.353	102.829	118.353
Impairment of fixed assets (note 6)	25.000	-	25.000	-
Profit from associate companies (note 9)	-1.872.048	-2.783.850	-	-
(Profit)/Loss from sale of fixed assets (see below)	970	25.276	970	25.276
(Profit)/Loss from sale of associate companies (note 27)	-5.744	-	-5.744	-
(Profit)/Loss from the fair market value of financial assets through results (note 27)	-5.749	58.200	-5.749	58.200
(Income) from interest (note 28)	-1.331.693	-2.536.328	-1.232.502	-2.404.167
Interest expenses (note 28)	5.027.545	9.663.916	4.977.714	9.597.675
(Income) from Dividends	-2.572	-	-1.131.572	-2.314.691
Provisions	4.474.664	560.638	4.076.325	1.588.692
Employee benefits due to retirement (note 20)	405.253	301.249	405.253	301.252
Impairment of inventories (note 11)	7.025.913	2.975.069	7.025.913	2.975.069
Foreign exchange differences	5.483	-187.795	-	-
	<b>53.013.658</b>	<b>34.909.530</b>	<b>50.591.173</b>	<b>31.339.162</b>
<b>Change in working capital</b>				
(Increase) / decrease of inventories	62.240.784	-32.450.141	53.773.832	-34.966.122
(Increase) / decrease of receivables	46.909.782	-26.865.723	38.632.661	-32.114.802
Increase / (decrease) of liabilities other than banks	-143.960.515	72.623.069	-126.106.035	83.297.412
Increase / (decrease) of provisions	-160.000	-79.631	-160.000	-70.000
Increase / (decrease) of employee benefits due to retirement	-349.205	-943.065	-349.205	-943.064
	<b>-35.319.154</b>	<b>12.284.509</b>	<b>-34.208.747</b>	<b>15.203.424</b>
<b>Net cash flow from operating activities</b>	<b>17.694.504</b>	<b>47.194.039</b>	<b>16.382.427</b>	<b>46.542.586</b>

Profits from sale of tangible fixed assets include:

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	1/1 until 31/12/2009	1/1 until 31/12/2008	1/1 until 31/12/2009	1/1 until 31/12/2008
Net book value (note 6)	15.195	81.930	15.195	81.556
Profit / (Loss) from the sale of fixed assets	-970	-25.276	-970	-25.276
Revenues from sale of fixed assets	14.225	56.654	14.225	56.280

**33) Commitments**
**Capital commitments**

There are no capital expenditures for the Group and Company.

**Liabilities from operating leases**

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

The future total payable leasing fees are illustrated below:

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/09</b>	<b>31/12/08</b>	<b>31/12/09</b>	<b>31/12/08</b>
Less than 1 year	276.924	261.839	233.560	261.839
1-5 years	175.375	429.354	175.375	429.354
Over 5 years	577.052	577.578	577.052	577.578
<b>Total</b>	<b>1.029.351</b>	<b>1.268.771</b>	<b>985.986</b>	<b>1.268.771</b>

### 34) Contingent liabilities

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

<i>Amount in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/09</b>	<b>31/12/08</b>	<b>31/12/09</b>	<b>31/12/08</b>
Guarantees to suppliers	17.722.986	23.871.593	17.722.986	23.871.593
Good performance guarantees given to customers	20.675.817	39.102.204	20.675.817	39.102.204
Counter-guarantees for EIB loans	19.802.422	27.034.233	19.802.422	27.034.233
<b>Total</b>	<b>58.201.225</b>	<b>90.008.030</b>	<b>58.201.225</b>	<b>90.008.030</b>

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

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/09</b>	<b>31/12/08</b>	<b>31/12/09</b>	<b>31/12/08</b>
Lawsuits related to Corinth plant accident	-	2.555.620	-	2.555.620
Other lawsuits	552.422	159.322	552.422	159.322
Contractual obligations	5.644.275	4.998.645	5.644.275	4.998.645
Tax obligations	223.134	244.510	-	-
<b>Total</b>	<b>6.419.831</b>	<b>7.958.097</b>	<b>6.196.697</b>	<b>7.713.587</b>

The Company and the Group, in case of negative result of the above cases (of which € 552.422 are related to litigations or under arbitration differences), has formed a provision of a total amount of € 8.069.418 and € 7.671.081 respectively, see note 21 (2008: € 5.069.735 Group and € 5.866.411 Company).

