



Interim Summary Financial Statements

For the period from 1 January 2009 till 31 March 2009

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

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

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A. Interim Financial Statements

Statement of Financial Position

| Amounts in Euro | NOTE | GROUP | | COMPANY | |
|--|------|----------------------|----------------------|--------------------|--------------------|
| | | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Land & Buildings | | 262,250,455 | 263,987,369 | 59,307,289 | 59,719,234 |
| Machinery | | 460,223,388 | 469,774,095 | 82,158,864 | 83,924,307 |
| Other tangible assets | | 75,133,189 | 67,220,007 | 7,986,974 | 4,838,853 |
| Intangible assets | | 858,890 | 951,546 | 95,439 | 109,073 |
| Investment in associates | 6 | 31,316,878 | 30,584,715 | 10,918,756 | 9,082,992 |
| Investments in subsidiaries | 7 | - | - | 203,918,871 | 203,318,871 |
| Available for sale financial assets | | 1,485,009 | 1,485,009 | 1,354,368 | 1,354,368 |
| Deferred tax assets | | 125,558 | 133,198 | - | - |
| Derivative financial instruments | 8 | 142,236 | 181,859 | 142,236 | 181,859 |
| Other receivables | | 4,576,271 | 4,576,130 | 3,860,799 | 3,861,428 |
| | | 836,111,873 | 838,893,928 | 369,743,596 | 366,390,985 |
| Current Assets | | | | | |
| Inventories | | 328,719,921 | 391,394,682 | 82,466,571 | 85,306,169 |
| Trade and other receivables | | 264,483,920 | 343,789,471 | 164,855,449 | 222,454,729 |
| Tax receivables | | 2,369,715 | 2,369,715 | - | - |
| Derivative financial instruments | 8 | 1,877,507 | 3,324,973 | - | - |
| Financial assets at fair value through profit or loss | | 40,337 | 48,537 | - | - |
| Cash and cash equivalents | | 52,104,289 | 35,420,254 | 35,171,400 | 8,895,037 |
| | | 649,595,688 | 776,347,632 | 282,493,420 | 316,655,934 |
| Total assets | | 1,485,707,562 | 1,615,241,560 | 652,237,016 | 683,046,919 |
| EQUITY | | | | | |
| Capital and reserves attributable to equity holders | | | | | |
| Share capital | | 39,413,091 | 39,413,091 | 39,413,091 | 39,413,091 |
| Share premium | | 120,046,867 | 120,046,867 | 120,046,867 | 120,046,867 |
| Currency translation adjustments | | -2,802,944 | -2,154,242 | - | - |
| Other reserves | | 97,415,315 | 98,216,837 | 56,440,216 | 56,469,933 |
| Retained earnings | | 317,067,511 | 328,717,858 | 107,717,147 | 113,672,671 |
| Total | | 571,139,840 | 584,240,411 | 323,617,321 | 329,602,561 |
| Minority interest | | 110,624,240 | 112,520,630 | - | - |
| Total equity | | 681,764,080 | 696,761,041 | 323,617,321 | 329,602,561 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 9 | 247,516,173 | 252,561,628 | 110,000,000 | 110,000,000 |
| Derivative financial instruments | 8 | 125,500 | 379,178 | - | - |
| Deferred tax liabilities | | 56,841,169 | 58,486,846 | 19,328,127 | 19,608,853 |
| Retirement benefit obligations | | 5,169,121 | 4,992,436 | 1,570,931 | 1,622,906 |
| Government grants | | 12,684,849 | 12,957,405 | 282,737 | 302,647 |
| Provisions for other liabilities and charges | | 7,702,575 | 4,495,838 | 266,629 | 266,629 |
| Other non-current liabilities | | 817,984 | 817,448 | - | - |
| | | 330,857,371 | 334,690,780 | 131,448,424 | 131,801,035 |
| Current liabilities | | | | | |
| Trade and other payables | | 143,558,913 | 264,428,687 | 93,124,783 | 116,486,341 |
| Current tax liabilities | | 18,791,884 | 18,929,635 | 16,565,430 | 16,565,430 |
| Borrowings | 9 | 281,054,856 | 280,287,709 | 87,333,701 | 88,444,196 |
| Other current liabilities | | 16,266,289 | 6,194,998 | - | - |
| Finance lease liabilities | 10 | 640 | 640 | - | - |
| Derivative financial instruments | 8 | 10,889,246 | 10,802,817 | - | - |
| Retirement benefit obligations | | 290,759 | 513,195 | 147,357 | 147,356 |
| Provisions for other liabilities and charges | | 2,233,524 | 2,632,057 | - | - |
| | | 473,086,111 | 583,789,739 | 197,171,271 | 221,643,323 |
| Total liabilities | | 803,943,482 | 918,480,519 | 328,619,695 | 353,444,358 |
| Total equity and liabilities | | 1,485,707,562 | 1,615,241,560 | 652,237,016 | 683,046,919 |

The notes on pages 7 to 35 form an integral part of these interim financial statements.

Statement of Comprehensive Income

| <i>Amounts in €</i> | NOTE | GROUP | | COMPANY | |
|---|------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 3 months till 31/3/2009 | 3 months till 31/3/2008 | 3 months till 31/3/2009 | 3 months till 31/3/2008 |
| Sales | | 283,831,095 | 386,438,091 | 47,949,112 | 105,340,685 |
| Cost of sales | | -250,408,241 | -314,534,835 | -46,840,682 | -89,038,248 |
| Gross profit | | 33,422,854 | 71,903,256 | 1,108,429 | 16,302,437 |
| Selling expenses | | -29,803,313 | -28,072,548 | -4,101,385 | -6,275,520 |
| Administrative expenses | | -7,889,147 | -8,716,121 | -3,282,380 | -3,412,050 |
| Other operating Income | | 7,982,162 | 6,982,076 | 2,708,303 | 4,150,899 |
| Other operating Expenses | | -9,236,154 | -2,689,961 | -2,209,544 | -3,455,653 |
| Operating results | | -5,523,599 | 39,406,702 | -5,776,577 | 7,310,114 |
| Finance Income | | 892,165 | 482,482 | 26,612 | 12,864 |
| Finance Expenses | | -7,795,295 | -8,323,643 | -2,194,450 | -3,570,082 |
| Dividend income | | - | - | 1,718,071 | 1,492,059 |
| Profit/(loss) from participations | | -8,200 | -35,868 | - | 98 |
| Profit/(loss) from subsidiaries | 6 | -1,090,384 | 1,660,050 | - | - |
| Profit before taxes | | -13,525,313 | 33,189,724 | -6,226,343 | 5,245,052 |
| Income tax expense | | 618,966 | -5,489,729 | 270,820 | -1,439,881 |
| Net Profit for continuing operations | | -12,906,346 | 27,699,995 | -5,955,523 | 3,805,171 |
| Attributable to : | | | | | |
| Equity holders of the company | | -11,396,030 | 24,839,372 | -5,955,523 | 3,805,171 |
| Minority interest | | -1,510,316 | 2,860,623 | - | - |
| | | -12,906,346 | 27,699,995 | -5,955,523 | 3,805,171 |
| Earnings per share attributable to the equity holders of the Company during the year (expressed in Euro per share) | | | | | |
| Basic | 16 | -0.119 | 0.258 | (0.062) | 0.040 |
| Dilluted | | -0.119 | 0.258 | (0.062) | 0.040 |
| Depreciation of the period | | 14,628,325 | 13,462,709 | 2,562,676 | 2,893,087 |

The notes on pages 7 to35 form an integral part of these interim financial statements.

Statement of Other Comprehensive Income after Tax

| | GROUP | | COMPANY | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 3 months till 31/3/2009 | 3 months till 31/3/2008 | 3 months till 31/3/2009 | 3 months till 31/3/2008 |
| Other Comprehensive Income | | | | |
| Exchange differences on translation of the financial statements from international business operations | -815,629 | -305,746 | - | - |
| Profit/(loss) after tax from the change of the fair value of the cash flow heading | -989,881 | 111,394 | -29,717 | -38,296 |
| Cumulative Comprehensive results for the period | -14,711,856 | 27,505,642 | -5,985,241 | 3,766,875 |
| Attributable to : | | | | |
| Equity holders of the company | -12,859,117 | 24,604,509 | -5,985,241 | 3,766,875 |
| Minority interest | -1,852,739 | 2,901,133 | - | - |
| | -14,711,856 | 27,505,642 | -5,985,241 | 3,766,875 |

The notes on pages 7 to 35 form an integral part of these interim financial statements.

