Interim Condensed Financial Statements

For the Period from 1st of January to 30th of September

SIDENOR STEEL PRODUCTS

MANUFACTURING COMPANY S.A.

2-4 Mesogeion Ave.

115 27 ATHENS

GREECE

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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A. Interim Financial Information

Balance Sheet

		GROUP		COMPANY	
Amounts in Euro	**Notes**	**30/9/2008**	**31/12/2007**	**30/9/2007**	**31/12/2007**
ASSETS					
Non-current assets					
Land & Buildings		261.095.992	253.021.021	60.131.801	60.764.437
Machinery		465.448.764	429.636.500	83.073.934	88.311.182
Other tangible assets		69.238.060	101.990.441	8.119.601	3.018.345
Intangible assets		504.897	600.940	122.707	167.935
Investment in associates	6	33.549.084	29.625.176	9.082.992	9.070.812
Investments in subsidiaries	7	-	-	204.033.985	195.269.484
Available for sale financial assets		1.540.954	1.540.954	1.372.340	1.372.340
Deferred tax assets		2.885.154	1.277.027	-	-
Derivative financial instruments	8	762.938	1.122.708	352.643	585.828
Other receivables		4.904.966	4.288.946	1.647.549	1.452.683
		839.930.809	**823.103.713**	**367.937.552**	**360.013.046**
Current Assets					
Inventories		537.049.838	390.462.204	123.201.870	86.365.928
Trade and other receivables		417.131.335	287.952.713	325.062.892	208.721.277
Non-current assets held for sale		3.918.560	3.918.560	-	-
Derivative financial instruments	8	3.169.175	1.549.428	-	-
Financial assets at fair value through profit or loss		57.337	106.737	-	-
Cash and cash equivalents		19.874.001	37.201.099	2.032.185	5.068.688
		981.200.246	**721.190.741**	**450.296.947**	**300.155.893**
Total assets		**1.821.131.055**	**1.544.294.454**	**818.234.499**	**660.168.940**
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 adjustements		-1.249.045	-1.047.831	-	-
Other reserves		97.750.722	100.924.409	56.598.022	55.394.586
Retained earnings		395.762.606	315.209.094	149.212.686	78.259.259
Total		651.724.240	574.545.630	365.270.666	293.113.803
Minority interest		**121.236.450**	**146.839.959**	**-**	**-**
Total equity		**772.960.690**	**721.385.589**	**365.270.666**	**293.113.803**
LIABILITIES					
Non-current liabilities					
Borrowings	9	318.982.655	327.100.072	125.000.000	188.000.000
Derivative financial instruments	8	95.245	264.002	-	-
Deferred tax liabilities		61.702.350	65.049.875	21.938.804	23.261.546
Retirement benefit obligations		5.151.223	4.936.711	1.594.663	1.486.873
Government grants		13.229.742	13.972.672	322.556	382.284
Provisions for other liabilities and charges		4.537.988	6.544.798	194.258	194.258
Other non-current liabilities		12.401	108.631	-	-
		403.711.603	**417.976.761**	**149.050.281**	**213.324.961**
Current liabilities					
Trade and other payables		228.248.431	186.160.599	160.672.788	73.994.407
Current tax liabilities		48.314.791	16.153.048	32.925.402	6.864.741
Borrowings	9	352.825.987	199.134.085	110.092.550	72.648.215
Finance lease liabilities	10	640	16.363	-	-
Derivative financial instruments	8	12.291.936	1.298.685	-	-
Retirement benefit obligations		391.661	1.160.365	222.813	222.813
Provisions for other liabilities and charges		2.385.316	1.008.960	-	-
		644.458.761	**404.932.105**	**303.913.553**	**153.730.176**
Total liabilities		**1.048.170.365**	**822.908.865**	**452.963.834**	**367.055.137**
Total equity and liabilities		**1.821.131.055**	**1.544.294.454**	**818.234.499**	**660.168.940**

The notes on pages 6 to 33 form an integral part of these interim condensed financial statements.

Income Statement

		GROUP				COMPANY			
Amounts in €	Notes	9 months to 30/9/2008	9 months to 30/9/2007	3 months from 1/7 to 30/09/2008	3 months from 1/7 to 30/09/2007	9 months to 30/9/2008	9 months to 30/9/2007	3 months from 1/7 to 30/09/2008	3 months from 1/7 to 30/09/2007
Sales	5	**1.312.770.790**	**1.077.964.875**	**454.830.372**	**345.061.040**	**353.911.507**	**310.219.382**	**109.889.233**	**93.698.724**
Cost of sales		-1.039.747.313	-837.758.047	-385.663.572	-280.737.584	-289.957.022	-252.001.907	-95.086.689	-80.071.263
Gross profit		**273.023.477**	**240.206.828**	**69.166.800**	**64.323.456**	**63.954.485**	**58.217.475**	**14.802.543**	**13.627.462**
Selling expenses		-87.382.122	-81.395.069	-30.371.067	-29.007.817	-21.256.769	-17.604.080	-7.697.171	-5.341.415
Administrative expenses		-27.144.416	-28.752.487	-11.242.932	-10.915.250	-11.261.508	-10.586.242	-4.081.299	-3.911.735
Other operating Income		17.471.121	23.882.954	4.527.369	11.316.356	14.031.553	12.300.750	4.394.554	4.166.553
Other operating Expenses		-10.617.660	-7.395.156	-3.232.855	-3.883.565	-12.257.239	-9.765.405	-3.406.207	-3.284.413
Operating results		**165.350.400**	**146.547.070**	**28.847.315**	**31.833.180**	**33.210.521**	**32.562.498**	**4.012.422**	**5.256.452**
Income from Financial Activities		1.622.251	1.038.319	578.812	489.734	31.415	36.319	7.281	7.560
Finance Expenses		-29.690.225	-21.951.192	-11.964.964	-7.865.793	-11.203.626	-8.732.476	-3.750.395	-3.289.533
Dividend income		85.932	96.175	-	-	103.986.250	7.973.408	-	-
Profit / (Loss) from investments		-35.869	1.485.011	49	1.503.560	98	-1.431.283	-	17.522
Share of profit/(loss) of associates	6	5.138.367	1.242.968	1.065.270	183.219	-	-	-	-
Profit before taxes		**142.470.856**	**128.458.351**	**18.526.482**	**26.143.900**	**126.024.659**	**30.408.466**	**269.307**	**1.992.001**
Income tax expense		-34.807.739	-22.847.258	-902.671	-4.485.419	-29.660.535	-7.185.581	-210.933	-1.048.516
Profit for the year		**107.663.117**	**105.611.093**	**17.623.811**	**21.658.481**	**96.364.124**	**23.222.885**	**58.374**	**943.485**
Attributable to :									
Equity holders of the company		96.304.284	87.403.525	18.494.986	18.405.267	96.364.124	23.222.885	58.374	943.485
Minority interest		11.358.834	18.207.568	-871.174	3.253.214	-	-	-	-
		107.663.117	**105.611.093**	**17.623.811**	**21.658.481**	**96.364.124**	**23.222.885**	**58.374**	**943.485**
Earnings per share attributable to the equity holders of the Company during the year (expressed in Euro per share)		96.304.284	87.403.525	18.494.986	18.405.267				
Basic	16	1,0018	0,9104	0,1924	0,1917	1,0024	0,2419	0,0006	0,0098
Dilluted	16	1,0000	0,9076	0,1921	0,1911	1,0007	0,2411	0,0006	0,0098
Depriciation of the current period		42.307.848	38.865.453	28.845.139	12.484.444	8.434.265	7.907.290	5.541.178	2.291.684

The notes on pages 6 to 33 form an integral part of these interim condensed financial statements.

