BOARD OF DIRECTORS REPORT OF
CORINTH PIPEWORKS S.A.
REGARDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS OF FINANCIAL YEAR FROM 1 JANUARY 2007 TO 31 DECEMBER 2007

Dear Shareholders,

We have the honour to submit for approval the Balance Sheet and Profit & Loss Statement of the financial year, as well as all explanations and notes, together with the current Report regarding the 38th Accounting period from 1st January to 31st December 2007.

During the past financial year, our Company managed to achieve a turnover increase of 12% compared to 2006, and, at the same time, improved all its profit indices.

The aforementioned improved results were achieved firstly through the continuous effort for the reduction of operating expenses and company's borrowings, and secondly by taking advantage of the positive circumstances of the international energy markets and mainly the one of North America. Corinth Pipeworks managed to maintain its market share in traditional markets (Western Europe, Middle East, Africa) but was also established in the demanding market of North America, as one of the most reliable and innovative suppliers of the gas grid operators.

I. COMPANY FINANCIAL RESULTS

Turnover has increased by 12% to EUR 340.594.070. It is broken down in the following table, which also contains all relevant data of 2006. It is evident that the export share of total sales exceeds 93%, verifying the company's export nature and its establishment as one of the most reliable steel pipe producers in the world.

SALES	**TOTAL (EUR)**	
	2007	**2006**
DOMESTIC INDUSTRIAL ACTIVITIES	3.588.493	20.920.478
INDUSTRIAL ACTIVITIES OVERSEAS	332.570.254	282.991.456
COMMERCIAL ACTIVITIES OVERSEAS	4.148.890	198.291
OTHER ACTIVITIES	286.433	91.925
SALES TOTAL	**340.594.070**	**304.202.150**

The cost of sales amounted to EUR 257.981.687 and the gross profit to EUR 82.612.383 (17,8% increase vs 2006). There was also a significant increase in pre-tax profit, interest and amortizations (EBITDA), which amounted to EUR 52.853.440 (27,3% rise), while despite the increase of turnover, the company's financial cost reduced significantly (approximately 19% compared to 2006) and amounted to EUR 8.776.966. Pre-tax profit amounted to EUR 34.939.831 compared to EUR 21.703.585 in 2006 (61% rise). Finally, profit after tax amounted to EUR 29.853.705, compared to EUR 37.406.280 in 2006. However, it is must be clarified that in 2006 profit after tax was increased by EUR 15,702,695 compared to pre-tax profit, mainly due to the one-off positive impact of deferred taxation, as a result of tax credits arising from losses in previous financial years.

The increase in company's profitability, combined with the more effective working capital management, led to further decrease in net debt (approximately 20,5%), which amounted to EUR 93.085.916 on 31 December 2007. Equity amounted to EUR 124.974.895 further improving company's capital structure. Finally, net investments in fixed assets amounted to EUR 5,7 million. The following table illustrates the evolution of the major financial ratios:

	2007	2006
Current Ratio	1,27	0,95
Equity / Assets	40,7%	30,0%
EBITDA / Sales	15,5%	14,1%
Return on Total Assets	14,2%	10,1%
Profit per Share	0,240	0,301

II. CONSOLIDATED FINANCIAL RESULTS

The Group Balance Sheet and Profit & Loss Statement consolidate, with the full consolidation method, the parent company "CORINTH PIPEWORKS S.A." and its subsidiaries:
1. "CPW EUROPEAN TRADING GMBH" (DUSSELDORF – GERMANY)
2. "CPW AMERICA C.O." (HOUSTON – U.S.A.)
3. "HUMBEL LTD (CYPRUS)
while with the equity method :
4. ""ZAO TMK – CPW" (POLESKOI – RUSSIA)"
5. "Administration and Management of the Thisvi, Viotia Industrial Area" (THIVA - GREECE)

It is noted that the Consolidated Profit and Loss Statement includes the results of «CORINTH METALWORKS S.A.», until 9/8/2007, date at which the total participation in the company (99,9%) was sold. Furthermore, the Consolidated Profit and Loss Statement includes the results of "Administration and Management of the Thisvi, Viotia Industrial Area" until 30/9/2007, date at which percentage 30,25%, of the company was sold. As a result the participation in this company decreased to 21,37%.

Turnover increased by 12%, amounting to EUR 357.527.531. The following table shows the geographical breakdown of sales on a consolidated basis:

	2007	2006
Greece	8.188.562	21.416.576
Eurozone	84.402.863	96.904.879
Other European Countries	85.441	22.070.036
Asia	26.019.049	11.558.922
U.S.A.	226.901.199	63.467.264
Africa	11.930.417	103.990.004
Total	**357.527.531**	**319.407.681**

The increase in sales to the energy sector (Steel pipes of medium and large diameter) amounted to 11,5% and is attributed, on one hand, to the favorable conditions in the international energy markets and especially the one of North America and on the other hand, to the Group's strategic orientation to the supply of integrated solutions of high added value. Correspondingly, the sales to the manufacturing sector (hollow structural sections) have risen by approximately 20,1%, as a result of further penetration in the markets of the European Union, the wide product range (the wider in Europe) and the continuously improving quality of customer service.

