



**METAL CONSTRUCTIONS OF GREECE S.A.**

**COMPANY'S No 10357/06/B/86/113 IN THE  
REGISTER OF SOCIETES ANONYMES  
MARINOY ANTYP A 11 N. IRAKLIO (ATHENS)**

**Interim financial statements  
For the nine month period  
(from the 1<sup>st</sup> of January to the 30<sup>th</sup> of September 2008)**

The Interim Financial Statements presented both for the Group and the Parent Company, have been approved by the Board of Directors of "Metal Constructions of Greece S.A." on 03/11/2008 and are disclosed to the company's website [www.metka.gr](http://www.metka.gr). The Interim Financial Statements will remain available to the investors in the company's website for at least five years from the date of their approval and publication.

## CONTENTS

1. Interim Balance Sheet .....	3
2. Interim Income Statement for the nine month period & 3rd Quarter.....	4
3. Interim Consolidated Statement of Changes in Equity .....	5
4. Interim Company Statement of Changes in Equity .....	6
5. Interim Cash Flow Statement .....	7
6. Additional information and explanations of the Interim Financial Statements .....	8
7. Group's structure and consolidation method.....	13
8. Reporting according to Geographical segments .....	14
9. Accounting Principles .....	15
10. Pledges on Group's Assets .....	15
11. Commitments .....	15
12. Litigation .....	16
13. Tax unaudited fiscal years .....	16
14. Contingent Liabilities and Contingent Assets .....	17
15. Number of employees & employees benefits.....	17
16. Related party transactions .....	18
17. Benefits of Board of Directors .....	19
18. Earnings per Share.....	20
19. Dividend Distribution.....	21
20. Subsequent events.....	21

## 1. Interim Balance Sheet

Amounts in €

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>30/9/2008</b>	<b>31/12/2007</b>	<b>30/9/2008</b>	<b>31/12/2007</b>
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	65.460.601	68.356.995	43.113.291	45.471.456
Goodwill	7.864.882	7.864.882	0	0
Intangible assets	2.057.084	4.071.638	2.001.442	4.041.047
Investments in Subsidiaries	0	0	43.151.134	43.150.134
Deferred Tax Asset	1.314.203	1.159.627	545.859	561.673
Available for sale financial assets	364.951	364.951	123.201	123.201
Other non-current assets	2.779.961	804.239	2.559.681	106.839
	<b>79.841.682</b>	<b>82.622.331</b>	<b>91.494.606</b>	<b>93.454.349</b>
<b>Current Assets</b>				
Inventories	13.478.621	21.785.031	9.740.923	18.685.742
Trade and other receivables	192.084.325	208.494.734	161.071.650	185.522.239
Other Receivables	12.775.245	7.580.212	11.069.851	6.265.925
Other Current Assets	1.764.861	1.961.504	1.726.750	1.911.926
Financial Assets at fair value through profit or loss	2.748.961	3.799.151	0	0
Cash and cash equivalent	21.370.715	27.260.322	13.085.933	22.808.616
	<b>244.222.728</b>	<b>270.880.954</b>	<b>196.695.107</b>	<b>235.194.447</b>
<b>Total Assets</b>	<b>324.064.410</b>	<b>353.503.285</b>	<b>288.189.713</b>	<b>328.648.796</b>
<b>SHAREHOLDERS' EQUITY</b>				
<b>Equity</b>				
Share Capital	16.624.192	16.624.192	16.624.192	16.624.192
Other reserves	28.392.227	28.259.031	23.655.994	23.655.994
Retained Earnings	86.366.490	82.183.354	99.442.601	92.921.790
<b>Total equity attributable to equity holders of the parent</b>	<b>131.382.909</b>	<b>127.066.577</b>	<b>139.722.788</b>	<b>133.201.976</b>
<b>Minority Interests</b>	14.010.420	12.163.647	0	0
<b>Total Equity</b>	<b>145.393.330</b>	<b>139.230.224</b>	<b>139.722.788</b>	<b>133.201.976</b>
<b>LIABILITIES</b>				
<b>Non - current Liabilities</b>				
Deferred Tax Liabilities	12.898.633	12.734.147	9.208.575	9.354.373
Accrued pension and retirement obligations	1.805.860	1.882.794	1.149.352	1.244.700
Other long term liabilities	33.522.490	21.016.840	33.779.266	21.070.952
<b>Total Non-Current Liabilities</b>	<b>48.226.984</b>	<b>35.633.781</b>	<b>44.137.193</b>	<b>31.670.025</b>
<b>Current Liabilities</b>				
Trade and other payables	89.889.349	132.503.166	81.346.712	132.578.101
Income tax payable	20.283.668	20.650.696	18.905.257	18.995.582
Short-term borrowings	12.370.816	18.257.683	172.208	7.425.184
Other current liabilities	7.288.702	6.826.887	3.860.994	4.752.379
Current provisions	611.561	400.848	44.562	25.548
<b>Total Current Liabilities</b>	<b>130.444.096</b>	<b>178.639.281</b>	<b>104.329.733</b>	<b>163.776.795</b>
<b>Total Liabilities</b>	<b>178.671.080</b>	<b>214.273.061</b>	<b>148.466.926</b>	<b>195.446.820</b>
<b>Total Equity and Total Liabilities</b>	<b>324.064.410</b>	<b>353.503.285</b>	<b>288.189.713</b>	<b>328.648.796</b>