Statement of changes in shareholders' equity

GROUP — Attributable to equity holders of the company

Amounts in €

	Share Capital	Other Reserves	Retained Earnings	Total	Minority interest	Total equity
GROUP						
Balance at 1st of January 2007	**159.024.522**	**91.148.997**	**239.253.058**	**489.426.577**	**128.204.673**	**617.631.250**
Currency translation	-	-530.106	-	-530.106	-45.147	-575.253
Cash flow hedge, net of tax	-	-208.108	-	-208.108	-61.298	-269.406
Net Profit for the period	-	-	87.403.525	87.403.525	18.207.568	105.611.093
Total recognised income for the period	-	-738.214	87.403.525	86.665.310	18.101.124	104.766.434
Income from shares issue	-	-	-	-	24.140	24.140
Increase in % equity interest in subsidiaries	-	-372.623	10.448.196	10.075.573	2.155.693	12.231.266
Transfer of reserves	-	11.581.828	-11.581.828	-	-	-
Dividend	-	-	-24.001.708	-24.001.708	-3.609.628	-27.611.337
	-	11.209.205	-25.135.341	-13.926.136	-1.429.795	-15.355.931
Balance as of 30 September 2007	**159.024.522**	**101.619.988**	**301.521.242**	**562.165.751**	**144.876.002**	**707.041.753**
Balance as of 30 September 2007	**159.024.522**	**101.619.988**	**301.521.242**	**562.165.751**	**144.876.002**	**707.041.753**
Currency translation	-	-175.893	-	-175.893	-10.830	-186.723
Cash flow hedge, net of tax	-	-1.365.844	-	-1.365.844	-373.153	-1.738.997
Net Profit for the period	-	-	4.234.254	4.234.254	2.000.217	6.234.470
Total recognised income for the period	-	-1.541.737	4.234.254	2.692.517	1.616.233	4.308.750
Share capital issuance	435.436	-	-	435.436	210.020	645.456
Increase in % equity interest in subsidiaries	-	-210.876	9.462.802	9.251.926	1.489.685	10.741.610
Transfer of reserves	-	9.203	-9.203	-	-	-
Dividend	-	-	-	-	-1.351.980	-1.351.980
	435.436	-201.673	9.453.598	9.687.362	347.724	10.035.086
Balance as of 31 December 2007	**159.459.958**	**99.876.578**	**315.209.094**	**574.545.630**	**146.839.959**	**721.385.589**
Balance at 1st of January 2008	**159.459.958**	**99.876.578**	**315.209.094**	**574.545.630**	**146.839.959**	**721.385.589**
Currency translation	-	-201.214	-	-201.214	-59.375	-260.590
Cash flow hedge, net of tax	-	-5.692.687	-	-5.692.687	-1.480.703	-7.173.390
Net Profit for the year	-	-	96.304.284	96.304.284	11.358.834	107.663.118
Total recognised income for the period	-	-5.893.901	96.304.284	90.410.383	9.818.756	100.229.138
Income from shares issue	-	-	-	-	61.356	61.356
Increase in % equity interest in subsidiaries	-	550.995	10.249.605	10.800.601	-29.976.241	-19.175.640
Transfer of reserves	-	1.968.004	-1.968.004	-	-	-
Dividend	-	-	-24.032.373	-24.032.373	-5.507.381	-29.539.754
	-	2.519.000	-15.750.772	-13.231.772	-35.422.265	-48.654.037
Balance as of 30 September 2008	**159.459.958**	**96.501.676**	**395.762.606**	**651.724.240**	**121.236.450**	**772.960.690**
COMPANY						
Balance at 1st of January 2007	**159.024.522**	**54.027.373**	**75.592.050**	**288.643.946**	**-**	**288.643.946**
Cash flow hedge, net of tax	-	74.006	-	74.006	-	74.006
Net Profit for the period	-	-	23.222.885	23.222.885	-	23.222.885
Total recognised income for the period	-	74.006	23.222.885	23.296.891	-	23.296.891
Transfer of reserves	-	1.454.875	-1.454.875	-	-	-
Dividend	-	-	-24.001.708	-24.001.708	-	-24.001.708
	-	1.454.875	-25.456.583	-24.001.708	-	-24.001.708
Balance as of 30 September 2007	**159.024.522**	**55.556.254**	**73.358.352**	**287.939.128**	**-**	**287.939.128**
Balance as of 30 September 2007	**159.024.522**	**55.556.254**	**73.358.352**	**287.939.128**	**-**	**287.939.128**
Cash flow hedge, net of tax	-	-161.668	-	-161.668	-	-161.668
Net Profit for the period	-	-	4.900.906	4.900.906	-	4.900.906
Total recognised income for the period	-	-161.668	4.900.906	4.739.239	-	4.739.239
Issue of Share Capital	435.436	-	-	435.436	-	435.436
	435.436	-	-	435.436	-	435.436
Balance as of 31 December 2007	**159.459.958**	**55.394.586**	**78.259.258**	**293.113.803**	**-**	**293.113.803**
Balance at 1st of January 2008	**159.459.958**	**55.394.586**	**78.259.258**	**293.113.803**	**-**	**293.113.803**
Cash flow hedge, net of tax	-	-174.889	-	-174.889	-	-174.889
Net Profit for the period	-	-	96.364.124	96.364.124	-	96.364.124
Total recognised income for the period	-	-174.889	96.364.124	96.189.235	-	96.189.235
Transfer of reserves	-	1.378.324	-1.378.324	-	-	-
Dividend	-	-	-24.032.373	-24.032.373	-	-24.032.373
	-	1.378.324	-25.410.697	-24.032.373	-	-24.032.373
Balance as of 30 September 2008	**159.459.958**	**56.598.022**	**149.212.686**	**365.270.665**	**-**	**365.270.665**

The notes on pages 6 to 33 form an integral part of these interim condensed financial statements.

