

**REPORT  
OF THE BOARD OF DIRECTORS OF “HELLENIC CABLES S.A.”**

**FOR FISCAL YEAR 2007  
Corp. Reg. No. 2131/06/B/86/19  
TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS**

Dear Shareholders,

We have the honor to submit for approval the annual Financial Statements, both consolidated and parent, which include the Balance Sheet, Income Statement, Statement of Changes in Owner’s Equity, Cash Flow Statement and the Notes to the Financial Statements, together with the present report, which concerns the 34<sup>th</sup> Administrative period from 1 January 2007 to 31 December 2007.

The consolidated Financial Statements resulted from the consolidation of the items of the Financial Statements of the parent company HELLENIC CABLES, HELLENIC CABLES INDUSTRY S.A., and of its subsidiaries TELECABLES S.A., seated in Athens, ICME ECAB S.A., seated in Bucharest, Romania, LESCO O.O.D., seated Blagoevgrad, Bulgaria, LESCO ROMANIA, seated in Bucharest, Romania, and GENECOS S.A., seated in Paris, France. The relation that dictated the consolidation was the parent company - subsidiary company relation.

In addition, METAL AGENCIES LTD, seated in London, METAL GLOBE DOO, seated in Belgrade, STEELMET S.A., seated in Athens, DE LAIRE LIMITED, seated in Nicosia, ELECTRIC CABLES AGENCIES, seated in London, COPPPERPROME LTD, seated in Athens, and EDE S.A. seated in Athens, have been incorporated based on the net worth method.

Neither the parent company nor any company included in the consolidation hold any of the parent company’s shares.

**2007 Market Conditions**

The developments in the cable market in 2007 were favorable for yet another year, thus verifying the market’s upward trend and prospects for further growth. In the energy cables sector, significant projects were implemented in energy transfer networks, while new production units are created, either “traditional” (coal, natural gas) or through exploitation of renewable energy sources (wind, solar, geothermal etc.). Moreover, the need for use of specialized products (for oil pipes, mines etc.) have increased, while more environmentally safe & friendly products (flame-retardant, fire-resistant, halogen-free etc.) are adopted. In the telecommunication sector the spread of broadband services has resulted in increased demand for optical fibre cables as well as data transfer cables. Finally, the enameled wire sector presented rationalization with increase of competition and merges/acquisitions of existing companies.

The Greek market is estimated to have increased by 5-10% in 2007, as a result of the healthy construction sector and the different projects in production and transfer of energy.

Prices of metals (copper/aluminium) in 2007 ranged on average at the same level as the previous year, however fluctuations that appeared during the year were significantly smaller than in 2006. High metal prices (mainly copper) resulted in high working capital costs for companies in the cables sector. Nevertheless, demand for cables was not affected by the prices of metal due to the lack of substitute products.

### Turnover

The group presented an increase in turnover for the fifth consecutive year. The growth is mainly due to the increase in sold quantities of the group's basic products by 15%. The increase in sales was affected slightly this year by fluctuations in the prices of raw materials. Sales in the domestic market increased due to the positive conditions during 2007, while exports increased taking advantage of demand for energy cables at the global level and particularly in the European Union markets.

<i>Amounts in Euro</i>	<b>2007</b>	<b>% of Sales</b>	<b>2006</b>	<b>% of Sales</b>	<b>Change</b>
Domestic	156,471,454.24	38.49%	113,361,691.27	35.29%	38.03%
Foreign	250,033,032.76	61.51%	207,911,502.86	64.71%	20.26%
<b>Total</b>	<b>406,504,487.00</b>	<b>100.00%</b>	<b>321,273,194.13</b>	<b>100.00%</b>	<b>26.53%</b>

At the company level, quantities increased by 11%. This increase also led to a significant increase of sales as the company increased its focus on sales of high value added products, taking advantage of new investments and its technical know-how.

<i>Amounts in Euro</i>	<b>2007</b>	<b>% of Sales</b>	<b>2006</b>	<b>% of Sales</b>	<b>Change</b>
Domestic	146,267,213.40	49.79%	108,053,413.37	46.77%	35.37%
Foreign	147,505,113.49	50.21%	122,999,762.85	53.23%	19.92%
<b>Total</b>	<b>293,772,326.89</b>	<b>100.00%</b>	<b>231,053,176.22</b>	<b>100.00%</b>	<b>27.14%</b>

### Results

The group's results demonstrated a significant improvement compared to 2006. Specifically, operating earnings before interest, taxes, depreciation & amortization (EBITDA) as well as profit before taxes, improved for the 4<sup>th</sup> consecutive year.