Statement of Changes in Equity

| amounts in euro | attributable to the owners of the parent | | | | | | | Minority interest | Total own equity |
|--|--|------------------------|----------------|-------------------|------------------------------|-------------|-------------|-------------------|------------------|
| | Share Capital & Share Premium Reserves | Reserves at fair value | Other reserves | Retained earnings | Foreign exchange differences | Total | | | |
| GROUP | | | | | | | | | |
| Balance as of 1 January 2008 | 159,459,958 | 779,528 | 100,144,881 | 315,209,093 | -1,047,831 | 574,545,629 | 146,839,959 | 721,385,589 | |
| Cumulative Comprehensive earnings after tax | - | 48,301 | -1 | 24,839,370 | -283,161 | 24,604,509 | 2,901,134 | 27,505,642 | |
| Share capital issue / (loss) | - | - | - | - | - | - | 2,556 | 2,556 | |
| Increase - decrease participation percentage in subsidiaries | - | - | 454,357 | 10,210,319 | - | 10,664,676 | -29,350,456 | -18,685,780 | |
| | - | - | 454,357 | 10,210,319 | - | 10,664,676 | -29,347,899 | -18,683,224 | |
| Balance as of 31 March 2008 | 159,459,958 | 827,829 | 100,599,236 | 350,258,782 | -1,330,992 | 609,814,814 | 120,393,193 | 730,208,007 | |
| Cumulative Comprehensive earnings after tax | - | -5,274,922 | 1 | 4,420,160 | -823,250 | -1,678,011 | -1,839,745 | -3,517,756 | |
| Share capital issue / (loss) | - | - | - | - | - | - | 58,800 | 58,800 | |
| Increase - decrease participation percentage in subsidiaries | - | - | 96,688 | 39,293 | - | 135,981 | -625,839 | -489,857 | |
| Transfer to reserves | - | - | 1,968,004 | -1,968,004 | - | - | - | - | |
| Dividend | - | - | - | -24,032,373 | - | -24,032,373 | -5,465,780 | -29,498,152 | |
| | - | - | 2,064,692 | -25,961,084 | - | -23,896,391 | -6,032,818 | -29,929,210 | |
| Balance as of 31 December 2008 | 159,459,958 | -4,447,092 | 102,663,930 | 328,717,858 | -2,154,242 | 584,240,412 | 112,520,630 | 696,761,042 | |
| Balance as of 1 January 2009 | 159,459,958 | -4,447,092 | 102,663,930 | 328,717,858 | -2,154,242 | 584,240,412 | 112,520,630 | 696,761,042 | |
| Cumulative Comprehensive earnings after tax | - | -814,385 | - | -11,396,030 | -648,702 | -12,859,116 | -1,852,739 | -14,711,856 | |
| Participation change in subsidiaries | - | - | 12,862 | -254,317 | - | -241,455 | - | -285,106 | |
| Balance as of 31 March 2009 | 159,459,958 | -5,261,477 | 102,676,792 | 317,067,511 | -2,802,944 | 571,139,840 | 110,624,240 | 681,764,080 | |
| COMPANY | | | | | | | | | |
| Balance as of 1 January 2008 | 159,459,958 | 439,371 | 54,955,215 | 78,259,259 | - | 293,113,803 | - | 293,113,803 | |
| Cumulative Comprehensive earnings after tax | - | -38,296 | - | 3,805,171 | - | 3,766,875 | - | 3,766,875 | |
| Balance as of 31 March 2008 | 159,459,958 | 401,075 | 54,955,215 | 82,064,430 | - | 296,880,678 | - | 296,880,678 | |
| Balance as of 31 March 2008 | 159,459,958 | 401,075 | 54,955,215 | 82,064,430 | - | 296,880,678 | - | 296,880,678 | |
| Cumulative Comprehensive earnings after tax | - | -264,681 | - | 57,018,938 | - | 56,754,256 | - | 56,754,256 | |
| Transfer to reserves | - | - | 1,378,324 | -1,378,324 | - | - | - | - | |
| Dividend | - | - | - | -24,032,373 | - | -24,032,373 | - | -24,032,373 | |
| Balance as of 31 December 2008 | 159,459,958 | 136,394 | 56,333,539 | 113,672,671 | - | 329,602,561 | - | 329,602,561 | |
| Balance as of 1 January 2009 | 159,459,958 | 136,394 | 56,333,539 | 113,672,671 | - | 329,602,561 | - | 329,602,561 | |
| Cumulative Comprehensive earnings after tax | - | -29,717 | - | -5,955,523 | - | -5,985,241 | - | -5,985,241 | |
| Balance as of 31 March 2009 | 159,459,958 | 106,677 | 56,333,539 | 107,717,147 | - | 323,617,321 | - | 323,617,321 | |

Cumulative Comprehensive earnings after tax

| GROUP | attributable to the owners of the parent | | | | | | | Minority interest | Total own equity |
|--|--|------------------------|----------------|-------------------|------------------------------|-------------|------------|-------------------|------------------|
| | Share Capital & Share Premium Reserves | Reserves at fair value | Other reserves | Retained earnings | Foreign exchange differences | Total | | | |
| Profit/ (losses) after taxes | - | - | - | 24,839,372 | - | 24,839,372 | 2,860,623 | 27,699,995 | |
| Exchange differences from activities abroad | - | - | - | - | -283,161 | -283,161 | -22,585 | -305,746 | |
| Profit / (losses) after tax from the change of fair value of the cash flow hedging | - | 48,298 | - | - | - | 48,298 | 63,095 | 111,394 | |
| 1 Jan 2008 - 31 Mar 2008 | - | 48,298 | - | 24,839,372 | -283,161 | 24,604,509 | 2,901,134 | 27,505,642 | |
| Profit/ (losses) after taxes | - | - | - | 4,420,156 | - | 4,420,156 | -65,738 | 4,354,419 | |
| Exchange differences from activities abroad | - | - | - | - | -823,250 | -823,250 | -349,138 | -1,172,388 | |
| Profit / (losses) after tax from the change of fair value of the cash flow hedging | - | -5,274,917 | - | - | - | -5,274,917 | -1,424,869 | -6,699,787 | |
| 1 Apr 2008 - 31 Dec 2008 | - | -5,274,917 | - | 4,420,156 | -823,250 | -1,678,011 | -1,839,745 | -3,517,756 | |
| Profit/ (losses) after taxes | - | - | - | -11,396,030 | - | -11,396,030 | -1,510,316 | -12,906,346 | |
| Exchange differences from activities abroad | - | - | - | - | -648,702 | -648,702 | -166,927 | -815,629 | |
| Profit / (losses) after tax from the change of fair value of the cash flow hedging | - | -814,385 | - | - | - | -814,385 | -175,496 | -989,881 | |
| 1 Jan 2009 - 31 Mar 2009 | - | -814,385 | - | -11,396,030 | -648,702 | -12,859,116 | -1,852,739 | -14,711,856 | |
| COMPANY | | | | | | | | | |
| Profit/ (losses) after taxes | - | - | - | 3,805,171 | - | 3,805,171 | - | 3,805,171 | |
| Profit / (losses) after tax from the change of fair value of the cash flow hedging | - | -38,296 | - | - | - | -38,296 | - | -38,296 | |
| 1 Jan 2008 - 31 Mar 2008 | - | -38,296 | - | 3,805,171 | - | 3,766,875 | - | 3,766,875 | |
| Profit/ (losses) after taxes | - | - | - | 57,018,938 | - | 57,018,938 | - | 57,018,938 | |
| Profit / (losses) after tax from the change of fair value of the cash flow hedging | - | -264,681 | - | - | - | -264,681 | - | -264,681 | |
| 1 Apr 2008 - 31 Dec 2008 | - | -264,681 | - | 57,018,938 | - | 56,754,256 | - | 56,754,256 | |
| Profit/ (losses) after taxes | - | - | - | -5,955,523 | - | -5,955,523 | - | -5,955,523 | |
| Profit / (losses) after tax from the change of fair value of the cash flow hedging | - | -29,717 | - | - | - | -29,717 | - | -29,717 | |
| 1 Jan 2009 - 31 Mar 2009 | - | -29,717 | - | -5,955,523 | - | -5,985,241 | - | -5,985,241 | |

Further analysis of the Statement of Changes in Equity was necessary due to the update of IAS 1

The notes on pages 7 to 35 form an integral part of these interim financial statements.