Cash Flow Statement

Amounts in €	Notes	GROUP 9 months to 30/9/2008	GROUP 9 months to 30/9/2007	COMPANY 9 months to 30/9/2008	COMPANY 9 months to 30/9/2007
Cash flow from operating activities					
Cash generated from operations	11	-15.945.519	83.312.897	-24.475.558	11.930.052
Interest paid		-28.805.129	-19.804.523	-10.247.147	-7.139.570
Income tax paid		-17.411.242	-24.439.196	-4.864.319	-11.156.569
Net cash flows from operating activities		**-62.161.890**	**39.069.178**	**-39.587.025**	**-6.366.087**
Cash flows from investing activities					
Purchase of property, plant and equipment		-56.176.679	-84.076.685	-8.376.280	-9.340.470
Purchase of intangible assets		-172.518	-864.488	-	-
Sale of property, plant and equipment		1.419.606	1.778.720	13.589	60.008
Sale of investments		-	25.834.708	-	-
Dividends received		607.071	986.835	103.240.176	7.267.056
Purchase of available-for-sale financial assets		-	-5.283	-	-5.283
Sale of financial assets at fair value through profit or loss		-	278.686	-	-
Increase in investments in associates	6	-12.180	-4.329.809	-12.180	-3.126.533
Increase in investments in subsidiaries	7	-19.175.114	-10.000	-30.004.394	-201.180
Return of associates' share capital		-	-	21.239.893	-
Other		4.943	-40.154	-	-
Net cash flows from investing activities		**-73.504.871**	**-60.447.470**	**86.100.804**	**-5.346.402**
Cash flow from financing activities					
Dividends distributed to the shareholders of the parent company		-24.026.033	-23.989.270	-24.026.033	-23.989.270
Proceeds from borrowings	9	612.042.443	250.668.969	135.035.244	112.000.000
Repayment of borrowings		-466.467.958	-194.516.720	-160.590.909	-78.092.257
Repayment of finance lease obligations	10	-15.723	-1.345.548	-	-
Dividends distributed to minority		-5.540.461	-5.041.958	-	-
Proceeds from grants		74.263	-	-	-
Proceeds from Share Capital increase		61.356	24.140	-	-
Other		1.617.308	1.038.319	31.415	36.319
Net cash flows from financing activities		**117.745.195**	**26.837.933**	**-49.550.282**	**9.954.792**
Net (decrease)/increase in cash and cash equivalents		**-17.921.566**	**5.459.640**	**-3.036.503**	**-1.757.697**
Cash and cash equivalents at the beginning of the year		37.201.099	17.616.636	5.068.688	2.807.322
Foreign exchange differences in cash and cash equivalents		594.468	-529.676	-	-
Cash and cash equivalents at the end of the period		**19.874.001**	**22.546.600**	**2.032.185**	**1.049.624**

Athens, 13 of NOVEMBER 2008

The Chaiirman of the BoD	The Managing Director	The Financial Manager
George Kalfarentzos ID No. Φ147183	Sarantos Milios ID No. Π 998326	Konstantinos Natsis License No. 0039960 A' Class

The notes on pages 6 to 33 form an integral part of these interim condensed financial statements.

B. Notes to the Interim Condensed Financial Statements

1. General information

These current financial statements include the separate financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the Company") and consolidated financial statements of the Company and its subsidiaries (together the "Group") for the period 1/1/2008 – 30/09/2008.

The main activities of Group is 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 Greece, 2-4 Mesogheion Ave., Attiki. The Company's website address is www.sidenor.gr.

These financial statements have been approved for issue by the Board of Directors on November 13th, 2008.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements 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 2008

No new standards have been issued that are mandatory for the current financial year end.

Interpretations effective for year ended 31 December 2008

IFRIC 11 - IFRS 2: Group and Treasury share transactions

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 - Service Concession Arrangements

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

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

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

Standards effective after year ended 31 December 2008

IFRS 8 - Operating Segments

This standard is effective for annual periods beginning on or after 1 January 2009 and 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. The Group will apply IFRS 8 from 1 January 2009.

Amendments to IAS 23 – Borrowing Costs

This standard is effective for annual periods beginning on or after 1 January 2009 and replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1 January 2009.

Amendments to IAS 1 'Presentation of Financial Statements'

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements and is effective for annual periods beginning on or after 1 January 2009. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

Amendments to IFRS 2 'Share Based Payment' – Vesting Conditions and Cancellations

The amendment, effective for annual periods beginning on or after 1 January 2009, 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. The Group does not expect that these amendments will have an impact on its financial statements.

Revisions to IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements'

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements is 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 form their effective date.

Amendments to IAS 32 and IAS 1 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. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. Both amendments are effective for annual periods beginning on or after 1 January 2009. The Group does not expect these amendments to impact the financial statements of the Group.

Interpretations effective after year ended 31 December 2008

IFRIC 13 – Customer Loyalty Programmes

This interpretation is effective for annual periods beginning on or after 1 July 2008 and 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 is effective for annual periods beginning on or after 1 January 2009 and 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 is effective for annual periods beginning on or after 1 October 2008 and 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.

2.2 Basis of preparation

The interim condensed financial statements, which have been prepared under the provisions of the I.F.R.S. 34, 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.

These interim condensed financial statements must be taken into account in combination with the audited financial statements of the 31st of December 2007, which are uploaded at the website of the company.

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 recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised 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 recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

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

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

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, this is treated as a transaction between the equity holders of the Group and therefore any difference between the consideration paid and the share of minority interest acquired 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 financial statements are presented in euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(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 recognised 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, except for land, which is shown at cost less impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. 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
- Other Equipment	3 - 8 Years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

2.7 Intangible Assets

(a) Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

(b) Research 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 already been recognized as an expense will not be recognized as intangible assets in a future period. Development costs that have been capitalised, are registered as intangible assets and are amortised from the commencement of their production on a straight line basis over the period of its useful life, not exceeding 5 years.

2.8 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 amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The cost of impairment is recognized as cost at the Profit and Loss Statement during the fiscal year of the impairment.

2.10 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. 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 has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading 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 realised 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.

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

Available for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value, and their relevant profits and losses are registered at the reserves of the equity capital until the assets sold or impaired. Impairment losses being recognized at the profit and loss statement cannot be revised through profit and loss.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, 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. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis.

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 any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.11 Derivative financial instruments and hedging activities

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised 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 recognised 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 recognised when the forecast transaction is ultimately recognised 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 realisable 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 realisable 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 recognised initially at fair value and subsequently measured at amortised 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 recognised in the income statement.

2.14 Cash and equivalents

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

2.15 Share capital

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

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), 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 in equity attributable to the Company's equity holders.

2.16 Borrowings

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

2.17 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 realised or the deferred income tax liability is settled.

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

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.

2.18 Income Tax

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

2.19 Employee benefits

(a) Pension obligations

The employee benefits after their retirement include defined programmes of contributions and programmes of certain benefits.

The working cost of the defined programmes contributions is registered as expense at the period being carried out.

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

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 recognised 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 amortised 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 recognises 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.

2.20 Government Grants

Grants from the government are recognised 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 recognised 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.

2.21 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 Greek 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 .

2.22 Provisions

A provision shall be recognised 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 recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.23 Revenue Recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods — wholesale

Sales of goods are recognised 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 recognised 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 recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income.

(d) Dividends

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

2.24 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 capitalised 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 corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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.

2.25 Dividend distribution

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

2.26 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.

2.27 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 is calculated by dividing the net profit given to the shareholders of the mother company (since first haw been decreased by the interest rate of the conversion ordinary shares, after taxes) with the weighted average number of ordinary shares (adjusted by the influence of the diluted converted shares).

The weighted average number of ordinary shares during the fiscal period and for all the interpreted periods is being adjusted for facts that changed the number of the shares without the corresponding means.

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 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 Market Risk

Market risk is the risk of fluctuations in the prices of raw materials (scrap). which determine in a great scale the final price of the products. Additionally, exchange and interest rates 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.