CONSOLIDATED FIGURES	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Net profits before taxes, interest and depreciation	36,253,483.32	29,312,731.95	23.68%
Percentage against sales	8.92%	9.12%	
Net profits before taxes and depreciation	28,088,516.13	25,350,855.86	10.80%
Percentage against sales	6.91%	7.89%	
Net profits before taxes	20,371,614.32	18,137,476.53	12.32%
Percentage against sales	5.01%	5.65%	

The following had a significant effect on the improvement of results:

- The increase in sales volumes in conjunction with the promotion of high value added cable products (wind parks, high voltage, halogen-free cables).
- The significant contribution of the subsidiary ICME ECAB in Romania, which posted double digit growth rates due to the high dynamic of its domestic market and the continuous improvement of the plant's productivity.
- The effective utilization of large investments carried out by the company over the past five years, which contribute to the expansion of the product range offered at competitive prices.

# HELLENIC CABLES S.A.

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COMPANY FIGURES	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Net profits before taxes, interest and depreciation	20,406,913.02	18,353,142.63	11.19%
Percentage against sales	6.95%	7.94%	
Net profits before taxes and depreciation	15,674,379.46	14,107,063.26	11.11%
Percentage against sales	5.34%	6.11%	
Net profits before taxes	11,365,612.97	9,838,826.23	15.52%
Percentage against sales	3.87%	4.26%	

Regarding the company's activity sectors, the sales of energy and telecom cables increased significantly (30%), which led to a 33% increase in the sector's operating profit. Despite the 13% increase in enameled wire sales, operating profit decreased by 9% as a result of increased competition in the market.

## Financial Position

Current assets increased by € 26.219.277,12 mainly due to the increase of stocks and to a smaller extent due to the increase in trade receivables & cash equivalents. As regards to the increase of stocks, in order to secure its raw material purchases, the company signed an annual procurement contract for copper with a foreign producer, which includes bi-monthly deliveries, as mentioned in the financial statements of 2006. This decision resulted in the increase of the company's stocks by € 12.973.644,17, while the group's stocks increased by € 18.355.184,18. The increased trade receivables resulted from the group's increased turnover.

In Equity & Liabilities, the group's total liabilities increased by € 15.004.035,69 due to an increase in loans, as a result of increased needs for working capital due to the bi-monthly deliveries of copper mentioned above.

The main ratios that demonstrate both the company's financial position and that of Hellenic Cables' group at the end of 2007 in comparison to the previous year were as follows:

Ratios	Consolidated		Company	
	2007	2006	2007	2006
<b>Liquidity</b> Current Assets/Short-term Liabilities	2.42	2.07	2.48	2.66
<b>Capital Structure</b> Debt/Equity	1.56	1.58	1.78	1.69
<b>Return on Equity</b> Net Profit/Equity	13.90%	14.37%	10.70%	10.45%
<b>Inventory Turnover</b> (Stocks/Sales) x 365 days	81 days	81 days	60 days	56 days
<b>Receivables Turnover</b> (Receivables/ Sales) x 365 days	95 days	113 days	100 days	122 days
<b>Payment of Liabilities Turnover</b> (Short-term Liab. / Sales) x 365 days	75 days	96 days	67 days	67 days

## Investments

During 2007 the group realized total investments amounting to 9 million euro, which concerned purchases & improvements of production equipment. The aim of the investments is to increase production capacity, improve productivity & produce more high value added products, such as medium & high voltage cables.

### **Social Responsibility**

#### **Environment**

Respect towards the environment constitutes a basic principle for Hellenic Cables, as evidenced by the implementation of the Environmental Management System according to ISO 14001. The environmental parameters are an inseparable part of the Company's operation.