Cash Flow Statement

| | NOTE | GROUP | | COMPANY | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 1/1 till 31/3/2009 | 1/1 till 31/3/2008 | 1/1 till 31/3/2009 | 1/1 till 31/3/2008 |
| <i>amounts in euro</i> | | | | | |
| Cash flow from operating activities | | | | | |
| Cash flow from operating activities | 11 | 44,023,699 | -15,269,594 | 34,446,797 | 6,908,288 |
| Interest paid | | -7,129,299 | -4,889,647 | -2,010,511 | -2,302,308 |
| Income tax paid | | -2,285,724 | -5,326,014 | - | -1,729,307 |
| Net cash flows from operating activities | | 34,608,676 | -25,485,255 | 32,436,286 | 2,876,674 |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | | -11,788,974 | -14,419,250 | -3,641,775 | -4,394,246 |
| Purchase of intangible assets | | -3,890 | -165,182 | - | - |
| Sale of property, plant and equipment | | 17,932 | 193,356 | 1,500 | - |
| Dividends received | | - | - | 1,000,000 | 1,492,059 |
| Interests received | | 657 | - | - | - |
| Increase-acquisition of participation in associates | | -2,600,882 | -12,180 | -1,835,764 | -12,180 |
| Increase-acquisition of participation in subsidiaries | | -600,000 | -18,691,064 | -600,000 | -28,991,144 |
| Other | | - | 1,548 | - | - |
| Net cash flows from investing activities | | -14,975,158 | -33,092,773 | -5,076,039 | -31,905,511 |
| Cash flow from financing activities | | | | | |
| Dividends distributed to the shareholders of the parent company | | - | -132 | - | -132 |
| Proceeds from borrowings | | 57,648,454 | 130,145,967 | 1,889,505 | 36,226,786 |
| Repayment of borrowings | | -61,926,763 | -70,781,712 | -3,000,000 | -11,000,000 |
| Repayment of finance lease obligations | | - | -15,114 | - | - |
| Dividends distributed to minority | | -4,938 | -40 | - | - |
| Proceeds from Share Capital increase (minority stake) | | - | 2,556 | - | - |
| Other | | 891,509 | 480,934 | 26,612 | 12,864 |
| Net cash flows from financing activities | | -3,391,738 | 59,832,460 | -1,083,883 | 25,239,518 |
| Net (decrease)/increase in cash and cash equivalents | | 16,241,780 | 1,254,431 | 26,276,364 | -3,789,319 |
| Cash and cash equivalents at the beginning of the year | | 35,420,254 | 37,201,099 | 8,895,036 | 5,068,688 |
| Foreign exchange differences in cash and cash equivalents | | 442,255 | -280,630 | - | - |
| Cash and cash equivalents at the end of the period | | 52,104,289 | 38,174,901 | 35,171,400 | 1,279,369 |

The notes on pages 7 to 35 form an integral part of these interim financial statements.

B. Notes of the Financial Statements

1 General Information

These current interim financial statements include the interim company financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the Company”) and the interim consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the first half of 2009.

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

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

The Company is registered in Athens, Greece, 2-4 Mesogheion Ave., Attiki. The Company’s website address is www.sidenor.gr.

The current interim financial statements have been approved for issue by the Board of Directors on May 27., 2009.

2 Summary of significant accounting policies

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

2.1 New standards, amendments to standards and interpretations

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

Standards effective for year ended 31 December 2009

There are no new Standards or amendments to the standards issued which must be applied in accounting periods starting from the current one.

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. The interim financial statements have been prepared under the revised disclosure requirements.

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 difference with the previous edition is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets, which need a substantial period of time to get ready for use or sale. The cost of borrowing for the group regarding assets is being capitalized pursuant to the provisions of the said standard.

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) “Presentation of Financial Statements” – Puttable Financial Instruments

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” – Eligible Hedged Items

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

Interpretations effective for year ended 31 December 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.

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. The Group will apply these changes from their effective date.

Interpretations effective after year ended 31 December 2009

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 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.

2.2 Basis of preparation

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. Moreover, it requires the use of calculations and assumptions affecting the aforementioned assets and liabilities' amounts, the disclosure of contingent receivables and liabilities existing on the financial statements' preparation date and of the aforementioned income and expense amounts during the reported year. Although these calculations are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates.

These annual financial statements have been prepared by the management in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), including the International Accounting Standards ("IAS") and Interpretations issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union (EU).

All IFRS issued by the IASB, which apply to the preparation of these financial statements have been adopted by the European Council following an approval process undertaken by European Commission ("EC"), except for specific provisions of IAS 39 "Financial Instruments: Recognition and Measurement" that relate to hedging of deposit portfolios.

As the Group is not impacted by the provisions regarding deposit portfolio hedging that are not required by the IAS 39 edition as adopted by the EU, these financial statements have been prepared in compliance with IFRS that have been adopted by the EU and IFRS that have been issued by the IASB.

2.3 Financial statements

(a) Subsidiary companies

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 de-consolidated from the date that control ceases.

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

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset

transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(b) Associates

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

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

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

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

(c) Increase of equity participation in subsidiaries

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

2.4 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.5 Foreign exchange conversions

(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 recognized in the income statement.

(c) Group Companies

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

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

Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognized as a separate component of equity.

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

2.6 Property, Plant and Equipment

All property, plant and equipment, is shown at cost less subsequent depreciation and impairment. Acquisition cost may also include expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

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

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

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

2.7 Intangible Assets

Computer Software

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

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

Development Expenses

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

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

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

2.9 Impairment of non-financial assets

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

2.10 Financial assets

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

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

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

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(c) Held-to-maturity investments

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

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The purchase and sales of investments are recorded for on the trade-date, which the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

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

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If impairment is demonstrated, accumulated loss in equity which is the difference between the cost of acquisition and the fair value shall be carried over to results. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

2.11 Derivative Financial Instruments

Cash flow hedge

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

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

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

2.12 Inventories

Stocks are estimated at the lower value between their acquisition cost and their net realizable value. The acquisition cost is determined based on the average monthly weighted cost method. Financial expenses are not included in the acquisition cost. The net realizable value is estimated based on the stock's current sales price, within the framework of ordinary business activities, less any possible selling expenses, wherever such a case concurs.

2.13 Trade Receivables

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

2.14 Cash and equivalents

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

2.15 Share capital

Ordinary shares are classified as equity.

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

Treasury share acquisition cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included as reserves in equity attributable to the Company's equity holders.

2.16 Suppliers

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

2.17 Borrowings

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

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

2.18 Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

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

2.19 Income Tax

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

2.20 Employee benefits

(a) Pension obligations

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

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

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

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

(b) Termination benefits

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

In the case of work termination were the determination of those employees that can make use of these benefits is not feasible, this will not accounted for but they will be a notation for future liability instead.

(c) Short term benefits

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

2.21 Government Grants

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

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

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

2.22 Share Options Plan to Employees

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

2.23 Provisions

A provision shall be recognized when:

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

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

2.24 Revenue Recognition

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

(a) Sales of goods — wholesale

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

(b) Sales of services

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

(c) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Thereafter, interests are calculated by using the same rate on the impaired value (new accounting value).

(d) Dividends

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

2.25 Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life.