*The attached notes consist an undivided part of the Interim Financial Statements*

## 2. Interim Income Statement for the nine month period & 3rd Quarter

Amounts in €

	THE GROUP				H ETAIPEIA			
	01/01 - 30/09/2008	01/01 - 30/09/2007	01/07 - 30/09/2008	01/07 - 30/09/2007	01/01 - 30/09/2008	01/01 - 30/09/2007	01/07 - 30/09/2008	01/07 - 30/09/2007
<b>Continuing Operations</b>								
Sales Turnover	299.142.308	216.756.275	87.260.649	69.901.358	264.153.814	190.665.006	78.488.761	59.689.879
Cost of Sales	(236.984.720)	(164.646.895)	(72.179.109)	(56.824.296)	(208.066.274)	(144.227.022)	(62.313.001)	(48.174.892)
<b>Gross profit (loss)</b>	<b>62.157.588</b>	<b>52.109.380</b>	<b>15.081.540</b>	<b>13.077.062</b>	<b>56.087.540</b>	<b>46.437.984</b>	<b>16.175.760</b>	<b>11.514.987</b>
Other Operating Income	2.454.925	1.996.719	1.445.942	1.200.106	1.479.491	1.841.363	655.372	1.190.339
Selling & Distribution costs	(1.326.567)	(1.400.540)	(408.525)	(580.514)	(688.417)	(788.713)	(141.004)	(284.961)
General & Administrative expenses	(9.571.329)	(8.152.131)	(3.320.794)	(2.697.590)	(6.088.011)	(5.820.083)	(1.999.490)	(1.927.594)
Other Operating Expenses	(6.164.487)	(3.916.205)	(1.242.254)	(1.961.085)	(4.925.478)	(3.795.453)	(1.208.834)	(1.928.972)
<b>Operating Profit</b>	<b>47.550.130</b>	<b>40.637.224</b>	<b>11.555.909</b>	<b>9.037.979</b>	<b>45.865.125</b>	<b>37.875.098</b>	<b>13.481.804</b>	<b>8.563.800</b>
Financial income	406.082	145.410	77.096	37.738	227.693	35.195	6.270	20.669
Financial Expenses	(3.255.815)	(1.418.634)	(1.260.907)	(565.910)	(2.635.474)	(1.153.451)	(1.037.209)	(392.867)
Other financial results	(4.798)	(1.345)	(54)	(9.546)	130.000	6.185.163	0	0
<b>Profit before income tax</b>	<b>44.695.599</b>	<b>39.362.655</b>	<b>10.372.044</b>	<b>8.500.260</b>	<b>43.587.344</b>	<b>42.942.005</b>	<b>12.450.864</b>	<b>8.191.603</b>
Income Tax Expense	(12.557.193)	(10.246.182)	(3.388.586)	(2.160.912)	(11.091.233)	(9.528.688)	(3.203.298)	(2.117.607)
<b>Profit after tax</b>	<b>32.138.406</b>	<b>29.116.473</b>	<b>6.983.458</b>	<b>6.339.348</b>	<b>32.496.111</b>	<b>33.413.317</b>	<b>9.247.566</b>	<b>6.073.996</b>
<b>Attributable to:</b>								
Equity holders of the parent	30.291.632	28.799.302	7.260.607	6.320.187				
Minority Interests	1.846.774	317.171	(277.149)	19.161				
	<b>32.138.406</b>	<b>29.116.473</b>	<b>6.983.458</b>	<b>6.339.348</b>				

*The attached notes consist an undivided part of the Interim Financial Statements*