3.2 Credit Risk

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

3.3 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 characterising 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 defined a credit policy, based on which the creditworthiness of every new customer is assessed on an individual basis, before the usual payment terms are offered. For the creditworthiness assessment the Group examines several banking. Each customer is assigned a credit limit, which is re-examined depending on ongoing conditions and sales and collection terms may be accordingly readjusted, if so requested. As a rule, customer credit limits are determined based on the insurance limits set by insurance companies and their receivables are subsequently insured based on the abovementioned limits.

When monitoring customer credit risk, customers are classified in accordance with their credit profile, the maturity of their receivables and any prior solvency problems they may have displayed. Customers and other receivables mainly concern wholesale customers of the Group. Customers characterized as "high risk" are placed in 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 finalised.

3.4 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 re-examines 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.

3.5 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.

3.6 Liquidity Risk

Liquidity risk is the risk that the Group will be unable to fulfil 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 fulfil 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 fulfilment of its financial obligations. The effect of unforeseeable extreme circumstances is not taken into consideration in this policy.

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 uses forwards and pay his vendors directly.

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 the euro.

The Group's investments in other subsidiaries are not hedged, as these are regarded as long-term currency investments.

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 (about 25% of the loans), either directly or with the use of financial instruments (Swaps interest rates).

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 share buy back plan.

During the fiscal year, there were no changes to the approach adopted by the Group regarding capital management.

3.10 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Accounting estimates and assumptions

Estimates and judgements 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 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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 recognises 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 recognises provisions for impairments to investments taking into account the future gains from those investments.

4.2 Critical judgments in applying the entity’s accounting policies

The Group’s subsidiary, Corinth Pipeworks SA, during the period of 2006, reassessed the potential offset of brought forward tax losses with future taxable profits and recognised a deferred tax asset in relation to part of the brought forward tax losses amounting to €69,305,025, for which it is probable that the company will realise the related economic benefit due to future taxable profits.

Due to I.F.R.S. 2, according to which inventories are estimated at the lower value between their acquisition price and their net realisable value, group made provision for inventory impairment of €41.322 thousands while company of €7.881 thousands. The values of the impairment have been recognized at the profit and loss statement.

5. Segment Information

The Group is divided into two business sectors:

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

The results per segment for the 6-month period ended the 30th of September 2008 are the following

9 months ended 30 September 2008 (amounts in €)	Steel Construction Products	Pipes	Unallocated	Total
Total gross sales per segment	**1.369.608.974**	**257.484.010**	**-**	**1.627.092.984**
Intra-company sales	-285.042.095	-29.280.098	-	**-314.322.194**
Net sales	**1.084.566.879**	**228.203.911**	-	**1.312.770.790**
Operating results	148.621.798	16.728.603	-	**165.350.400**
Finance costs	-	-	-28.067.974	**-28.067.974**
Profits/Losses from investmens	-	-	50.063	**50.063**
Share of profit of associates	-	-	5.138.367	**5.138.367**
Profit before taxes	**148.621.798**	**16.728.603**	**-22.879.544**	**142.470.856**
Income tax expense	-	-	-34.807.739	**-34.807.739**
Profit for the period	**148.621.798**	**16.728.603**	**-57.687.283**	**107.663.117**

30/9/2008	Steel Construction Products	Pipes	Unallocated	Total
Assets	1.441.726.591	345.855.380	-	**1.787.581.971**
Investements in Associates	23.460.045	10.089.039	-	**33.549.084**
Total Assets	**1.465.186.636**	**355.944.419**	**-**	**1.821.131.055**
Total liabilities	830.915.771	217.254.594	-	**1.048.170.365**
Investment in property, plant and equipment and assets	51.151.834	5.197.363	-	**56.349.197**

Other items per segment included in the results for the 6-month period ended the 30th of September 2008

9 months ended 30 September 2008 (amounts in €)	Steel Construction Products	Pipes	Unallocated	Total
Depreciation of property, plant and equipment	33.757.065	8.282.463	-	**42.039.528**
Amortisation of intagible assets	179.556	88.764	-	**268.320**
Total depreciation	**33.936.621**	**8.371.227**	**-**	**42.307.848**
Impairment of receivables	-670.000	61.324	-	**-608.676**
Impairment of inventories	-40.339.850	1.385.015	-	**-38.954.835**

The results per segment for the 6-month period ended the 30th of September 2007

9 months ended 30 September 2007 (amounts in €)	Steel Construction Products	Pipes	Unallocated	Total
Total gross sales per segment	**1.022.419.559**	**290.400.156**	**-**	**1.312.819.715**
Intra-company sales	-228.389.834	-6.465.005	-	**-234.854.840**
Net sales	**794.029.724**	**283.935.151**	-	**1.077.964.875**
Operating results	107.021.639	39.525.431	-	**146.547.070**
Finance cost	-	-	-20.912.873	**-20.912.873**
Income from investements	-	-	1.581.186	**1.581.186**
Share of profit of associates	-	-	1.242.968	**1.242.968**
Profit before taxes	**107.021.639**	**39.525.431**	**-18.088.719**	**128.458.351**
Income tax expense	-	-	-22.847.258	**-22.847.258**
Profit for the period	**107.021.639**	**39.525.431**	**-40.935.977**	**105.611.093**

31/12/2007	Steel Construction Products	Pipes	Unallocated	Total
Assets	1.349.430.108	165.239.171	-	**1.514.669.279**
Investements in Associates	22.289.366	7.335.811	-	**29.625.176**
Total Assets	**1.371.719.474**	**172.574.982**	-	**1.544.294.455**
Total liabilities	603.536.020	219.372.846	-	**822.908.865**
Investments in property, plant and equipment and assets	94.429.632	10.648.764	-	**105.078.395**

Other items per segment included in the results for the 6-month period ended the 30th of September 2007

9 months ended 30 September 2007 (amounts in €)	Steel Construction Products	Pipes	Unallocated	Total
Depreciation of property, plant and equipment	29.906.769	8.759.621	-	**38.666.389**
Amortisation of intagible assets	90.366	108.698	-	**199.063**
Total depreciation	**29.997.134**	**8.868.318**	**-**	**38.865.453**
Impairment of receivables	42.901	489.511	-	**532.412**
Impairment of inventories	-	-1.383.692	-	**-1.383.692**

The expenses per sector 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

	GROUP		COMPANY	
Amounts in €	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Beginning of the period	**29.625.176**	**19.194.034**	**9.070.812**	**5.836.460**
Share of progit/(loss) after tax	5.138.367	1.051.456	-	-
Income from dividends	-955.072	-1.045.926	-	-
Foreign exchange differences	-276.851	-567.577	-	-
Additions	12.180	4.345.360	12.180	3.126.533
Transfer from financial instruments for sale	-	107.820	-	107.820
Increase of participation with contribution of tangible assets	-	6.540.011	-	-
Investment increase in associate	5.284	-	-	-
Balance at the end of the period	**33.549.084**	**29.625.176**	**9.082.992**	**9.070.812**

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

	Country	Percentage Holding	
		30/9/2008	31/12/2007
SIDMA S.A.	Greece	24,18%	24,15%
DIAPEM S.A.	Greece	33,35%	33,35%
BEPEM S.A.	Greece	50,00%	50,00%
METALLOURGIA ATTIKIS S.A.	Greece	50,00%	50,00%
ELKEME S.A.	Greece	20,00%	20,00%
DOMOPLEX LTD	Cyprus	45,00%	45,00%
ZAO TMK-CPW	Russia	38,49%	38,49%

The financial information for the affiliated companies are as follows:

	30/9/2008	31/12/2007	30/9/2007
ASSETS	320.405.184	247.904.802	-
LIABILITIES	210.903.594	160.817.779	-
TURNOVER	231.087.533	-	143.108.481
PROFIT/(LOSSES) AFTER TAXES	14.071.153	-	7.050.703

During January 2008 the participation to the affiliated company SIDMA SA was increased by 0,03%.