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

2.26 Dividend distribution

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

2.27 Roundings

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

2.28 Earnings per Share

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

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

The outstanding weighted average number of common shares of the accounting period and all accounting period presented herein is being adjusted for actions that have caused a change of the outstanding number of common shares without any changes in the capital.

3 Financial Risk Management

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

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

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

3.1 Credit Risk

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

3.2 Customers and Other Receivables

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

The Board of Directors has established a credit policy whereby each new customer is being individually controlled for its creditworthiness before presenting the usual payment terms. The creditworthiness audit that the Group is conducting includes the banking and other third party credit rating services that are available. Credit limits are set on a customer by customer basis and are re-estimated according to current trends and if necessary the sales and collection terms are readjusted. Customer credit lines are mainly determined based on the insurance limits set by the insurance companies based on which the company proceeds with insuring the receivables.

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

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

3.3 Investments

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

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

3.4 Guarantees

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

3.5 Liquidity Risk

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

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

3.6 Market Risk

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

3.7 Currency Risk

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

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

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

Οι επενδύσεις του Ομίλου σε άλλες θυγατρικές δεν αντισταθμίζονται, διότι αυτές οι συναλλαγματικές θέσεις θεωρούνται ότι είναι μακροχρόνιας φύσης και έχουν πραγματοποιηθεί κυρίως σε ευρώ.

3.8 Interest Rate Risk

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

Interest rate risk is contained, as part of the Group's loans is subject to fixed interest rates (25% of loans approximately), or directly with the use of financial instruments (interest rates Swaps).

3.9 Capital Management

The policy of the Board of Directors consists in the preservation of a solid capital base, in order to maintain investor, creditor and market confidence in the Group and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Group as the net results divided

by the total net position, not taking non-convertible preferred shares and minority rights into consideration. The Board of Directors also monitors the level of dividends paid to the holders of ordinary shares.

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

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

No changes occurred as far as the approach adopted by the group in relation to capital management during the fiscal year.

3.10 Fair value estimation

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

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

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

4 Accounting estimates and assumptions

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

4.1 Significant accounting estimates and assumptions

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

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

b) The Group recognizes provisions for anticipated negative outcome of legal cases based on assessments performed by internal lawyers.

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

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

5 Segment Information

Primary reporting format – business sectors

The Group is divided into two business sectors:

- (1) Steel Construction and Industrial Products
- (2) Steel Pipe Products

The results per segment for the 3 months till 31 March 2009 are as follows

| 3 months till 31 March 2009 (amounts in euro) | Steel Construction Products | Pipes | Total |
|--|--|--------------------|----------------------|
| Total gross sales per segment | 204,631,452 | 126,896,996 | 331,528,448 |
| Intra-company sales | -37,772,485 | -9,924,869 | -47,697,353 |
| Net sales | 166,858,968 | 116,972,127 | 283,831,095 |
| Operating results | -13,250,128 | 7,726,529 | -5,523,599 |
| Financial income | 632,183 | 259,982 | 892,165 |
| Financial expenditures | -5,897,514 | -1,897,781 | -7,795,295 |
| Profit / loss of associates | - | -8,200 | -8,200 |
| Share in results by subsidiaries | -1,461,037 | 370,653 | -1,090,384 |
| Profit before taxes | -19,976,496 | 6,451,183 | -13,525,313 |
| Income tax expense | 686,661 | -67,695 | 618,966 |
| Profit for the year | -19,289,835 | 6,383,488 | -12,906,346 |
| 31/3/2009 (amounts in euro) | Steel Construction Products | Pipes | Total |
| Assets (apart from investments in associates) | 1,145,992,807 | 308,397,877 | 1,454,390,684 |
| Investments in Associates | 23,235,987 | 8,080,891 | 31,316,878 |
| Total Assets | 1,169,228,794 | 316,478,768 | 1,485,707,562 |
| Total liabilities | 627,836,966 | 176,106,516 | 803,943,482 |

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

| 3 months till 31 March 2009 (amounts in euro) | Steel Construction Products | Pipes | Total |
|--|--|------------------|-------------------|
| Depreciation of property, plant and equipment | 11,589,240 | 2,944,764 | 14,534,004 |
| Depreciation of intangible assets | 64,733 | 29,588 | 94,321 |
| Total depreciation | 11,653,973 | 2,974,352 | 14,628,325 |
| Impairment of receivables | - | 32,854 | 32,854 |
| Impairment of inventories | -464,758 | -2,221,427 | -2,686,185 |
| | 11,194,333 | 598,532 | 11,792,865 |

The results per segment for the 3 months till 31 March 2008 are as follows

3 months till 31 March 2008 (amounts in euro)
Total gross sales per segment

Intra-company sales

Net sales

Operating results

Financial income

Financial expenditures

Profit / loss of associates

Share in results by subsidiaries

Profit before taxes

Income tax expense

Profit for the year

| Steel | | |
|--------------------|-------------------|--------------------|
| Construction | Pipes | Total |
| Products | | |
| 377,772,190 | 87,523,080 | 465,295,270 |
| -76,339,179 | -2,518,001 | -78,857,180 |
| 301,433,011 | 85,005,079 | 386,438,091 |
| 33,373,986 | 6,032,716 | 39,406,702 |
| 292,299 | 190,183 | 482,482 |
| -5,661,019 | -2,662,624 | -8,323,643 |
| -35,918 | 50 | -35,868 |
| 1,005,461 | 654,589 | 1,660,050 |
| 28,974,809 | 4,214,914 | 33,189,723 |
| -4,803,655 | -686,074 | -5,489,729 |
| 24,171,155 | 3,528,840 | 27,699,995 |

31/12/2008 (amounts in euro)

Assets (apart from investments in associates)

Investments in Associates

Total Assets

Total liabilities

| Steel | | |
|----------------------|--------------------|----------------------|
| Construction | Pipes | Total |
| Products | | |
| 1,197,355,119 | 387,301,726 | 1,584,656,845 |
| 21,547,040 | 9,037,675 | 30,584,715 |
| 1,055,508,418 | 340,991,437 | 1,615,241,560 |
| 657,460,236 | 261,020,282 | 918,480,518 |

Other items per segment included in the results for the 3 months till 31 March 2008 are as follows

3 months till 31 March 2008 (amounts in euro)

Depreciation of property, plant and equipment

Depreciation of intangible assets

Total depreciation

Impairment of receivables

Impairment of inventories

Investments in tangible and intangible assets and in fixed assets

| Steel | | |
|-------------------|------------------|-------------------|
| Construction | Pipes | Total |
| Products | | |
| 10,604,355 | 2,773,874 | 13,378,229 |
| 54,892 | 29,587 | 84,479 |
| 10,659,248 | 2,803,461 | 13,462,709 |
| -220,000 | 3,883 | -216,117 |
| 111,657 | 1,449,211 | 1,560,868 |
| 12,782,067 | 1,802,366 | 14,584,432 |

In application of the provisions of IAS 2 according to which the inventories are valued at the lowest price between the acquisition cost and the net realizable value, the impairment of the amount €(5.661) thousand was recognized for the Group. Of this, an amount of €(5.196) thousand concerns the pipe sector and an amount of €(535) thousand concerns the steel sector. The expenses per segment have been defined by the operating activities of each segment.