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

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

### 35) Related party transaction

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

The following transactions are with related parties:

**(i) Sales:**

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Sales of goods</b>				
Subsidiaries	-	-	70.731.086	167.342.160
Other related parties	1.793.866	3.659.931	1.793.821	3.659.931
	<b>1.793.866</b>	<b>3.659.931</b>	<b>72.524.907</b>	<b>171.002.091</b>
<b>Sales of services</b>				
Subsidiaries	-	-	892.558	2.296.899
Other related parties	712.424	2.298.653	601.947	835.877
	<b>712.424</b>	<b>2.298.653</b>	<b>1.494.505</b>	<b>3.132.776</b>
<b>Sales of fixed assets</b>				
Subsidiaries	-	-	-	-
Other related parties	16.355	5.985	10.054	-
	<b>16.355</b>	<b>5.985</b>	<b>10.054</b>	<b>-</b>
<b>Dividend income</b>				
Subsidiaries	-	-	1.129.000	2.314.691
Other related parties	2.572	-	2.572	-
	<b>2.572</b>	<b>-</b>	<b>1.131.572</b>	<b>2.314.691</b>

**(ii) Purchases:**

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/09	31/12/08	31/12/09	31/12/08
<b>Purchase of goods</b>				
Subsidiaries	-	-	3.080	634
Other related parties	708.779	8.391.109	442.894	3.066.948
	<b>708.779</b>	<b>8.391.109</b>	<b>445.974</b>	<b>3.067.582</b>
<b>Purchases of services</b>				
Subsidiaries	-	-	58.642	546.636
Other related parties	2.895.147	4.944.601	2.895.147	4.944.601
	<b>2.895.147</b>	<b>4.944.601</b>	<b>2.953.789</b>	<b>5.491.237</b>
<b>Purchases of fixed assets</b>				
Subsidiaries	-	-	19.151	2.331
Other related parties	534.106	325.242	534.106	325.242
	<b>534.106</b>	<b>325.242</b>	<b>553.257</b>	<b>327.573</b>

The provision of services as well as the sales and purchases of goods are executed at arms' length . Purchases of goods and services are executed with the usual commercial terms and conditions.

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Fees to member of the BoD and Management compensation	876.304	901.602	876.304	901.602
Employment termination fees	184.631	-	184.631	-
<b>Total</b>	<b>1.060.935</b>	<b>901.602</b>	<b>1.060.935</b>	<b>901.602</b>
Payables to BoD and Management	11.353	13.953	11.353	13.953
<b>Total</b>	<b>11.353</b>	<b>13.953</b>	<b>11.353</b>	<b>13.953</b>

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Receivables from related parties:</b>				
Subsidiaries	-	-	6.213.018	-
Other related parties	3.276.716	5.172.927	3.173.893	4.345.582
Long term liabilities related land contribution in associated company (note 6)	3.603.023	3.603.023	3.603.023	3.603.023
Advance in increase of share capital of affiliates (note 9)	-	484.431	-	484.431
<b>Total</b>	<b>6.879.739</b>	<b>9.260.381</b>	<b>12.989.934</b>	<b>8.433.036</b>
<b>Payables to related parties:</b>				
Subsidiaries	-	-	3.076	20.618.894
Other related parties	2.714.759	4.626.623	2.714.759	2.234.531
<b>Total</b>	<b>2.714.759</b>	<b>4.626.623</b>	<b>2.717.835</b>	<b>22.853.425</b>

Other related parties are subsidiaries of Viohalco Group.

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

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

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

It is noted, that in 2009, the Group sold goods with a value of € 2.513.916 and € 76.040, through its related companies SIDMA S.A. and ANTIMET S.A. (acting as agents), respectively. The said transactions do not appear in the corresponding table with the sales of goods to related parties. On the other hand, the receivables from the said sales amounting to € 757.540 and € 87.877, respectively, at 31/12/2009, are included in the corresponding table with the receivables from related parties, as stipulated by the agreements with the companies in question.

#### (v) Loans from subsidiaries

<i>Amounts in Euros</i>	<b>COMPANY FIGURES</b>
<b>Balance on 01/01/2009</b>	
borrowings	4.115.842
Foreign exchange differences	-385.258
Interests from borrowings	58.642
Repayments of borrowings and interests	-3.789.226
<b>Balance on 31/12/2009</b>	-

#### 36) Other short-term financing liabilities

<i>Amounts in Euros</i>	<b>Consolidated and company figures</b>
<b>Balance on 01/01/2008</b>	-
Additions	5.406.586
Foreign exchange differences	788.412
<b>Balance on 31/12/2008</b>	<b>6.194.998</b>
<b>Balance on 01/01/2009</b>	<b>6.194.998</b>
Additions	10.166.778
Repayments of short term financing liabilities	-15.200.612
Foreign exchange differences	-1.161.164
<b>Balance on 31/12/2009</b>	-

On 31/12/2008 the mentioned liabilities are denominated in USD, and were due within 6 months from year end. On 31/12/2008, the weighted average interest rate was 4,09% and the fair values of these liabilities were equal to their book values.

#### 37) Unaudited fiscal years

The consolidated companies have been tax audited as follows: Corinth Pipeworks S.A. has been tax audited until 2007. CPW European Trading GmbH has been tax audited until 2007.

The following companies have not been tax audited since their incorporation: DIAVIPETHIV S.A. (11/10/2001) and ZAO TMK CPW (28/01/2007).