7. Investments in Subsidiaries

Amounts in €	COMPANY 30/9/2008	31/12/2007
Beginning of the period	**195.269.484**	**206.940.431**
Reductions	-	-13.588.356
Additions	30.004.394	1.917.409
Return of associates' share capital	-21.239.893	-
Balance at the end of period	**204.033.985**	**195.269.484**

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

Company 2008	Country	Direct Participation Percentage	Direct & Indirect Particip.%	Activity sector
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.YR.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%	63,98%	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%	63,34%	Steel Construction Products
ARGOS SA	Greece	0,00%	63,34%	Steel Construction Products
SIDERAL SHPK	Albania	100,00%	100,00%	Steel Construction Products
SIDEROM STEEL SLR	Romania	100,00%	100,00%	Steel Construction Products
CORINTH PIPEWORKS SA	Greece	1,97%	78,55%	Pipes
PORT VIDIN NORTH S.A.	Bulgaria	0,00%	90,00%	Steel Construction Products

Company 2007	Country	Direct Participation Percentage	Direct & Indirect Particip.%	Activity sector
SOVEL SA	Greece	62,56%	62,56%	Steel Construction Products
DEPAL SA	Greece	90,92%	90,92%	Steel Construction Products
STOMANA INDUSTRY S.A.	Bulgaria	85,97%	85,97%	Steel Construction Products
ERLIKON SA	Greece	98,92%	98,92%	Steel Construction Products
AEIFOROS SA	Greece	90,00%	90,00%	Steel Construction Products
ETAL SA	Greece	83,26%	93,73%	Steel Construction Products
PROSAL SA	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.YR.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%	63,98%	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%	63,34%	Steel Construction Products
ARGOS SA	Greece	0,00%	63,34%	Steel Construction Products
SIDERAL SHPK	Albania	100,00%	100,00%	Steel Construction Products
SIDEROM STEEL SLR	Romania	100,00%	100,00%	Steel Construction Products
CORINTH PIPEWORKS SA	Greece	0,00%	78,55%	Pipes

On 13/02/2008 SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. acquired additional shares of STOMANA INDUSTRY SA, and thus the Group owns 100% of the company's total share capital.

During the current period SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A bought from its subsidiary ELMONTE HOLDINGS SA the 1,97% of its subsidiary CORINTH PIPEWORKS S.A.

On 31/01/2008 the company PORT VIDIN NORTH SA was established in Vidin, Bulgaria. The 90% of its share capital belongs to STOMANA INDUSTRY SA. The operating activity of the new company is to provide port services.

In August of 2008 SIDENOR SA bought additional 9,08% of the share capital of its subsidiary DEPAL SA resulting to own the whole share capital of the company.

The subsidiaries and the associated companies of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. do not own shares of the parent company.

8. Derivative financial instruments

	GROUP		COMPANY	
	30/9/2008	31/12/2007	30/9/2008	31/12/2007
Amounts in Euro				
Non Current Assets				
Interest rate swaps for cash flow hedging	762.938	1.122.708	352.643	585.828
Total	**762.938**	**1.122.708**	**352.643**	**585.828**
Current assets				
Forward foreign exchange contracts for cash flow hedging	3.169.175	1.549.428	-	-
Total	**3.169.175**	**1.549.428**	-	-
Non-current liabilities				
Interest rate swaps for cash flow hedging	95.245	264.002	-	-
Total	**95.245**	**264.002**	-	-
Current liabilities				
Forward foreign exchange contracts for cash flow hedging	12.291.936	1.298.685	-	-
Total	**12.291.936**	**1.298.685**	-	-
Profit/(loss) recognised in the income statement	**2.206.082**	**8.436.434**	-	-

Nominal Values	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Interest Rates Swaps (Euro)	132.200.000	167.200.000	99.500.000	113.000.000
Forward Foreign Exchange (USD)	114.080.808	54.019.452	-	-

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 recognised in equity (hedging reserve) at 30/09/2008 will be recognised in profit or loss during the next four months from the balance sheet date. The amounts that have been recognised directly in equity are €-7.173.390 for the consolidated financial statements and €-174.889 for the company's financial statements.

On 30/09/2008, the fixed interest rates of long-term loans covered by interest rate swaps ranged from 3,16% to 5,37% (2007: 3,16% - 5,37%). The basic floating rates are based on EURIBOR.

9. Borrowings

	GROUP		COMPANY	
Amounts in Euro	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Non-current borrowings				
Bank loans	93.315.985	66.266.736	-	500.000
Corporate Common Bond loans	225.666.670	260.833.336	125.000.000	187.500.000
Total non-current borrowings	**318.982.655**	**327.100.072**	**125.000.000**	**188.000.000**
Current Borrowings				
Credit Limits bank accounts	6.515.766	4.020.486	1.501.640	466.396
Bank loans	346.310.221	195.113.598	108.590.910	72.181.819
Finance lease liabilities	640	16.363	-	-
Total current borrowings	**352.826.627**	**199.150.448**	**110.092.550**	**72.648.215**
Total borrowings	**671.809.282**	**526.250.520**	**235.092.550**	**260.648.215**
The maturity dates of non-current borrowings are as follows:				
Amounts in Euro				
Between 1 and 2 years	108.279.189	145.646.604	50.000.000	86.000.000
Between 2 and 5 years	193.036.486	181.453.468	75.000.000	102.000.000
Over 5 years	17.666.980	-	-	-
Total	**318.982.655**	**327.100.072**	**125.000.000**	**188.000.000**

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

	GROUP		COMPANY	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Bank loans non-current	5,88%	5,76%	6,56%	6,55%
Bank loans current	5,70%	5,41%	5,68%	6,03%
Corporate bond loans	5,57%	5,15%	5,48%	5,06%
Finance lease liabilities	-	4,60%	-	-

	GROUP		COMPANY	
Amounts in €	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Up to 1 year	352.826.627	199.150.448	110.092.550	72.648.215
Between 1 and 2 years	108.279.189	145.668.827	50.000.000	86.000.000
Between 2 and 5 years	193.036.486	181.386.801	75.000.000	102.000.000
Over 5 years	17.666.980	44.444	-	-
Total	**671.809.282**	**526.250.520**	**235.092.550**	**260.648.215**

	GROUP Current Value		COMPANY Current Value	
Long Run Borrowings	**Beginning**	**Ending**	**Beginning**	**Ending**
Bank Loans	65.716.441	92.618.767	500.000	-
Corporate Common Bond loans	260.833.336	225.666.670	187.500.000	125.000.000
Total	**326.549.777**	**318.285.437**	**188.000.000**	**125.000.000**

	GROUP		COMPANY	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Total Borrowings (per currency)				
Euro	660.968.206	524.322.920	235.092.550	260.648.215
Usd dollar	2.726.750	-	-	-
Leva	8.114.327	1.927.600	-	-
	671.809.282	**526.250.520**	**235.092.550**	**260.648.215**