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

6 Investments in associates

Amounts in €

Beginning of the year

Share of profit/(loss) after tax

Income from dividends (-)

Foreign exchange differences

Additions

Transfer from financial instruments available for sale

Investment increase in associate

Balance at the year end

| GROUP | | COMPANY | |
|-------------------|-------------------|-------------------|------------------|
| 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| 30,584,715 | 29,625,176 | 9,082,992 | 9,070,812 |
| -1,090,384 | 3,590,392 | - | - |
| - | -955,072 | - | - |
| -778,335 | -1,733,245 | - | - |
| 2,600,882 | 12,180 | 1,835,764 | 12,180 |
| - | 40,000 | - | - |
| - | 5,284 | - | - |
| 31,316,878 | 30,584,715 | 10,918,756 | 9,082,992 |

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

| Company | Country | Holding Percentgae | |
|---------------------------|---------|--------------------|-----------|
| | | 31-Mar-09 | 31-Dec-08 |
| SIDMA S.A. | Ελλάδα | 24.18% | 24.18% |
| DIAPEM S.A. | Ελλάδα | 33.35% | 33.35% |
| BEPEM S.A. | Ελλάδα | 50.00% | 50.00% |
| METALLOURGIA ATTIKIS S.A. | Ελλάδα | 50.00% | 50.00% |
| ELKEME S.A. | Ελλάδα | 20.00% | 20.00% |
| DOMOPLEX LTD | Κύπρος | 45.00% | 45.00% |
| BIODIESEL S.A. | Ελλάδα | 15.64% | 15.64% |
| ZAO TMK-CPW | Ρωσία | 38.49% | 38.49% |
| AWM SPA | Ιταλία | 29.10% | - |

| Condensed financial information of Associates | 31-Mar-09 | 31-Dec-08 | 31-Mar-08 |
|---|-------------|-------------|------------|
| Assets | 279,680,790 | 282,312,605 | - |
| Liabilites | 186,722,963 | 187,216,862 | - |
| Revenues (Sales) | 41,143,432 | - | 61,522,342 |
| Profit (loss) after tax | -5,054,376 | - | 4,321,433 |

During the current period the Italian company A.W.M. S.p.A. is being consolidated for the first time using the net equity method since as of January 2009 Sidenor S.A. and its subsidiary PRAXIS S.A. acquired 24% and 10% of its share capital respectively. As a result the indirect participation of the Group in the said company is formed at 29.1%. The Italian company is active in the planning and development of tailor made high-tech mechanical applications in the steel processing and production sector.

7 Investments in subsidiaries

| Amounts in € | COMPANY | |
|------------------------------|--------------------|--------------------|
| | 31/3/2009 | 31/12/2008 |
| Beginning of the year | 203,318,871 | 195,269,484 |
| Additions | 600,000 | 30,004,394 |
| Reductions | - | -21,955,006 |
| Balance at year end | 203,918,871 | 203,318,871 |

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

| Company | Country | Direct Participation Percentage | Direct & Indirect Particip. % | Activity sector |
|-------------------------------|------------|---------------------------------|-------------------------------|-----------------------------|
| 2009 | | | | |
| SOVEL S. A. | Greece | 62.56% | 62.56% | Steel Construction Products |
| DEPAL S.A. | Greece | 100.00% | 100.00% | Steel Construction Products |
| STOMANA INDUSTRY S.A. | Bulgaria | 100.00% | 100.00% | Steel Construction Products |
| ERLIKON S.A. | Greece | 98.92% | 98.92% | Steel Construction Products |
| AEIFOROS S.A. | Greece | 90.00% | 90.00% | Steel Construction Products |
| ETAL S.A. | Greece | 83.26% | 93.73% | Steel Construction Products |
| PROSAL S.A. | Greece | 100.00% | 100.00% | Pipes |
| PROSAL TUBES SA | Bulgaria | 0.00% | 100.00% | Pipes |
| TEPRO STEEL EAD | Bulgaria | 100.00% | 100.00% | Steel Construction Products |
| DOJRAN STEEL LLCOP | F.Y.R.O.M. | 75.00% | 75.00% | Steel Construction Products |
| ELMONTE HOLDINGS LIMITED | Cyprus | 100.00% | 100.00% | Steel Construction Products |
| BOZETTI LTD | Cyprus | 100.00% | 100.00% | Steel Construction Products |
| VEMET SA | Greece | 100.00% | 100.00% | Steel Construction Products |
| ETIL SA | Greece | 3.89% | 69.99% | Steel Construction Products |
| PRAKSYS SA | Greece | 51.00% | 51.00% | Steel Construction Products |
| DIA.VI.PE.THIV. SA | Greece | 51.97% | 68.76% | Pipes |
| AEIFOROS BULGARIA SA | Bulgaria | 0.00% | 90.00% | Steel Construction Products |
| VET SA | Greece | 0.00% | 61.62% | Pipes |
| VEAT SA | Greece | 0.00% | 40.66% | Steel Construction Products |
| SIGMA SA | Bulgaria | 0.00% | 69.28% | Steel Construction Products |
| ARGOS SA | Greece | 0.00% | 69.28% | Steel Construction Products |
| SIDERAL SHPK (ANAMET AL SHPK) | Albania | 100.00% | 100.00% | Steel Construction Products |
| SIDEROM STEEL SLR | Romania | 100.00% | 100.00% | Steel Construction Products |
| PORT VIDIN SOUTH SA | Bulgaria | 0.00% | 90.00% | Steel Construction Products |
| CORINTH PIPEWORKS SA | Greece | 1.97% | 78.55% | Pipes |

| Company | Country | Direct Participation Percentage | Direct & Indirect Particip. % | Activity sector |
|-------------------------------|------------|---------------------------------|-------------------------------|-----------------------------|
| 2008 | | | | |
| SOVEL S. A. | Greece | 62.56% | 62.56% | Steel Construction Products |
| DEPAL S.A. | Greece | 100.00% | 100.00% | Steel Construction Products |
| STOMANA INDUSTRY S.A. | Bulgaria | 100.00% | 100.00% | Steel Construction Products |
| ERLIKON S.A. | Greece | 98.92% | 98.92% | Steel Construction Products |
| AEIFOROS S.A. | Greece | 90.00% | 90.00% | Steel Construction Products |
| ETAL S.A. | Greece | 83.26% | 93.73% | Steel Construction Products |
| PROSAL S.A. | Greece | 70.00% | 70.00% | Pipes |
| PROSAL TUBES SA | Bulgaria | 0.00% | 70.00% | Pipes |
| TEPRO STEEL EAD | Bulgaria | 100.00% | 100.00% | Steel Construction Products |
| DOJRAN STEEL LLCOP | F.Y.R.O.M. | 75.00% | 75.00% | Steel Construction Products |
| ELMONTE HOLDINGS LIMITED | Cyprus | 100.00% | 100.00% | Steel Construction Products |
| BOZETTI LTD | Cyprus | 100.00% | 100.00% | Steel Construction Products |
| VEMET SA | Greece | 100.00% | 100.00% | Steel Construction Products |
| ETIL SA | Greece | 3.89% | 69.99% | Steel Construction Products |
| PRAKSYS SA | Greece | 51.00% | 51.00% | Steel Construction Products |
| DIA.VI.PE.THIV. SA | Greece | 51.97% | 68.76% | Pipes |
| AEIFOROS BULGARIA SA | Bulgaria | 0.00% | 90.00% | Steel Construction Products |
| VET SA | Greece | 0.00% | 61.62% | Pipes |
| VEAT SA | Greece | 0.00% | 40.66% | Steel Construction Products |
| SIGMA SA | Bulgaria | 0.00% | 69.28% | Steel Construction Products |
| ARGOS SA | Greece | 0.00% | 69.28% | Steel Construction Products |
| SIDERAL SHPK (ANAMET AL SHPK) | Albania | 100.00% | 100.00% | Steel Construction Products |
| SIDEROM STEEL SLR | Romania | 100.00% | 100.00% | Steel Construction Products |
| PORT VIDIN SOUTH SA | Bulgaria | 0.00% | 90.00% | Steel Construction Products |
| CORINTH PIPEWORKS SA | Greece | 1.97% | 78.55% | Pipes |

On January of 2009 the parent company has acquired an additional 74,398 shares of subsidiary PROSAL S.A. and as a result it owns 100% of its shares as well as of its subsidiary (Prosal Tubes)

Neither the subsidiaries and associates of SIDENOR S.A. nor the subsidiaries and associates thereof hold any shares of the parent.