Gross profit amounted to 84.626.326 (14,7% rise compared to 2006), while pre-tax profit, interest and amortizations (EBITDA) increased by 39% amounting to EUR 57.488.580. Pre-tax profit amounted to EUR 40.100.892 compared to EUR 19.448.569 in 2006 (106% increase), while profit after tax amounted to EUR 33.961.026 (2006, EUR 36.404.510). It must be noted that, in 2006, profit after tax was increased by EUR 16,955,942 compared to pre-tax profit, mainly due to the one-off positive impact of deferred taxation, as a result of tax credits arising from losses in previous financial years.

The improvement of the company's financial structure is reflected in the consolidated figures, where Equity amounts to EUR 123.588.241 and net debt to EUR 85.657.660.

The following table illustrates the evolution of the major financial ratios on a consolidated basis:

	2007	**2006**
Current Ratio	1,22	0,97
Equity/ Assets	36,5%	28,8%
EBITDA / Sales	16,1%	12,9%
Return on Total Assets	14,4%	9,3%
Profit per Share	0,274	0,293

III) FINANCIAL RISKS

Due to the nature of its activity and the geographical breakdown of sales, Group is exposed to financial risks, extensive reference of which exists in the Notes to the Annual Financial Statements (Note 3)

IV) PROSPECTS

The Group after a rigorous 3-year restructuring of its production and commercial operations was ready to take advantage of the favorable market conditions and considerably improve its financial position. In 2008, the environment where we operate seems to be more complex, less predictable but still full of opportunities. The fundamentals of the world energy market (global demand and its geographical breakdown, oil & gas prices, financials of the energy companies, age of current energy infrastructure), lead to the conclusion that the construction activity of new pipelines will continue at a good pace. Consequently, the demand for high quality and technically sophisticated steel pipes will continue to be at increased levels in different parts of the world, mainly in North America, North Africa, Russia and Middle East. On the other hand, the increase of the freight costs, the appreciation of EUR against USD and the increased concentration rate in the steel industry, are expected to differentiate the competitive position of the pipes manufacturers. Access to high quality raw materials and operational (production and logistics) cost discipline will be the success factors for the award of new projects. In such an environment, Corinth Pipeworks has to tap all its competitive advantages (long-term relationships with premium steel makers, know-how, state-of-the-art equipment, flexibility in the production process, geographical location, both in Greece and Russia, quality of human capital), in order to continue the positive trend of the last three years.

In 2008, increased emphasis will be placed on fields like safety at work, social responsibility, environmental protection, development of new skills through continuous training and education. We believe that the above set of goals, as well as management and personnel' s commitment will be the drivers for the implementation of the long-term strategy and the continuous improvement of the company' s competitive position.

V. IMPORTANT EVENTS AFTER 31 DECEMBER 2007

No important events have occurred that could affect the development of the company and its financial results.

EXPLANATORY BOARD OF DIRECTORS ANNUAL MANAGEMENT REPORT TO THE ORDINARY GENERAL SHAREHOLDER MEETING (Law 3371/2005, Article 11[a], Paragraph 1)

a) Share Capital Structure

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

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

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

b) Restrictions in the Transfer of Company Shares

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

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

The significant participations (over 5%) as of 31-12-2007 were as follows:

- ELMONTE HOLDINGS LTD   a percentage of 78,55% of voting rights *

**ELMONTE is a subsidiary by 100% of SIDENOR, which is a subsidiary of VIOHALCO.*

d) Shares that offer Special Control Rights

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

e) Restrictions in voting rights

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

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

f) Agreements between Company Shareholders

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

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

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

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

- Pursuant to the provisions of Article 13, paragraph 1, sections b and c of Codified Law 2190/1920, the Company's Articles of Association stipulate that only the General Shareholder Meeting has the authority to increase the

Company's share capital by issuing new shares, following a resolution taken by a majority vote of at least 2/3 of the votes represented in the meeting.

- The Board of Directors may purchase own shares within the framework of a General Meeting resolution pursuant to Article 16, paragraphs 5 to 13 of Codified Law 2190/20.
- Pursuant to the provisions Article 13, paragraph 9, of Codified Law 2190/1920 and following a relevant resolution by the General Meeting to introduce a share offering plan for company BoD members and personnel, in the form of a Stock Option Plan, the Board of Directors may issue shares for beneficiaries, increasing share capital accordingly and confirming the relevant increase. Such a stock option rights plan has not been approved by the Company's General Shareholder Meeting.

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

Bond loans issued by the Company and undertaken in their entirety by banks, with a total balance of EUR 62.666.668 as of 31 December 2007, include a clause in their terms for the event of change of control, which, if enacted, gives bondholders the right to terminate the loan before maturity.

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

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

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

Dear shareholders, further to the aforementioned, please take into account the Notes of the Annual Financial Statements, in accordance with the International Financial Reporting Standards.

Finally, dear shareholders, please approve the company's Balance Sheet and Profit & Loss Statement, as well as the present report for the period from 1 January to 31 December 2007 and decide upon all remaining issues of the General Shareholders Meeting.

ATHENS, 14 MARCH 2008
BOARD OF DIRECTORS
THE CHAIRMAN OF THE BOARD OF DIRECTORS

KONSTANTINOS BAKOURIS