### 3. Interim Consolidated Statement of Changes in Equity

Amounts in €

#### Equity Balance at 1st January 2007

Changes in Equity for the period 01/01 - 30/09/2007

Dividend relating to 2006

Transfer to Reserves

Net Profit of the period 01/01-30/09/2007

**Total recognized income and expense of the period**

**Equity Balance at 30th of September 2007**

#### Equity Balance at 1st January 2008

Changes in Equity for the period 01/01 - 30/09/2008

Dividend relating to 2007

Transfer to Reserves

Net Profit of the period 01/01-30/09/2008

**Total recognized income and expense of the period**

**Equity Balance at 30th of September 2008**

Share Capital Attributable To Shareholders					
Share Capital	Other Reserves	Retained Earnings	Total	Minority Interest	Total
<b>16.624.192</b>	<b>26.371.322</b>	<b>68.047.454</b>	<b>111.042.969</b>	<b>11.679.713</b>	<b>122.722.682</b>
0	0	(20.780.240)	(20.780.240)	(212)	(20.780.452)
0	2.031.708	(2.031.708)	0	0	0
0	0	28.799.302	28.799.302	317.171	29.116.473
0	2.031.708	5.987.354	8.019.062	316.959	8.336.021
<b>16.624.192</b>	<b>28.403.031</b>	<b>74.034.808</b>	<b>119.062.031</b>	<b>11.996.672</b>	<b>131.058.703</b>
<b>16.624.192</b>	<b>28.259.031</b>	<b>82.183.354</b>	<b>127.066.577</b>	<b>12.163.647</b>	<b>139.230.224</b>
0	0	(25.975.300)	(25.975.300)	0	(25.975.300)
0	133.196	(133.196)	0	0	0
0	0	30.291.632	30.291.632	1.846.774	32.138.406
0	133.196	4.183.136	4.316.332	1.846.774	6.163.106
<b>16.624.192</b>	<b>28.392.227</b>	<b>86.366.490</b>	<b>131.382.909</b>	<b>14.010.420</b>	<b>145.393.330</b>

*The attached notes consist an undivided part of the Interim Financial Statements*

#### 4. Interim Company Statement of Changes in Equity

Amounts in €

##### Equity Balance at 1st January 2007

Changes in Equity for the period 01/01 - 30/09/2007

Transfer to Reserves

Dividend relating to 2006

Net Profit of the period 01/01-30/09/2007

**Total recognized income and expense of the period**

**Equity Balance at 30th of September 2007**

##### Equity Balance at 1st January 2008

Changes in Equity for the period 01/01 - 30/09/2008

Dividend relating to 2007

Net Profit of the period 01/01-30/09/2008

**Total recognized income and expense of the period**

**Equity Balance at 30th of September 2008**

Share Capital Attributable To Shareholders			
Share Capital	Other Reserves	Retained Earnings	Total
<b>16.624.192</b>	<b>21.774.224</b>	<b>74.160.665</b>	<b>112.559.081</b>
0	1.881.771	(1.881.771)	0
0	0	(20.780.240)	(20.780.240)
0	0	33.413.317	33.413.317
0	1.881.771	10.751.306	12.633.077
<b>16.624.192</b>	<b>23.655.994</b>	<b>84.911.971</b>	<b>125.192.158</b>
<b>16.624.192</b>	<b>23.655.994</b>	<b>92.921.790</b>	<b>133.201.976</b>
0	0	(25.975.300)	(25.975.300)
0	0	32.496.111	32.496.111
0	0	6.520.811	6.520.811
<b>16.624.192</b>	<b>23.655.994</b>	<b>99.442.601</b>	<b>139.722.788</b>

*The attached notes consist an undivided part of the Interim Financial Statements*

## 5. Interim Cash Flow Statement

Amounts in €

Note	THE GROUP		THE COMPANY	
	9 months until 30 September 2008	9 months until 30 September 2007	9 months until 30 September 2008	9 months until 30 September 2007
<b>Operating Activities</b>				
<b>Profit after Tax</b>	<b>44.695.599</b>	<b>39.362.655</b>	<b>43.587.344</b>	<b>42.942.005</b>
Plus (Less) Adjustments:	(i) 6.804.706	6.925.161	3.907.044	(1.272.417)
	<b>51.500.305</b>	<b>46.287.816</b>	<b>47.494.388</b>	<b>41.669.588</b>
<b>Working Capital changes</b>				
Increase / (Decrease) in Inventories	8.306.410	1.302.365	8.944.819	312.936
Increase / (Decrease) in Trade and other Receivables	12.890.886	(55.688.406)	22.489.765	(56.969.666)
Increase / (Decrease) in other current assets	196.644	(4.597.874)	185.176	179.402
Increase / (Decrease) in Trade and other Payables	(28.361.381)	41.111.715	(38.211.869)	34.617.644
	<b>(6.967.441)</b>	<b>(17.872.200)</b>	<b>(6.592.109)</b>	<b>(21.859.684)</b>
<b>Cash flow from Operating Activities</b>	<b>44.532.864</b>	<b>28.415.616</b>	<b>40.902.279</b>	<b>19.809.904</b>
<b>Cash flow from Operating Activities</b>				
Cash flow from operating activities	(2.384.821)	(660.178)	(1.816.180)	(443.869)
Less: Debit interest and similar expenses Paid	(16.507.736)	(4.160.806)	(15.488.597)	(2.309.634)
Less: Income Taxes Paid				
<b>Net cash flow from Operating Activities</b>	<b>25.640.308</b>	<b>23.594.631</b>	<b>23.597.503</b>	<b>17.056.401</b>
<b>Investing Activities</b>				
Purchases of tangible assets	(1.149.522)	(1.977.090)	(450.099)	(554.439)
Purchases of intangible assets	(38.048)	(1.863)	0	0
Disposals from sale of tangible assets	62.050	579.770	37.050	576.270
Proceeds from dividends	0	27.563	130.000	6.187.955
Borrowings to affiliated companies	0	0	(41.853)	0
Acquisition of subsidiaries (less the cash & cash equivalent of the Subsidiary)	0	(7.949.604)	(1.000)	(8.000.000)
Sales of financial assets at fair value through profit and loss	1.045.392	0	0	0
Interest received	406.082	145.410	227.693	35.195
<b>Net cash flow from Investing Activities</b>	<b>325.954</b>	<b>(9.175.814)</b>	<b>(98.209)</b>	<b>(1.755.020)</b>
<b>Financing Activities</b>				
Dividends Paid	(25.970.403)	(20.826.580)	(25.970.403)	(20.826.580)
Proceeds from Borrowings	172.685.956	178.428.848	165.200.993	168.942.730
Borrowings Paid	(178.466.323)	(172.101.471)	(172.453.969)	(163.873.015)
Payments of finance lease liabilities (capital)	(106.500)	(53.218)	0	(2.592)
<b>Net cash flow from Financing Activities</b>	<b>(31.857.271)</b>	<b>(14.552.421)</b>	<b>(33.223.379)</b>	<b>(15.759.457)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>(5.891.010)</b>	<b>(133.604)</b>	<b>(9.724.086)</b>	<b>(458.077)</b>
Cash and cash equivalents at the beginning of the period	27.260.322	4.958.940	22.808.616	1.298.030
Foreign currency differences in cash and cash equivalents	1.403	131.024	1.403	131.024
<b>Cash and cash equivalents at the end of the period</b>	<b>21.370.715</b>	<b>4.956.361</b>	<b>13.085.933</b>	<b>970.977</b>