On 27/06/2007 the repeat Company's General Meeting approved the additional issue of bond loans up to €100 million which will be covered by bonds. The issue of these loans will be used, mainly, to re-finance current bank debt liabilities and as well as to finance investment activities. 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 Lease Liabilities

	GROUP	
Amounts in Euro	**30/9/2008**	**31/12/2007**
Finance lease liabilities-minimum lease payments		
Up to 1 year	640	16.363
Total	**640**	**16.363**
The current value of finance lease liabilities is as follows:		
Up to 1 year	640	16.363
Present value of finance lease liabilities	**640**	**16.363**

11. Cash Generated from Operations

	GROUP		COMPANY	
Amounts in Euro	**9 months to 30/9/2008**	**9 months to 30/9/2007**	**9 months to 30/9/2008**	**9 months to 30/9/2007**
Profits of year	107.663.118	105.611.093	96.364.124	23.222.885
Adjustments for:				
Income tax	34.807.739	22.847.258	29.660.535	7.185.581
Depreciation of property, plant and equipment	42.039.529	38.666.390	8.389.036	7.856.654
Amortisation of intangible assets	268.319	199.063	45.228	50.636
Impairment	41.322.442	1.383.692	7.880.593	-
(profits)/losses from the sale of property, plant & equipment	-91.628	-127.955	-3.362	170.845
Profits / Losses from sale of an investment	-	-1.486.038	-	-
Fair value losses of other financial assets at fair value through profit or loss	49.400	-20.957	-	-
Interest income	-1.622.251	-1.035.684	-31.415	-33.684
Interest expense	29.690.225	21.951.192	11.203.626	8.732.476
Income from dividends	-85.932	-96.175	-103.986.250	-7.973.408
Amortisation of grants	-817.194	-788.356	-59.728	-59.728
Income from associates	-5.138.367	-1.242.968	-	-
Income from valuation of associates	-	-		1.430.256
Loss from impairment of fixed assets	899.713	3.500	894.644	-
(Profit) from comtribution of fixed assets to associate	-	-3.288.969	-	-
Other	854.409	800.504	-	-2.635
	249.839.522	**183.375.590**	**50.357.031**	**40.579.877**
Changes in working capital				
(Increase)/decrease in inventories	-187.910.076	-69.781.555	-44.716.535	5.817.297
(Increase)/decrease in receivables	-117.608.885	-26.887.712	-116.460.406	-20.005.078
Increase/(decrease) in liablilities	40.729.881	-2.397.134	85.566.562	-14.440.580
Increase/(decrease) in provisions	-441.770	-521.445	670.000	-100.273
Increase/(decrease) in retirement benefit obligations	-554.192	-474.847	107.790	78.809
	-265.785.041	**-100.062.693**	**-74.832.589**	**-28.649.826**
Net cash flows from operating activities:	**-15.945.519**	**83.312.897**	**-24.475.558**	**11.930.052**

12. Commitments

Contractual commitments

The Group has entered into agreement for the purchase of fixed assets related to subsidiaries, as follows:

Amounts in Euro	GROUP 30/09/08	GROUP 31/12/2007
Tangible fixed assets	6.185.493	10.496.864
	6.185.493	**10.496.864**

These commitments refer to contracts made between subsidiaries and vendors of fixed assets regarding investments which are on progress. The subsidiaries mentioned, Stomana Industry S.A. (€ 5.150 thousands), Teprosteel SA (€1.025 thousands) and Prosal Tubes (€10 thousands).

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

Operating lease commitments

Amounts in Euro	GROUP		COMPANY	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Up to 1 year	952.778	841.757	431.850	365.559
From 1 to 5 years	1.639.583	1.725.497	642.088	675.372
Over 5 years	385.848	578.438	-	-
	2.978.209	**3.145.692**	**1.073.937**	**1.040.930**
Charge to the results	**1.009.976**	**1.260.846**	**378.067**	**469.722**

13. Contingent Liabilities – Assets

The group has contingent liabilities and assets related to banks, other guarantees and other issues arising in the ordinary course of business, as follows:

Amounts in Euro	GROUP		COMPANY	
Liabilities	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Guarantees for securing payables to suppliers	54.335.644	44.667.152	13.647.633	16.846.569
Good performance guarantees to customers	55.223.494	39.418.306	1.006.671	1.006.671
Counter guarantees for european investment bank	30.526.189	33.934.444	-	-
Other contigent liabilities	14.336.295	13.677.832	194.258	194.258
Total	**154.421.622**	**131.697.734**	**14.848.562**	**18.047.497**

Amounts in Euro	GROUP		COMPANY	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Lawsuits of employees	2.916.965	2.914.920	-	-
Other lawsuits	152.422	310.922	-	-
Contractual liabilities	5.344.627	2.960.347	-	-
Bank letters of guarantee	1.773.638	4.378.024	-	-
Tax liabilities	4.148.642	3.113.619	194.258	194.258
Total	**14.336.295**	**13.677.832**	**194.258**	**194.258**

Amounts in Euro	GROUP		COMPANY	
Receivables	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Guarantees for securing receivables from customers	14.903.171	1.631.500	2.380.500	1.631.500
Other receivables	957.873	1.837.257	949.346	949.346
Total	**15.861.044**	**3.468.757**	**3.329.846**	**2.580.846**

A share retention agreement has been made between the company and the "International Finance Corporation", in order its subsidiary "STOMANA SA", based in Bulgaria, to be granted long term loans.

During the fiscal year 2005, final tax audit reports were issued against the subsidiary company ETIL SA, which concern the tax audit of fiscal years 1999 and 2000. According to these tax audit reports, additional taxes have been imposed amounting to €2,728 thousand, which is analyzed as €938 thousand as basic income tax and €1,790 thousand as additions. The subsidiary company did not accept this liability and legally objected such by filing an appeal to the Administrative Courts on 15/2/2006. At the same time it submitted a request towards the committee, of article 70 L. 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 recognised a provision of €442 thousand against profit or loss, which is the amount payable if the company's request is approved.

On the 1st of January 2008 the subsidiary Stomana Industry SA has recognised a provision of €511 thousands against lawsuits by former employees due to dismissals and labour accidents. During the year no provision has been added for the same reason. From the provision have been used €78 thousands. The current amount of the provision is €433 thousands.

Moreover the subsidiary CORINTH PIPEWORKS SA has recognized a provision of €5.071 thousand up to the end the current period (of which €2.229 thousands regard cases in court or under arbitration of total amount €5.044 thousand). It is noted that provisions of €1.687 thousands, that in 2007 were included in provisions concerning contractual obligations, have been transferred to provisions concerning cases in court or under arbitration. Additional provision of €2.777 has been formed in case to losses arise as a result of the company's contractual obligations to its clients. The provision was estimated based on historical figures and statistics for the settlement of similar cases in the past.

Additionally there have been formed other provisions of €148 thousands concerning general expenses of other subsidiaries.

The provisions formed for the unaudited tax years are as follows: group €829 τthousands, company €194 thousands.