8 Derivative Financial Instruments

Derivative financial instruments

Amounts in €

Non Current Assets

Interest rate swaps for cash flow hedging

Total

Current assets

Interest rate swaps for cash flow hedging

Forwards for cash flow hedging

Total

Non-current liabilities

Interest rate swaps for cash flow hedging

Total

Current liabilities

Forwards for cash flow hedging

Forward foreign exchange held for trading

Total

Profit/(loss) recognised in the income statement

| | GROUP | | COMPANY | |
|--|-------------------|-------------------|----------------|----------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Interest rate swaps for cash flow hedging | 142,236 | 181,859 | 142,236 | 181,859 |
| Total | 142,236 | 181,859 | 142,236 | 181,859 |
| Interest rate swaps for cash flow hedging | 7,231 | 53,369 | - | - |
| Forwards for cash flow hedging | 1,870,276 | 3,271,604 | - | - |
| Total | 1,877,507 | 3,324,973 | - | - |
| Interest rate swaps for cash flow hedging | 125,500 | 379,178 | - | - |
| Total | 125,500 | 379,178 | - | - |
| Forwards for cash flow hedging | 10,889,246 | 10,169,059 | - | - |
| Forward foreign exchange held for trading | - | 633,758 | - | - |
| Total | 10,889,246 | 10,802,817 | - | - |
| Profit/(loss) recognised in the income statement | -2,005,474 | -6,380,977 | - | - |

Interest rate swaps details on nominal value

| | | | | |
|--|-------------|-------------|------------|------------|
| Interest Rates Swaps (Euro) | 113,000,000 | 124,700,000 | 95,000,000 | 99,500,000 |
| Foreign Exchange Forward Contracts (USD) | 8,054,700 | 15,165,602 | - | 1,800,000 |
| Foreign Exchange Forward Contracts (USD) | 153,732,020 | 140,549,000 | - | - |

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

Gains and losses relating to forward foreign exchange contracts recognized in equity (hedging reserve) on 31/03/2008 will be recognized in profit or loss during the financial year. The amounts accounted for directly to the shareholders equity are -989,881 for the consolidated figures and -29,717 for the corresponding parent company figures.

On 31/03/2009, the fixed interest rates of long-term loans covered by interest rate swaps ranged from 3,16% to 4,15%. The basic floating rates are based on EURIBOR.

9 Borrowings

Amounts in €

Long term borrowings

Bank loans

Bond loans

Total long term borrowings

Current Borrowings

Credit Limits bank accounts

Bank loans

Finance lease liabilities

Total current borrowings

Total borrowings

Cash

Net borrowings

| | GROUP | | COMPANY | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Bank loans | 62,516,173 | 62,561,628 | - | - |
| Bond loans | 185,000,000 | 190,000,000 | 110,000,000 | 110,000,000 |
| Total long term borrowings | 247,516,173 | 252,561,628 | 110,000,000 | 110,000,000 |
| Credit Limits bank accounts | 6,944,263 | 4,764,568 | 2,333,701 | 444,196 |
| Bank loans | 274,110,593 | 275,523,141 | 85,000,000 | 88,000,000 |
| Finance lease liabilities | 640 | 640 | - | - |
| Total current borrowings | 281,055,496 | 280,288,350 | 87,333,701 | 88,444,196 |
| Total borrowings | 528,571,669 | 532,849,978 | 197,333,701 | 198,444,196 |
| Cash | 52,104,289 | 35,171,400 | 35,420,254 | 8,895,037 |
| Net borrowings | 476,467,380 | 497,678,577 | 161,913,447 | 189,549,159 |

The maturity dates of non-current borrowings, excluding finance lease obligations, are as follows:

Amounts in €

| | | | | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| Between 1 and 2 years | 83,535,055 | 83,222,537 | 41,250,000 | 41,250,000 |
| Between 2 and 5 years | 160,481,065 | 165,839,037 | 68,750,000 | 68,750,000 |
| Over 5 years | 3,500,054 | 3,500,054 | - | - |
| Total | 247,516,173 | 252,561,628 | 110,000,000 | 110,000,000 |

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

| | GROUP | | COMPANY | |
|-------------------------|-----------|------------|-----------|------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Bank Loans (long term) | 4.78% | 5.85% | - | 6.72% |
| Bank Loans (short term) | 4.03% | 6.07% | 3.64% | 5.12% |
| Bond loans | 3.89% | 4.84% | 4.05% | 4.96% |

The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balances sheet dates are as follows:

| <i>Amounts in €</i> | GROUP | | COMPANY | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Up to 1 year | 281,055,496 | 280,288,349 | 87,333,701 | 88,444,196 |
| Between 1 and 2 years | 83,535,055 | 83,222,537 | 41,250,000 | 41,250,000 |
| Between 2 and 5 years | 160,481,065 | 165,839,037 | 68,750,000 | 68,750,000 |
| Over 5 years | 3,500,054 | 3,500,054 | - | - |
| Total | 528,571,669 | 532,849,978 | 197,333,701 | 198,444,196 |

| | GROUP Current Value | | COMPANY Current Value | |
|----------------------|------------------------|--------------------|--------------------------|--------------------|
| | Beginning | Ending | Beginning | Ending |
| Long term borrowings | | | | |
| Bank loans | 62,561,628 | 62,516,173 | - | - |
| Bond loans | 190,000,000 | 185,000,000 | 110,000,000 | 110,000,000 |
| Total | 252,561,628 | 247,516,173 | 110,000,000 | 110,000,000 |

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Total Borrowings (per currency) | | | | |
| Euro | 498,294,984 | 498,671,522 | 197,333,701 | 198,444,196 |
| Usd dollar | 1,725,299 | 2,169,135 | - | - |
| Leva | 28,551,386 | 32,009,321 | - | - |
| Total | 528,571,669 | 532,849,978 | 197,333,701 | 198,444,196 |

On 27/06/2007, the repeat Company's General Meeting of the Ordinary Shareholder's General Meeting approved the additional issue of bond loans up to €100 million which will be covered by banks. The issue of these loans will be used, mainly, to reschedule current short term bank debt with long term, to finance investment activities as well as to participate in share capital increases of subsidiaries. Up to the date of financial statements issued, the amount of €45 million has been received by the company. The repeat General Meeting of 26/06/2008 has approved the issue of bond loans up to €60 million which has been received in total.

10 Finance leases

Amounts in €
Finance lease liabilities-minimum lease payments

| | GROUP | | COMPANY | |
|---|------------|------------|-----------|------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Up to 1 year | 640 | 640 | - | - |
| Total | 640 | 640 | - | - |
| Present value of finance lease liabilities | 640 | 640 | - | - |

The current value of finance lease liabilities is as follows:

| | | | | |
|---|------------|------------|----------|----------|
| Up to 1 year | 640 | 640 | - | - |
| Present value of finance lease liabilities | 640 | 640 | - | - |

The financial lease regards machinery and transportation means, of its subsidiary companies Corinth Pipeworks SA and AEIFOROS SA.