*The attached notes consist an undivided part of the Interim Financial Statements*

- **Note (i) of the Cash flow Statement**

The adjustments to Profit after Tax are described as follows:

Amounts in €	THE GROUP		THE COMPANY	
	9 months until 30 September 2008	9 months until 30 September 2007	9 months until 30 September 2008	9 months until 30 September 2007
<b><i>Adjustments to Profit after Tax for:</i></b>				
Depreciation of tangible assets	3.903.374	3.649.808	2.739.884	2.920.608
Depreciation of intangible assets	12.997	7.534	0	0
Provisions	2.090.520	3.049.286	443.112	1.699.674
Income from reverse of provisions	(681.898)	(608.867)	(188.375)	(433.400)
Profit / Loss from the Disposal of tangible assets	80.493	(40.101)	31.330	(36.602)
Losses from the fair value recognition of financial assets through profit and loss	4.798	9.121	0	0
Credit interest and similar income	(406.082)	(145.410)	(227.693)	(35.195)
Debit interest and similar expenses	2.384.821	660.178	1.816.180	443.869
Proceeds from dividends	0	(7.775)	(130.000)	(6.185.163)
Amortization of Grants	(13.081)	(26.259)	(6.158)	(23.854)
Unrealised foreign currency gains / (losses)	(571.236)	377.646	(571.236)	377.646
<b>Total Adjustments to Profit after Tax</b>	<b>6.804.706</b>	<b>6.925.161</b>	<b>3.907.044</b>	<b>(1.272.417)</b>

## 6. Additional information and explanations of the Interim Financial Statements

### ***a) Basis of preparation and accounting policies***

The consolidated financial statements of METKA A.E. for the nine month period from the 1<sup>st</sup> of January to the 30<sup>th</sup> of September of 2008 have been prepared based on the principals of the historic cost, adjusted for certain assets and liabilities to fair value and going concern. They are in accordance with the International Financial Reporting Standards (I.F.R.S.) and more specifically with International Accounting Standard (I.A.S.) 34 "Interim financial statements".

The interim consolidated financial statements of METKA A.E. for the nine month period of 2008, do not include all the information that are necessary during the annual financial statements, therefore the use of the annual financial statements of 2007 is appropriate.

The accounting principles that had been used in the preparation of the annual financial statements of 2007 have not been changed during the three month period of 2008.



The preparation of the financial statements according to I.F.R.S. requires the use of estimates and assertions. Major assumptions made by the management in order to apply certain accounting policies have been highlighted where appropriate.

The estimations and the assertions in which the management proceeds are always valued and come from the experience and other factors, included future expectations under reasonable circumstances.

## **b) New accounting principles and interpretations of IFRIC**

Up to the date of the approval of the financial statements certain new Standards, Interpretations and Revised Standards have been published that are mandatory for accounting periods beginning on or after January 1, 2008. The Group's management estimate in relation to the effects of the adoption of the new standards and interpretations is as follows:

### **-IAS 1, Presentation of Financial Statements – Revised.**

The standard was revised to require statement of changes in equity to include only transactions with shareholders. A new statement of comprehensive income is introduced and dividends to equity holders are shown only in the statement of changes of equity or notes to the financial statements. The Group is in the process of assessing the impact this revised standard will have on its financial statements. The revised IAS 1 becomes effective for financial years beginning on or after January 2009.

### **-IFRS 2 'Share based payment: "vesting conditions and cancellations" – Amendment**

The amendment clarifies two issues: The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group expects that this Interpretation will have no impact on its financial statements. The amended IFRS 2 becomes effective for financial years beginning on or after January 2009.