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

14. Collaterals

There are mortgages and liens on the immovable property of subsidiaries CORINTH PIPEWORKS S.A. amounting to € 73.200 thousand (for loans with outstanding balance € 30.526 thousand) and STOMANA S.A. amounting to € 55.000 thousand, in favour of banks (for loans with outstanding balance of € 40.328 thousands).

15. Related Parties

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

	GROUP		COMPANY	
Amounts in Euro	9 months to 30/9/2008	9 months to 30/9/2007	9 months to 30/9/2008	9 months to 30/9/2007
Sale of goods				
Subsidiary companies	-	-	151.817.491	116.280.513
Associated companies	20.982.653	14.772.808	3.837.370	1.991.987
Other Related Parties	32.204.724	31.060.456	18.522.696	9.983.790
	53.187.376	**45.833.265**	**174.177.557**	**128.256.290**
Sale of services				
Subsidiary companies	-	-	25.674.822	23.609.940
Associated companies	83.389	45.757	63.360	13.301
Other Related Parties	2.178.963	3.314.362	205.943	198.492
	2.262.352	**3.360.119**	**25.944.125**	**23.821.734**
Sale of PPE				
Subsidiary companies	-	-	-	60.000
	-	**-**	**-**	**60.000**
Purchase of goods				
Subsidiary companies	-	-	100.394.280	76.248.067
Associated companies	886.510	682.018	253.650	98.762
Other Related Parties	96.030.358	55.553.816	24.033.484	14.056.619
	96.916.868	**56.235.834**	**124.681.414**	**90.403.448**
Purchase of services				
Subsidiary companies	-	-	3.758.647	3.629.386
Associated companies	3.040.951	2.996.764	2.095.180	2.086.896
Other Related Parties	11.644.175	10.219.336	5.151.679	3.941.755
	14.685.125	**13.216.099**	**11.005.506**	**9.658.037**
Purchase of PPE				
Subsidiary companies	-	-	551.785	1.944.847
Associated companies	25.460	74.969	12.005	4.780
Other Related Parties	283.881	5.272.272	235.479	122.062
	309.342	**5.347.242**	**799.270**	**2.071.689**

Benefits to key Management	GROUP		COMPANY	
Amounts in Euro	9 months to 30/9/2008	9 months to 30/9/2007	9 months to 30/9/2008	9 months to 30/9/2007
Salaries and other benefits to directors and key management	4.361.989	3.272.377	2.002.972	1.983.328
Compensations due to termination of employment	-	72.545	-	-
	4.361.989	**3.344.922**	**2.002.972**	**1.983.328**
Obligations to Key Management and Members of the BoD	**2.250.000**	**2.025.000**	**1.350.000**	**1.425.000**

Group's payables to key management and members of the BoD on 30/09/2008 are € 2.250 (€2.025 for 30/09/2007). Sidenor's payables to key management on 30/09/2008 are €1.350 (€1.425 for 30/09/2007).

The under mentioned balances of the end of the current period referred to sales and purchases of products, services and fixed assets with and from companies of VIOHALCO Group

Receivables	GROUP		COMPANY	
Amounts in Euro	30/9/2008	31/12/2007	30/9/2008	31/12/2007
From subsidiaries	-	-	73.456.287	49.019.545
From Associates	26.389.833	22.973.132	15.506.928	15.966.967
From related parties	39.049.854	31.583.667	28.252.004	18.632.430
	65.439.687	**54.556.799**	**117.215.220**	**83.618.942**
Advances for inventory purchases				
From Associates	-	-	53.257	1.323.410
Payables to related parties	814.437	-	195.098	-
	814.437	**-**	**248.355**	**1.323.410**
Payables to related parties				
Subsidiary companies	-	-	118.337.703	48.534.655
Associateed companies	1.089.312	567.245	87.376	60.817
Payables to related parties	8.259.913	9.013.241	2.165.140	2.512.735
Compensation due to termination of employment	-	750.000	-	-
	9.349.225	**10.330.487**	**120.590.219**	**51.108.207**

The services and sales/purchases of goods to and from related parties, are carried out on the basis of pricelists that are in force with non related parties. There are no special rules of payment and no interest is charged.

16. Earnings per share

	GROUP				COMPANY			
Amounts in Euro	9 months to 30/9/2008	3 months from 1/7 to 30/09/2008	9 months to 30/9/2007	3 months from 1/7 to 30/09/2007	9 months to 30/9/2008	3 months from 1/7 to 30/09/2008	9 months to 30/9/2007	3 months from 1/7 to 30/09/2007
Profits attributable to shareholders of the parent company	96.304.284	18.494.986	87.403.525	18.405.267	96.364.124	58.374	23.222.885	943.485
Weighted average number of shares	96.129.491	96.129.491	96.006.833	96.006.833	96.129.491	96.129.491	96.006.833	96.006.833
Basic and diluted earnings per share (euro per share)	1,0018	0,1924	0,9104	0,1917	1,0024	0,0006	0,2419	0,0098

Dilluted

	GROUP				COMPANY			
Amounts in Euro	9 months to 30/9/2008	3 months from 1/7 to 30/09/2008	9 months to 30/9/2007	3 months from 1/7 to 30/09/2007	9 months to 30/9/2008	3 months from 1/7 to 30/09/2008	9 months to 30/9/2007	3 months from 1/7 to 30/09/2007
Profits attributable to shareholders of the parent company	96.304.284	18.494.986	87.403.525	18.405.267	96.364.124	58.374	23.222.885	943.485
Weighted average number of shares	96.300.131	96.300.131	96.303.130	96.303.130	96.300.131	96.300.131	96.303.130	96.303.130
Total weighted average number of shares for diluted earnings per share	96.300.131	96.300.131	96.303.130	96.303.130	96.300.131	96.300.131	96.303.130	96.303.130
Basic and diluted earnings per share (euro per share)	1,0000	0,1921	0,9076	0,1911	1,0007	0,0006	0,2411	0,0098

The basic 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 time period, excluding ordinary shares purchased by the company and held as treasury shares.

17. Fiscal years non-audited by tax authorities

The Company has been audited by the tax authorities up to the year 2006. Several of the Group's subsidiary companies have not been audited by the tax authorities for various fiscal years, from 1999 until 2008.