11 Operating Cash Flows

| <i>Amounts in €</i> | <i>Note</i> | GROUP | | COMPANY | |
|--|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | 1/1 till 31/3/2009 | 1/1 till 31/3/2008 | 1/1 till 31/3/2009 | 1/1 till 31/3/2008 |
| Profits of year | | -12,906,346 | 27,699,995 | -5,955,523 | 3,805,171 |
| Adjustments for: | | | | | |
| Income tax | | -618,966 | 5,489,729 | -270,820 | 1,439,881 |
| Depreciation of property, plant and equipment | | 14,534,004 | 13,378,230 | 2,549,042 | 2,876,208 |
| Amortisation of intangible assets | | 94,321 | 84,479 | 13,634 | 16,879 |
| Impairment | | 5,661,254 | 806,739 | - | - |
| (profits)/losses from the sale of property, plant & equipment | | 12,594 | -11,214 | -1,500 | - |
| Fair value losses of other financial assets at fair value through profit or loss | | 8,200 | 33,800 | - | - |
| Interest income | | -892,165 | -482,482 | -26,612 | -12,864 |
| Interest expense | | 7,795,295 | 8,323,643 | 2,194,450 | 3,570,082 |
| Income from dividends | | - | - | -1,718,071 | -1,492,059 |
| Amortisation of grants | | -272,556 | -268,946 | -19,909 | -19,909 |
| Income from associates | 6 | 1,090,384 | -1,660,050 | - | - |
| Losses from destruction of asset | | 7,086 | 2,821 | - | - |
| Other | | 136,267 | 311,889 | - | - |
| | | 14,649,372 | 53,708,631 | -3,235,311 | 10,183,389 |
| Changes in working capital | | | | | |
| (Increase)/decrease in inventories | | 57,013,507 | -9,003,554 | 2,839,598 | -7,902,827 |
| (Increase)/decrease in receivables | | 80,396,550 | -53,269,339 | 58,317,980 | -30,976,547 |
| Increase/(decrease) in liabilities | | -111,007,351 | -6,679,727 | -23,423,496 | 35,353,154 |
| Increase/(decrease) in provisions | | 3,017,371 | 589,565 | - | 220,000 |
| Increase/(decrease) in retirement benefit obligations | | -45,751 | -615,171 | -51,975 | 31,119 |
| | | 29,374,327 | -68,978,225 | 37,682,108 | -3,275,101 |
| Net cash flows from operating activities: | | 44,023,699 | -15,269,594 | 34,446,797 | 6,908,288 |
| <i>Profits / (losses) from the sale of PPE include:</i> | | | | | |
| <i>Amounts in €</i> | | | | | |
| Net book value | | 30,526 | 182,142 | - | - |
| Profits/(losses) from the sale of PPE | | -12,594 | 11,214 | 1,500 | - |
| Income from the sale of PPE | | 17,932 | 193,356 | 1,500 | - |
| <i>Profits from other financial instruments include:</i> | | | | | |
| <i>Amounts in €</i> | | | | | |
| Profits / (losses) from valuation or sale of other financial instruments | | -8,200 | -33,800 | - | - |

12 Commitments

Contractual commitments

The group has made contracts with suppliers if fixed assets for investments in subsidiaries.

| <i>Amounts in €</i> | GROUP | |
|-----------------------|------------------|-------------------|
| | 31/03/09 | 31/12/2008 |
| Tangible fixed assets | 5,467,592 | 3,375,174 |
| | 5,467,592 | 3,375,174 |

The above contractual commitments regard contracts with suppliers in the context of investments made in the subsidiaries Stomana Industry S.A. (€ 4,863 thousand) and Teprasteel SA (€605 thousand).

The Group leases motor vehicles under operating leases agreements. The future aggregate minimum lease payments are as follows:

Liabilities from operating lease
Amounts in €

| | GROUP | | COMPANY | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Up to 1 year | 924,445 | 964,047 | 411,890 | 420,383 |
| From 1 to 5 years | 1,331,856 | 1,516,546 | 486,436 | 547,857 |
| Over 5 years | 529,052 | 577,668 | - | - |
| | 2,785,353 | 3,058,260 | 898,326 | 968,241 |
| | | | | |
| | 31/3/2009 | 31/3/2008 | 31/3/2009 | 31/3/2008 |
| Charge to the results | 211,834 | 315,011 | 118,693 | 122,044 |

13 Contingent Liabilities - Assets

The Group has contingent liabilities and assets in respect of banks, other guarantees and other matters arising in the ordinary course of business, as follows:

Amounts in Euro

| | GROUP | | COMPANY | |
|---|-------------------|--------------------|------------------|------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Liabilities | | | | |
| Guarantees for securing payables to suppliers | 20,703,521 | 45,457,110 | 7,328,133 | 8,256,133 |
| Good performance guarantees to customers | 25,957,813 | 40,316,370 | 1,006,671 | 1,006,671 |
| Counter guarantees for european investment bank | 27,034,233 | 27,034,233 | - | - |
| Other contingent liabilities | 12,115,435 | 11,788,164 | 266,629 | 266,629 |
| Total | 85,811,003 | 124,595,878 | 8,601,433 | 9,529,433 |

Amounts in Euro

| | GROUP | | COMPANY | |
|--|-------------------|-------------------|------------------|------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Liabilities | | | | |
| Lawsuits of employees | 1,807,665 | 2,557,665 | - | - |
| Other lawsuits | 153,956 | 160,856 | - | - |
| Contractual liabilities | 4,477,793 | 4,998,645 | - | - |
| Bank letters of guarantee | 2,897,976 | 1,163,956 | - | - |
| Tax liabilities | 2,778,045 | 2,907,042 | 266,629 | 266,629 |
| Total | 12,115,435 | 11,788,164 | 266,629 | 266,629 |
| | | | | |
| Receivables | | | | |
| Guarantees for securing receivables from clients | 2,281,284 | 3,388,184 | 2,281,284 | 2,903,184 |
| Other receivables | 1,788,733 | 2,748,733 | 949,346 | 949,346 |
| Total | 4,070,017 | 6,136,917 | 3,230,630 | 3,852,530 |

A share retention agreement has been made between the company and “International Finance Corporation”, so that its subsidiary “STOMANA SA”, based in Bulgaria, is granted with long term loan.

For the Company ETILSA appeal filed against the audit reports for the year 2000, which imposed additional taxes of € 1,946,905, which is divided in € 523,204 of main income tax and € 1,423,701 of accruals, is still pending (until 31/12/2008). The Company has submitted a request towards the Committee provided for by article 70 of Law no. 2238/94 aiming at exempting the service rendering sector from the off-balance sheet definition. The company’s management’s view is that the issue will be resolved with a significant reduction in the company’s final liability. The subsidiary has recognized a provision of €252,666 against profit or loss, which is the amount payable if the company’s request is approved. The amount of €5,906 has burdened the current period results.

On the 1st of January 2009, the subsidiary Stomana Industry SA has recognized a provision of €558 thousand against lawsuits by former employees due to dismissals and labour accidents. During the year, €18 thousand have been used. The current amount of the provision is €540 thousand.

Moreover the subsidiary CORINTH PIPEWORKS SA recognized, on 31/03/2009, a provision of €8,160 thousand (of which €2,185 thousand regard cases in court or under arbitration of total amount of €3,876 thousand). Moreover, the company has formed other provisions of €5,975 thousand regarding losses that may occur as a result of the company’s contractual obligations to its customers. The provision was estimated based on historical figures and statistics for the settlement of similar cases in the past.

Tepro Steel EAD has recognized provisions of € 3 thousand for cases in court or under arbitration.

A provision of €1,163 thousand for the Group and €267 thousand for the Company respectively has been formed for audited tax years.

Additionally there have been formed other provisions of €70 thousand concerning general expenses of other subsidiaries.

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

14 Existing Collaterals

There are mortgages and liens on the immovable property of subsidiary Corinth Pipeworks S.A. amounting to €73.200 thousand in favour of banks for loans with outstanding balance €27,034 thousand and , Stomana Industry SA amounting to €55,000 thousand in favour of banks for loans with outstanding balance €36,678 thousand.

15 Related Parties

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

| | GROUP | | COMPANY | |
|---|-------------------|-------------------|-------------------|-------------------|
| <i>Amounts in Euro</i> | 31/3/2009 | 31/3/2008 | 31/3/2009 | 31/3/2008 |
| Sale of goods | | | | |
| Subsidiary companies | - | - | 19,261,666 | 40,371,990 |
| Affiliate companies | 3,142,562 | 6,670,405 | 99,374 | 1,358,494 |
| Other Related Parties | 7,508,790 | 11,302,508 | 2,895,229 | 7,510,285 |
| | 10,651,353 | 17,972,913 | 22,256,269 | 49,240,769 |
| Sale of services | | | | |
| Subsidiary companies | - | - | 5,445,278 | 8,265,463 |
| Affiliate companies | 851 | 13,031 | 775 | 775 |
| Other Related Parties | 410,981 | 925,955 | 24,171 | 24,292 |
| | 411,832 | 938,985 | 5,470,224 | 8,290,530 |
| Sale of PPE | | | | |
| Other Related Parties | 17,200 | 38,409 | - | - |
| | 17,200 | 38,409 | - | - |
| Purchase of goods | | | | |
| Subsidiary companies | - | - | 12,260,266 | 26,711,728 |
| Affiliate companies | 144,688 | 97,293 | 30 | 601 |
| Other Related Parties | 12,441,234 | 28,189,652 | 3,109,965 | 7,145,665 |
| | 12,585,922 | 28,286,945 | 15,370,260 | 33,857,995 |
| Purchase of services | | | | |
| Subsidiary companies | - | - | 328,545 | 72,730 |
| Affiliate companies | 735,578 | 1,056,444 | 478,265 | 776,571 |
| Other Related Parties | 2,454,836 | 3,395,622 | 1,075,646 | 1,471,109 |
| | 3,190,415 | 4,452,066 | 1,882,455 | 2,320,410 |
| Purchase of PPE | | | | |
| Subsidiary companies | - | - | 60,801 | 110,054 |
| Affiliate companies | 684 | 96,064 | - | - |
| Other Related Parties | 758,595 | 190,858 | - | 13,922 |
| | 759,280 | 286,923 | 60,801 | 123,976 |
| Benefits to key Management | | | | |
| | GROUP | | COMPANY | |
| <i>Amounts in Euro</i> | 31/3/2009 | 31/3/2008 | 31/3/2009 | 31/3/2008 |
| Salaries and other benefits to directors and key management | 1,083,772 | 1,014,159 | 548,677 | 605,348 |
| | 1,083,772 | 1,014,159 | 548,677 | 605,348 |
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Liabilities to senior Management and Board Members | 3,627,000 | 3,127,000 | 1,850,000 | 1,500,000 |