### **-IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements' – Revised**

As regards IFRS 3, this will apply to business combinations occurring in those periods and its scope has been revised to include combinations of mutual entities and combinations without consideration (dual listed shares). IFRS 3 and IAS 27, inter alia, require greater use of fair value through the income statement and cement the economic entity concept of the reporting entity. Furthermore, these standards also introduce the following requirements (i) to remeasure interests to fair value when control is obtained or lost, (ii) recognising directly in equity the impact of all transactions between controlling and non-controlling shareholders where loss of control is not lost and, (iii) focuses on what is given to the vendor as consideration rather than what is spent to achieve the acquisition. More specifically, items such as acquisition-related costs, changes in the value of the contingent consideration, share-based payments and the settlement of pre-existing contracts will generally be accounted for separately from the business combination and will often affect the income statement. The revisions to the Standards have not yet been endorsed by the EU. The revised IFRS 3 and IAS 7 become effective for financial years beginning on or after January 2009.

### **-IFRS 8. Operating Sectors**

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from the 1st January 2009 and is expected to be adopted by the Group.

### **-IFRS 23. (amendment) Borrowing Cost**

In the revised standard, the previous benchmark treatment of recognising borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of the asset. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning on or after 1st January 2009.

### **-IAS 32 and IAS 1 Puttable Financial Instruments - Amendment**

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to have an impact on its financial statements. The amendment to IAS 32 becomes effective for financial years beginning on or after January 2009.

### **IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged items - (amendment July 2008)**

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. An entity can designate the changes in fair value or cash flows related to a one-sided risk as the hedged item in an effective hedge relationship. The Group does not expect this amendment to have an impact on its financial statements. The amendment to IAS 39 becomes effective for annual periods beginning on or after 1st July 2009.

### **IAS 39 & IFRS 7 Financial Instruments: Recognition and Measurement & Disclosures: Reclassification of Financial Assets - (amendment October 2008)**

The amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. It also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The Group does not expect this amendment to have an impact on its financial statements. The amendment to IAS 39 becomes effective for annual periods beginning on or after 1st July 2008.

### **-IFRIC 11, IFRS 2, Group and Treasury Share Transactions**

IFRIC 11 is effective for annual periods beginning on or after 1 March 2007. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity. This Interpretation has not yet been endorsed by the EU.

### **-IFRIC 12 Service Concession Agreements**

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from the 1st January 2008 and is not expected to affect the Group's financial statements.

## **-IFRIC 13 Customer Loyalty Programmes**

The International Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue Recognition. IFRIC 13 "Customer Loyalty Programmes" clarifies that where entities grant award credits (e.g. loyalty points or reward miles) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are treated as a separate component of the sales transaction and an amount of the consideration received or receivable needs to be allocated to the award credits. The timing of the recognition of this element of revenue is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. IFRIC 13 needs to be applied for annual periods beginning on or after 1st January 2008.

## **-IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

IFRIC 14 is effective for annual periods beginning on or after 1 January 2008. This Interpretation has not yet been endorsed by the EU.

## **-IFRIC 15 Agreements for the Construction of Real Estate**

IFRIC 15 is effective for annual periods beginning on or after 1 January 2009 and must be applied retrospectively. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized. The Group is in the process of assessing the impact of this interpretation on its financial statements. This Interpretation has not yet been endorsed by the EU.

## **-IFRIC 16 Hedges of a Net Investment in a Foreign Operation**

IFRIC 16 clarifies three main issues:

Whether risk arises from (a) the foreign currency exposure to the functional currencies of the foreign operation and the parent entity, or from (b) the foreign currency exposure to the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements.

IFRIC 16 concludes that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only

the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

Which entity within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation and in particular whether the parent entity holding the net investment in a foreign operation must also hold the hedging instrument.

IFRIC 16 concludes that the hedging instrument(s) may be held by any entity or entities within the group.

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 when the entity disposes of the investment.

IFRIC 16 concludes that while IAS 39 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 must be applied in respect of the hedged item.

IFRIC 16 is effective for annual periods beginning on or after 1 October 2008. An entity may choose to apply IFRIC 16 retrospectively or prospectively. Earlier application is permitted.

## 7. Group's structure and consolidation method

Group companies that are included in the consolidated financial statements with the method of full consolidation are:

Επωνυμία	Έδρα	% Συμ/χής	Είδος Συμμετοχής	Σχέση που υπαγόρευσε την ενοποίηση
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99.98	Direct	The participation percentage
ELEMKA S.A.	N.IRAKLION, ATTIKIS	83.50	Direct	The participation percentage
EKME S.A.	THESSALONIKI	40.00	Direct	Control over the entity
RODAX ATEE	N.IRAKLION, ATTIKIS	100.00	Direct	The participation percentage
DROSCO HOLDINGS LIMITED	NIKOSIA CYPRUS	83.50	Indirect	The participation percentage
BRIDGE ACCESSORIES & CONSTRUCTION	MAROUSI	62.625	Indirect	The participation

SYSTEMS TKT S.A.	ATTIKIS			percentage
E.T.A.D.E. S.A.	N.IRAKLION, ATTIKIS	100.00	Direct	The participation percentage
METKA BRAZI SRL	BUCHAREST, ROMANIA	100.00	Direct	The participation percentage

Into the consolidated financial statement as of 30/09/2008 is presented the 100% subsidiary company METKA BRAZI SRL , which was established by METKA on 12/6/2008 and its headquarters are placed in Bucharest, Romania and has been incorporated for first time to the interim financial statements as of 30/06/2008.

The financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 54.21% of METKA Group.

## 8. Reporting according to Geographical segments

The Group of METKA is active in the sector of complicated electromechanical constructions. Every contract that is executed has its own characteristics according to the customer's need (custom made products). During the previous financial statements there was no segment reporting since the Group is not active in different business segments and there are no differing risks and returns.

During the nine months of 2008, the sales of the company to other countries (project in Pakistan) consists the 8.37% of the total sales turnover of all the construction projects of the Group. Therefore the Group's Geographical segments have been modified to Greece, Eurozone and Other Countries. The results of the above segments for the periods ended 30 September of 2008 and 30 September of 2007 have as follows:

Period 01/01-30/09	Greece		Eurozone		Other Countries		Group Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Sales Turnover	272.480.954	146.965.716	776.126	4.908.790	25.885.228	64.881.769	299.142.308	216.756.275
Total Assets	313.964.597	291.378.591	1.293.496	1.804.588	8.806.316	8.176.040	324.064.410	301.359.219
Purchase of Assets	1.198.397	1.992.372	0	0	0	0	1.198.397	1.992.372

## 9. Accounting Principles

The basic accounting principles applied in the consolidated Balance Sheet of 31/12/2007 have not been altered.

The company, in accordance with guidance No 34/24.01.2008 of the Hellenic Capital Market Commission the "Profit before taxes, borrowings and investments results" and "Profit before taxes, borrowings, investments and depreciation results" have been revaluated for the 3<sup>rd</sup> Quarter of 2007. The amounts that were first published for the period 01.01-30.09.2007, were € 40.637 thousand and 44.268 thousand for the Group and € 37.875 thousand and 40.772 thousand for the company respectively, while the amounts for the period 01.07-30.09.2007, were € 9.038 thousand and 10.257 thousand for the Group and € 8.564 thousand και 9.509 thousand for the company respectively.

This revaluation, results from the modification of the revenues from the sale of fixed assets that has not been calculated. This revaluation had no impact on the turnover, the profit before income tax and the equity for the mentioned period.

## 10. Pledges on Group's Assets

There are no pledges on Group's assets.

## 11. Commitments

Group's commitments are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	30/9/2008	31/12/2007	30/9/2008	31/12/2007
<b>Commitments from construction contracts</b>				
Value of unexecuted construction contracts	581.613.064	621.737.322	536.808.721	581.409.105
Granted guarantees of good performance	180.112.229	162.752.992	173.689.519	161.030.953

### Commitments from Financing Leases

Amounts in €	THE GROUP		THE COMPANY	
	30/9/2008	31/12/2007	30/9/2008	31/12/2007
Until 1 year	89.178	60.333	0	0
From 1-5 years	42.125	20.779	0	0
	<b>131.304</b>	<b>81.112</b>	<b>0</b>	<b>0</b>

## 12. Litigation

There are no substantial disputes in courts or in arbitration procedure that can effect the operation and the financial results of the Company and the Group of Companies.

The provision for any kind of litigation, as of 30/09/2008 concerning the group amounts to € 1,378 th. and for the company to € 23.5 th. In addition, for the group of companies an amount of € 4,007 th. has been used as other provisions (as of 30/9/02008) and an amount of €2,170 th. for the company (as of 30/9/08).

## 13. Tax unaudited fiscal years

The company has been tax audited until the fiscal year 2004. According to the 163/2008 order of the Tax audit authorities, the company is being audited for the fiscal years 2005-2007 and up to the date of conclusion of the interim financial statements, the audit has not been completed.

The non audited fiscal years for the Group, are presented as follows:

- |   |                               |
|---|-------------------------------|
| - SERVISTEEL S.A.                           | : 2003-2007                   |
| - RODAX A.T.E.E.                            | : 2007                        |
| - E.K.M.E. S.A.                             | : 2005-2007                   |
| - ELEMKA S.A.                               | : 2007                        |
| - DROSCO HOLDINGS LIMITED                   | : 2003-2007                   |
| - BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS | : 2007                        |
| - E.T.A.D.E. SA                             | : 2004-2007                   |
| - METKA BRAZI S.R.L.                        | : 1 <sup>st</sup> fiscal year |

On 8<sup>th</sup> of February 2008 the Greek tax authorities have completed the audit for the fiscal years 2005 – 2006 of the subsidiary RODAX A.T.E.E. The tax liability amounts to 101,805 € for which the company has created an adequate provision in the past.

On 3<sup>rd</sup> of March 2008 the Greek tax authorities have completed the audit for the fiscal years 2005-2006 of the subsidiary ELEMKA S.A.. The tax liability amounts to 153,290€, for which the company has created an adequate provision in the past.

The tax provision balance for fiscal years, unaudited by tax authorities as of 30.09.2008, amounts to € 839 thousand for the Group and € 563 thousand for the Company.