**38) Auditor's fees**

For year 2009, the auditor's fees, related to the Company's annual and mid-year audit of financial statements, amounted to € 103.267. For other services related to auditing, the fees amounted to € 3.000. In 2009, tax consulting fees amounted to € 6.430, while non-audit related fees amounted to € 6.300.

**39) Post balance sheet events**

In February, 4 2010, dissolution procedure of CPW European, seated in Germany, was finally completed. CPW European had been in dormant status, since June 2006. It is noted that due to the impairment of Group's participation in the company, during the previous years, the impact of the said corporate event on the financial results and the assets of the Group was negligible. There are no other post balance sheet events that are likely to affect the financial statements of the Group and the parent company.

## **D. Independent auditor's report**

To the Shareholders of "Corinth Pipeworks SA"

### **Report on the Company and Consolidated Financial Statements**

We have audited the accompanying company and consolidated financial statements of Corinth Pipeworks SA and its subsidiaries which comprise the company and consolidated statement of financial position as of 31 December 2009 and the company and consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information

### **Management's Responsibility for the Company and Consolidated Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the company and consolidated financial statements present fairly, in all material respects, the financial position of Corinth Pipeworks SA and its subsidiaries as at December 31, 2009, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

### **Reference on Other Legal Matters**

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

### **PricewaterhouseCoopers**

Athens, 22 March 2010



## F. Information pursuant to article 10 of law 3401/2005

The company in application of the current legislation, has disseminated and made available to the investment community through its website [www.cpw.gr](http://www.cpw.gr) as well as through the Athens Exchange website [www.athex.gr](http://www.athex.gr), during last fiscal year 2009, the information contained in the following table:

SUBJECT	HERMES Prot. No	DATE
Announcement date of the FY 2008 financial results	8138	20-Mar
Financial Calendar 2009	8465	24-Mar
Financial Calendar 2009	8472	24-Mar
Financial Statements under IFRS	8754	26-Mar
Financial Statements under IFRS	8756	26-Mar
Announcement regarding the fiscal year 2008 financial results	8759	26-Mar
Notification on the Change of the Participation in a Listed Company	11860	15-Apr
Notification of Transactions	11904	15-Apr
Notification of Transactions-Announcement of Regulated Information of Law 3556/2007	11905	15-Apr
2009 Results of the tax audit of year 2007	13546	07-Mai
Announcement of other important information	14144	13-Mai
Announcement of other important information (correct resubmission)	14171	13-May
Invitation to the ordinary shareholders meeting	15040	21-May
1st quarter of 2009 financial results announcement	15053	21-May
Financial Statements under IFRS	15633	26-May
Financial Statements under IFRS	15640	26-May
ANNOUNCEMENT - 1st quarter of 2009 financial results	15659	26-May
Resolutions of the Annual Ordinary General Shareholders Meeting	18946	16-Jun
Establishment of a New Board of Directors of CORINTH PIPEWORKS SA	20345	29-Jun
Establishment of a subsidiary and participation in its share capital increase	23501	29-Jun
1st half of 2009 financial results announcement	25410	21-Aug
Financial Statements under IFRS	26231	27-Aug
Financial Statements under IFRS	26238	27-Aug
ANNOUNCEMENT - 1st SEMESTER 2009 FINANCIAL RESULTS COMMENTARY	26251	27-Aug
Participation in the share capital increase of a relative company	28129	09-Sep
Notification of change in company's management	28207	10-Sep
Issue of Bond Loan	33550	09-Nov
Announcement of other important information	34697	19-Nov
Financial Statements under IFRS	35285	24-Nov
Financial Statements under IFRS	35287	24-Nov
ANNOUNCEMENT - 9-MONTH 2009 FINANCIAL RESULTS COMMENTARY	35292	24-Nov

The above “Annual Financial Statements” on December 31, 2009 and the attached notes were approved by the Company’s Board of Directors in its meeting on March 19<sup>th</sup>, 2010. The persons responsible for the compilation of the interim financial statements of the parent company and its group on December 31, 2009 and the attached notes and the accuracy of the data contained therein are: Konstantinos Bakouris, Chairman of BoD, Ioannis Stavropoulos, member of the BoD, Christophoros Catsambas, General Manager, Michael Mastorakis, Financial Director, Koumpis Pavlos, Accounting Manager.

<b>The Chairman of BoD</b>	<b>A member of the BoD</b>	<b>The General Manager</b>	<b>The Financial Director</b>	<b>Accounting Manager</b>
<b>Konstantinos Bakouris</b>	<b>Ioannis Stavropoulos</b>	<b>Christophoros Catsambas</b>	<b>Michael Mastorakis</b>	<b>Koumpis Pavlos</b>
<b>Id.C. No: AB 649471</b>	<b>Id C. No: K 221209</b>	<b>Id C. No: AB 287307</b>	<b>Id. C. No.: X 625227</b>	<b>Id. C. No.: AB 589945</b> <b>E.C.G. Licence No. 0018936</b> <b>A Class</b>