Company	Country	Participation	Consolidation Method	Fiscal years Unaudited
SIDENOR S.A.	Greece	-	-	2007 - 2008
SOVEL S. A.	Greece	62,56%	Full Consolidation	2006 - 2008
DEPAL S.A.	Greece	100,00%	Full Consolidation	2007 - 2008
STOMANA INDUSTRY S.A.	Bulgaria	100,00%	Full Consolidation	2005 - 2008
ERLIKON S.A.	Greece	98,92%	Full Consolidation	2006 - 2008
AEIFOROS S.A.	Greece	90,00%	Full Consolidation	2003 - 2008
ETAL S.A.	Greece	93,73%	Full Consolidation	1999 - 2008
PROSAL S.A.	Greece	70,00%	Full Consolidation	2007 - 2008
TEPRO STEEL EAD	Bulgaria	100,00%	Full Consolidation	2002 - 2008
ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	Full Consolidation	2008 - 2008
BOZETTI LTD	Cyprus	100,00%	Full Consolidation	2008 - 2008
VEMET S.A.	Greece	100,00%	Full Consolidation	2003 - 2008
ETIL S.A.	Greece	63,98%	Full Consolidation	2001 - 2008
PRAKSYS S.A.	Greece	51,00%	Full Consolidation	2005 - 2008
DIA.VI.PE.THIV. S.A.	Greece	68,76%	Full Consolidation	2002 - 2008
AEIFOROS BULGARIA SA	Bulgaria	90,00%	Full Consolidation	2007 - 2008
VET S.A.	Greece	61,62%	Full Consolidation	2003 - 2008
VEAT S.A.	Greece	40,66%	Full Consolidation	2003 - 2008
SIGMA S.A.	Bulgaria	63,34%	Full Consolidation	2002 - 2008
ARGOS S.A.	Greece	63,34%	Full Consolidation	2005 - 2008
CORINTH PIPEWORKS S.A.	Greece	78,55%	Full Consolidation	2007 - 2008
PORT VIDIN NORTH S.A.	Bulgaria	90,00%	Full Consolidation	2008
SIDMA S.A.	Greece	24,18%	Equity Method	2006 - 2008
DIAPEM S.A.	Greece	33,35%	Equity Method	2003 - 2008
VEPEM S.A.	Greece	50,00%	Equity Method	2003 - 2008
METALLOURGIA ATTIKIS S.A.	Greece	50,00%	Equity Method	2002 - 2008
ELKEME S.A.	Greece	20,00%	Equity Method	2007 - 2008
DOJRAN STEEL LLCOP	FYROM	75,00%	Full Consolidation	2007 - 2008
PROSAL TUBES SA	Bulgaria	70,00%	Full Consolidation	2007 - 2008
SIDEROM STEEL SLR	Romania	100,00%	Full Consolidation	2007 - 2008
SIDERAL SHPK	Albania	100,00%	Full Consolidation	2006 - 2008
DOMOPLEX LTD	Cyprus	45,00%	Equity Method	2007 - 2008
ZAO TMK - CPW	Russia	38,49%	Equity Method	2007 - 2008

In 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 current period: the Group 3.917 & the Company 370. On June 30th 2007 Group's personnel amounted to3.548 employees and Company's to 365 employees.

19. Events after the Balance Sheet date

On 16 October 2008S SIDENOR S.A. announced that discussions between SIDENOR and NUCOR concerning the possible formation of a joint venture between the companies continue in a cooperative and friendly nature. However, the current turmoil in the world financial markets has delayed the completion of this effort. Both SIDENOR and NUCOR expect to conclude their discussions when the future outlook becomes clearer.

20. Significant Events

Operation of New Long Products Rolling Mill from subsidiary STOMANA Industry Inaugurated

During the period of first quarter of 2008, the operation of New Long Products Rolling Mill of STOMANA Industry was inaugurated, a subsidiary of SIDENOR Group, in Pernik Bulgaria. His Excellency the President of the Republic of Bulgaria, Mr. Georgi Parvanov inaugurated the new unit in the beginning of June of the same year.

This investment of 80 million Euros is part of the significant ongoing investment program (a total of 130 million Euros) implemented at STOMANA INDUSTRY, since 2001 when the company was incorporated into SIDENOR Group. The new mill has increased the company's production capacity of long products to 1,000,000 tons per year and covers a total surface of 25,000m2 including production facilities, administrative buildings and warehouses. The company, also, produces flat products with production capacity 400,000 tons per year. The total annual production capacity of the company amounts to 1,400,000 tons.

Participation

On 13/02/2008 SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. acquired additional shares of STOMANA INDUSTRY SA, and thus the Group owns 100% of the company's total share capital.

During the current period SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A bought from its subsidiary ELMONTE HOLDINGS SA the 1,97% of its subsidiary CORINTH PIPEWORKS S.A.

On 31/01/2008 the company PORT VIDIN NORTH SA was established in Vidin, Bulgaria. The 90% of its share capital belongs to STOMANA INDUSTRY SA. The operating activity of the new company is to provide port services.

On 4th of August 2008 the parent company Sidenor SA bought the rest 9,08% of the share capital of DEPAL SA.

Replacement of a Member of the Board of Directors

On April 9, 2008, the Board of Directors of the company convened in order to elect a new member of the Board in replacement of the deceased Vice-chairman of the Board Mr. GRIGORIOS KONSTANTAKOPOLOS. The Board of Directors elected Mr. GEORGE PASSAS, economist, as the new member of the Board.

Hence, the Board of Directors, pursuant to its decision as of Arpil 9, 2008 elected its new Board and was assembled as follows:

1.- Georgios Kalfarentzos, Chairman of BoD - Executive member
2.- Nikolaos Koudounis, Vice-chairman of BoD - Executive member
3.- Efstathios Strimber, Member of BoD - Non-executive and independent member
4.- George Passas, Member of BoD - Executive member
5.- Ioannis Ikonomou, Member of BoD - Non-executive member
6.- Athanassios Mitropoulos, Member of BoD - Non-executive member
7.- Sarantos Milios, Member of BoD - Executive member
8.- Dimitrios Paraskevopoulos, Member of BoD - Non-executive member
9.- Andreas Kyriazis Member of BoD - Non-executive and independent member

Decisions of the Annual General Meeting and the Repeat Annual General Meeting

During the Annual General Meeting and the Repeat Annual General Meeting of the company share holders that took place on June 10th, 2008 at 12.30 pm and on June 26th 2008 at 11.30 am respectively, the following was decided:

a. Approval of the annual financial statements of the financial year 2007 and the relevant Board of Directors Report and the Chartered Accountant/Auditor's Report.

b. Release BoD members and the Chartered Accountant-Auditor from any compensation liabilities for the financial year 2007.

c. Distribution of the profits for the year 2007.

d. The beneficiaries of the dividend of EURO 0,25 per share would be the shareholders of the Company after the closing of the A.S.E. on 25/06/2008. From 26/06/2008, the Company's shares will be negotiated without the right on the 2007 dividend. The payment of the dividend will be made through the network of the ALPHA BANK branches, starting on July 3, 2008, until the end of the year

e. Election as auditors for the financial year 2008 the audit firm "PriceWaterHouseCoopers", with their remuneration to be fixed following their pertinent offer..

f. Approval as members of the new Board of Directors for one year (this period of the members of the Board of Directors will begin the day following the election and will end on the day that the 2009 Annual General Meeting is convened) , of the following parties:

1. - Georgios Kalfarentzos, Chairman of BoD - Executive member
2. - Nikolaos Koudounis, Vice-chairman of BoD - Executive member
3. - Efstathios Strimber, Member of BoD - Non-executive and independent member
4. - George Passas, Member of BoD - Executive member
5. - Ioannis Ikonomou, Member of BoD - Non-executive member
6. - Athanassios Mitropoulos, Member of BoD - Non-executive member
7. - Sarantos Milios, Member of BoD - Executive member
8. - Dimitrios Paraskevopoulos, Member of BoD - Non-executive member
9. - Andreas Kyriazis Member of BoD - Non-executive and independent member

g. Approval of the remuneration of the members of the Board of Directors

h. Convert the Company's shares to registered in order to facilitate the monitoring of the company shareholders rights through the market

i. Issue of common Bond loans, based on leg. 3156/2003, of a total of EU 60 million, which will be covered completely by banks and will be used, partly to replace existing short-term credit and also to finance investment company projects as well as participate in the increase of the capital shares of subsidiary companies.