## 14. Contingent Liabilities and Contingent Assets

### Contingent Liabilities

There are no substantial disputes in courts or in arbitration procedure that can influence the operation and the financial results of the Company and the Group.

### Contingent Assets

There are claims amounting to € 1.4 mio which are relating to damages incurred at the construction process and are in the stage of acceptance by the insurance companies. In addition the Group has submitted claims to its construction customers, amounting to € 1.5 mio for extra works executed.

## 15. Number of employees & employees benefits

The number of employees at the end of the reporting period for the Group and for the parent company are presented at the table below:

	THE GROUP		THE COMPANY	
	30/9/2008	30/9/2007	30/9/2008	30/9/2007
Monthly Wage employees	327	299	193	206
Daily Wage employees	223	261	76	85
<b>Total</b>	<b>550</b>	<b>560</b>	<b>269</b>	<b>291</b>

The employee benefits at the end of the reporting period for the Group and for the parent company are presented at the table below:

	THE GROUP		THE COMPANY	
	30/9/2008	30/9/2007	30/9/2008	30/9/2007
Amounts in €				
Employee wages	11.128.932	9.902.366	5.661.055	5.684.746
Social Security Expenses	2.903.482	2.631.126	1.383.075	1.401.970
Retirement Penefits	354.521	477.235	233.604	312.909
Pension benefits	83.860	126.111	51.018	45.506
Other benefits	279.397	223.396	168.937	109.010
<b>Total</b>	<b>14.750.191</b>	<b>13.360.235</b>	<b>7.497.689</b>	<b>7.554.142</b>
Amount that was used to the Income statement	14.712.309	13.146.346	7.482.983	7.473.173
Amount that was used for the under costruction tangible assets	37.882	213.889	14.707	80.969
<b>Total</b>	<b>14.750.191</b>	<b>13.360.235</b>	<b>7.497.689</b>	<b>7.554.142</b>

## 16. Related party transactions

	THE GROUP		THE COMPANY	
	30/9/2008	30/9/2007	30/9/2008	30/9/2007
<b>Income from execution of projects and other income</b>				
Subsidiaries	0	0	10.299	50.803
Other Parent company's subsidiaries	104.765.501	44.462.262	103.043.766	44.463.677
<b>Total</b>	<b>104.765.501</b>	<b>44.462.262</b>	<b>103.054.065</b>	<b>44.514.480</b>
<b>Other income</b>				
Parent company	97	0	0	0
Subsidiaries	0	0	3.600	0
Other Parent company's subsidiaries	0	3.395	0	3.395
<b>Total</b>	<b>97</b>	<b>3.395</b>	<b>3.600</b>	<b>3.395</b>
<b>Other income</b>				
Subsidiaries	0	0	130.000	6.183.568
Other Parent company's subsidiaries	0	6.180	0	0
<b>Total</b>	<b>0</b>	<b>6.180</b>	<b>130.000</b>	<b>6.183.568</b>
<b>Purchases and compensations from the supply of services</b>				
Parent company	4.705.993	2.628.327	4.669.635	2.594.535
Subsidiaries	0	0	6.694.490	20.928.147
Other Parent company's subsidiaries	233.517	260.785	188.970	257.925
Directors and key management of the Company	2.935.090	2.508.894	2.181.922	2.058.532
<b>Total</b>	<b>7.874.600</b>	<b>5.398.006</b>	<b>13.735.018</b>	<b>25.839.140</b>
<b>Purchases of assets</b>				
Parent company	0	8.000.000	0	8.000.000
<b>Total</b>	<b>0</b>	<b>8.000.000</b>	<b>0</b>	<b>8.000.000</b>
<b>Demands from customers and project under progress</b>				
Parent company	115	0	1.843	0
Subsidiaries	0	0	182.825	47.254
Other Parent company's subsidiaries	19.751.256	41.940.703	15.483.049	41.635.855
<b>Total</b>	<b>19.751.372</b>	<b>41.940.703</b>	<b>15.667.717</b>	<b>41.683.109</b>
<b>Other Demands</b>				
Parent company	4.109	0	0	0
Other Parent company's subsidiaries	0	0	6.206	6.363
Other Parent company's subsidiaries	0	1.396	0	1.387
<b>Total</b>	<b>4.109</b>	<b>1.396</b>	<b>6.206</b>	<b>7.750</b>
<b>Obligation to suppliers and other liabilities</b>				
Parent company	10.307.051	4.765.542	10.188.097	4.637.965
Subsidiaries	0	0	7.121.156	12.231.240
Other Parent company's subsidiaries	21.460	46.385	39	46.385
Directors and key management of the Company	163.781	16.620	160.688	4.328
<b>Total</b>	<b>10.492.292</b>	<b>4.828.547</b>	<b>17.469.980</b>	<b>16.919.918</b>
<b>Obligation to customers and project under progress</b>				
Other Parent company's subsidiaries	30.356.707	82.515.015	29.378.728	82.515.015
<b>Total</b>	<b>30.356.707</b>	<b>82.515.015</b>	<b>29.378.728</b>	<b>82.515.015</b>