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

| <i>Amounts in Euro</i> | GROUP | | COMPANY | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/3/2009 | 31/12/2008 | 31/3/2009 | 31/12/2008 |
| Receivables from related parties | | | | |
| Subsidiary companies | - | - | 46,178,351 | 46,701,741 |
| Affiliate companies | 14,286,539 | 19,711,197 | 7,834,702 | 13,598,119 |
| Other Related Parties | 26,836,790 | 37,862,563 | 15,954,388 | 21,961,476 |
| | 41,123,330 | 57,573,761 | 69,967,441 | 82,261,336 |
| Prepayments for share capital increase | | | | |
| Subsidiary companies | - | - | 3,581,737 | 3,431,737 |
| | - | - | 3,581,737 | 3,431,737 |
| <i>Amounts in Euro</i> | | | | |
| Advances for inventory purchases | | | | |
| Subsidiary companies | - | - | 749,988 | 933,978 |
| Other Related Parties | 57,627 | 29,285 | 57,627 | 29,285 |
| | 57,627 | 29,285 | 807,616 | 963,264 |
| Advances for inventory purchases | | | | |
| Subsidiary companies | - | - | 62,246,435 | 76,018,730 |
| Affiliated | 754,736 | 1,510,118 | 79,766 | 398,242 |
| Other Related Parties | 6,316,251 | 7,908,847 | 1,327,454 | 1,689,457 |
| | 7,070,986 | 9,418,964 | 63,653,654 | 78,106,429 |

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

16 Earnings per share

| Basic | GROUP | | COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 31/3/2009 | 31/3/2008 | 31/3/2009 | 31/3/2008 |
| <i>Amounts in Euro</i> | | | | |
| Profits attributable to shareholders of the parent company | -11,396,030 | 24,839,372 | -5,955,523 | 3,805,171 |
| Weighted average number of shares | 96,129,491 | 96,129,491 | 96,129,491 | 96,129,491 |
| Basic earnings per share (euro per share) | -0.1185 | 0.2584 | -0.0620 | 0.0396 |
| Diluted | | | | |
| <i>Amounts in Euro</i> | | | | |
| Profits attributable to shareholders of the parent company | -11,396,030 | 24,839,372 | -5,985,241 | 3,805,171 |
| Weighted average number of shares | 96,129,491 | 96,303,115 | 96,129,491 | 96,303,115 |
| <i>Adjustment for option shares</i> | | | | |
| Total Weighted average number of shares adjusted for option shares | 96,129,491 | 96,303,115 | 96,129,491 | 96,303,115 |
| Diluted earnings per share (euro per share) | -0.1185 | 0.2579 | -0.0623 | 0.0395 |

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

17 Fiscal Years non-audited by tax authorities

Several of the Group's subsidiary companies have not been audited by tax authorities for various fiscal years from 2002 until 2009.

| Companies | Fiscal year |
|-----------------------------------|--------------------|
| SIDENOR SA | 2007 - 2009 |
| SOVEL SA | 2006 - 2009 |
| DEPAL SA | 2007 - 2009 |
| STOMANA INDUSTRY S.A. | 2005 - 2009 |
| ERLIKON EPEKSERGASIA SIRMATON SA | 2006 - 2009 |
| AEIFOROS SA | 2007 - 2009 |
| ETAL SA | 2007 - 2009 |
| PROSAL SA | 2007 - 2009 |
| TEPRO STEEL EAD | 2002 - 2009 |
| ELMONTE HOLDINGS LIMITED | 2008 - 2009 |
| BOZETTI LTD | 2008 - 2009 |
| BEMET SA | 2003 - 2009 |
| ETIL SA | 2004 - 2009 |
| PRAKSIS SA | 2007 - 2009 |
| DIA.VI.PE.THIV. SA | 2002 - 2009 |
| AEIFOROS BULGARIA SA | 2007 - 2009 |
| BET SA | 2007 - 2009 |
| BEAT SA | 2003 - 2009 |
| SIGMA SA | 2004 - 2009 |
| ARGOS SA | 2005 - 2009 |
| CORINTH PIPEWORKS SA | 2008 - 2009 |
| SIDIREMPORIKI MAKEDONIAS SIDMA SA | 2006 - 2009 |
| DIAPEM SA | 2003 - 2009 |
| V.EPE. M. SA | 2003 - 2009 |
| METTALOURGIA ATTIKIS SA | 2002 - 2009 |
| EL.KE.ME SA | 2007 - 2009 |
| DOMOPLEX LTD | 2007 - 2009 |
| DOJRAN STEEL LLCOP | 2008 - 2009 |
| PROSAL TUBES S.A. | 2007 - 2009 |
| SIDERAL | 2006 - 2009 |
| SIDEROM | 2007 - 2009 |
| ZAO TMK - CPW | 2007 - 2009 |
| BIODIESEL A.E. | 2006 - 2009 |
| AWM SPA | 2008 - 2009 |

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

18 Number of Personnel

Number of personnel employed at the end of the current period: Group: 3,153 and Company: 357. In the respective 2008 period, Group's personnel amounted to 3,656 employees and Company's to 371 employees.

19 Events after the Balance Sheet date

On May of 2009 the regular tax audit for the fiscal year of 2007 of subsidiary Corinth Pipeworks was completed. A total of EUR 29,028 was charged as tax differences in addition to surtaxes amounting to EUR 11,183 or a total of EUR 40,211 against which the company had accounted for a provision amounting to EUR 50,000. Consequently, there will be no additional burden of the company's current period results and shareholders' equity.

20 Significant Events

On January 2009 Sidenor S.A. and its subsidiary PRAXIS S.A. acquired 24% and 10% respectively of the Italian company A.W.M. S.p.A. As a result the indirect participation of the Group in the said company is formed at 29.1%. The Italian company is active in the planning and development of tailor made high-tech mechanical applications in the steel processing and production sector.

On January of 2009 the parent company has acquired an additional 74,398 shares of subsidiary PROSAL S.A. and as a result it owns 100% of its shares as well as of its subsidiary (Prosal Tubes).

RESPONSIBLE FOR THE COMPILATION

This is to certify that the above "Interim Financial Statements" for the period 1/1/2009-31/03/2009 as well as the attached notes are those which have been approved by the Board of Directors of May 27, 2009. Responsible for the compilation and the accuracy of information contained in these interim financial statements of the Company and the Group on March 31, 2009 as well as at the attached notes are: Mr.Kalfarentzos George, Chairman of the BoD, Mr.Sarantos Milios, Managing Director, Mr.Konstantinos Natsis, Chief Financial Officer.

The Chairman
of the BoD

The Managing
Director

The Chief Financial
Officer

Kalfarentzos
George
Id.No Φ 147183

Milios
Sarantos
Id.No Π 998326

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