Transactions with these companies are carried out on an arm's length basis. The Group was not a party to any transaction of an unusual nature or structure that was material to it or to companies or persons closely associated with it, nor does it intend to be party to such transactions in the future. None of the transactions incorporate special terms and conditions

## 17. Benefits of Board of Directors

Benefits to management are described as follows:

	THE GROUP		THE COMPANY	
	30/09/08	30/09/07	30/09/08	30/09/07
<i>Amounts in €</i>				
Salaries & other short-term employment compensations	2.935.090	2.508.894	2.181.922	2.058.532
<b>Total</b>	<b>2.935.090</b>	<b>2.508.894</b>	<b>2.181.922</b>	<b>2.058.532</b>

### Compensations to directors and key management of the Company (and their families)

	THE GROUP		THE COMPANY	
	30/9/2008	30/9/2007	30/9/2008	30/9/2007
<i>Amounts in €</i>				
<b><i>Short-term employee benefits</i></b>				
- Salaries	115.963	75.022	65.281	62.746
- Social security costs	17.194	8.085	6.843	5.185
- Variable bonus	60.000	0	60.000	0
- Remuneration in kind and other payments	2.740.266	2.424.498	2.048.490	1.989.554
<b><i>Post-employment benefits, relating to</i></b>				
- Defined contribution pension schemes	1.668	1.289	1.307	1.047
<b>Total</b>	<b>2.935.090</b>	<b>2.508.894</b>	<b>2.181.922</b>	<b>2.058.532</b>

No loans have been granted to the Directors and Managers of the METKA Group (and their families).

## 18. Earnings per Share

Earnings per Share have been calculated on the basis of net profits distribution over the number of shares. The earnings per share (in Euro / share) for the company and the group are as follows:

Amounts in €

	THE GROUP				THE COMPANY			
	01/01 - 30/09/2008	01/01 - 30/09/2007	01/07- 30/09/2008	01/07- 30/09/2007	01/01 - 30/09/2008	01/01 - 30/09/2007	01/07- 30/09/2008	01/07- 30/09/2007
Profit before income tax	44.695.599	39.362.655	10.372.044	8.500.260	43.587.344	42.942.005	12.450.864	8.191.603
Income Tax Expense	(12.557.193)	(10.246.182)	(3.388.586)	(2.160.912)	(11.091.233)	(9.528.688)	(3.203.298)	(2.117.607)
<b>Profit after income tax (1)</b>	<b>32.138.406</b>	<b>29.116.473</b>	<b>6.983.458</b>	<b>6.339.348</b>	<b>32.496.111</b>	<b>33.413.317</b>	<b>9.247.566</b>	<b>6.073.996</b>
<b>Attributable to:</b>								
<b>Equity holders of the parent (2)</b>	30.291.632	28.799.302	7.260.607	6.320.187				
Minority Interests	1.846.774	317.171	(277.149)	19.161				
	<b>32.138.406</b>	<b>29.116.473</b>	<b>6.983.458</b>	<b>6.339.348</b>				
<b>Weighted average number of shares (3)</b>	<b>51.950.600</b>	<b>51.950.600</b>	<b>51.950.600</b>	<b>51.950.600</b>				
<b>Basic earnings per Share (in Euro /share)</b>	0,5831	0,5544	0,1398	0,1217	0,6255	0,6432	0,1780	0,1169

## 19. Dividend Distribution

The dividend distribution to the equity holders of the parent company is recognized as a liability in the consolidated statements at the date that is decided by the General Shareholders Assembly.

The General Shareholders Assembly of 15/05/08 approved the Financial Statements of year 2007 and also approved the distribution of dividend equal to € 25.975.330 that corresponds to € 0,50 per share.

## 20. Subsequent events

Following an international tender, in which participants were the SIEMENS/ASTE and ANSALDO/METKA Consortia with METKA as a Consortium Leader, the ANSALDO/METKA Consortium was appointed lowest bidder and received a contract award letter on 07.09.08 by Syrian Arab Republic Ministry of Electricity, Public Establishment of Electricity for Generation and Transmission (PEEGT)

The Key project characteristics are the design, supply, construction and commissioning of a natural gas fired power plant with a minimum power output of 700MW. The estimated contract price amounts to €650 mio and the launch of the commercial operation shall be 36 months from the signature of the contract and the opening of the irrevocable Letter of Credit.

The negotiations for the signature of the contract are in progress, until the approval date of the financial statements.

Apart from the above mentioned events, there are no other significant subsequent events which should be announced for the purposes of IFRS.

Neo Iraklio, 3<sup>rd</sup> November 2008

THE PRESIDENT OF THE BOARD	THE MANAGING DIRECTOR	THE FINANCIAL DIRECTOR	THE CHIEF ACCOUNTANT
IOANNIS MYTILINEOS I.D.No: AE044243/2007	GEORGIOS PALLAS I.D.No: 565448/1983	GEORGIOS MAMMAS I.D.No: M164917/1982	SPYRIDON PETRATOS I.D.No: AB263393/2006