In the context of minimizing the impact to the environment, the company has set the following environmental goals:

- a) Monitoring and adherence to all laws and provisions that concern the environment
- b) continuous training of staff on environmental issues
- c) Management of gas, water and ground emissions
- d) Reduction of consumption of natural resources & increased use of materials that are environmentally friendly
- e) Reduction of produced waste and noise
- f) Assessment of suppliers in order to encourage them to adopt a better environmental policy
- g) Promotion of environmentally friendly products (i.e. halogen-free cables)

#### **Hygiene & Safety**

The hygiene and safety of employees constitutes a main priority for Hellenic Cables. The company fulfils all conditions set by the current legislation but remains restless as it considers that all accidents can be avoided. The basic conditions for the creation of a safe working environment are the training of employees on performing their work with safety, as well as the provision of all necessary means. The company's interest in hygiene and safety is also evidenced by the development of an organized Management System, while it aims at acquiring the ISO 18001 certificate.

#### **Risk Management**

The sharp developments in the global scene create uncertainty and possible problems for the smooth operation of companies. To protect itself against adverse development, the group applies a risk management system that allows the recognition, evaluation & minimization of such risks by the responsible executives.

#### **Other information (parent)**

##### **Branches**

The company has established:

- a) a branch in Tavros, 252 Peiraios street, where it houses its commercial departments.
- b) a branch at Kalochori, Thessalonica, for the sale of its products in northern Greece.
- c) a branch at Aghios Georgios, Levadia, where its enameled wire plant is located.
- d) a branch at Oinophyta, Voiotia (53rd km of the Athens-Lamia National Highway), where its plastic and rubber compound production plant is located.
- e) a branch at Thebes, Voiotia (69th km of the old Athens-Thebes National Road), where its cable production plant is located.

### Prospects for 2008

The energy cables sector is expected to exhibit growth in the forthcoming years, due to (1) the already announced investments of energy generation & transfer companies, mainly in European countries, (2) the needs to replace old distribution networks in many countries and (3) possible changes in legislation for hygiene & safety purposes (underground networks, use of halogen-free cables etc.). The sector of telecommunication cables will develop according to the development of broadband services. In 2008 new infrastructure development investments are expected to continue from telecommunication / internet provision companies in order to promote new services such as video-on-demand. Finally, demand of enameled wire is expected to range at slightly increased levels, as investments in the energy sector create increased demand for transformers, a major end-use for enameled wires.

The developments in the international markets allow us to be optimistic for the future, since through its investments the group remains competitive in the market, expands the product range and promotes value added products. In an effort to distinguish itself under conditions of increased competition, the group continues to emphasize on business excellence, improvement of procedures, use of modern business instruments, protection of the environment & hygiene and safety. The effort for continuous improvement is necessary, as competition is expected to intensify due to the increased production capacity of our competitors, which have implemented and continue to implement investment plans.

### Conclusions

Dear shareholders, we hereby present the Financial Statements of 2007. The Financial Statements have been prepared according to the International Financial Reporting Standards.

The table below constitutes the parent company's appropriation account:

#### APPROPRIATION ACCOUNT

Net results (profits) of the fiscal year before taxes	11,365,612,97
Plus: Provision for the Fees of the Board of Directors and Executives	720,000,00
Balance of previous years' profits	1,584,177,18
<b>Total</b>	<b>13,669,790,15</b>
Less	
Income tax	(2,202,609,54)
Tax Audit Differences	(435,681,00)
Deferred tax	(527,496,00)
<b>Total tax</b>	<b>(3,165,786,54)</b>
<b>Balance to be distributed</b>	<b>10,504,003,61</b>

We propose that profits be distributed as follows:

Statutory reserve	373,051,64
Dividend (€ 0.13 / share)	3,539,426,80
Profits distributed to the Board of Directors and executives	720,000,00
Untaxed discount of Law 2601/98	1,900,000,00
Special taxed reserve for investments of Law 3299/04	903,131,50
Balance of profits carried forward	3,068,393,67
<b>Total</b>	<b>10,504,003,61</b>

In conclusion, we would like first to express our gratitude for the trust that you have shown in the Company and we request you approve the Company's Financial Statements, as well as the present report, for the fiscal year that ended on 31 December 2007.

Athens, 25 February 2008

THE BOARD OF DIRECTORS

THE CHAIRMAN OF THE BOARD OF DIRECTORS

IOANNIS BATSOLAS

**SUPPLEMENTARY – EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TOWARDS  
THE ANNUAL GENERAL SHAREHOLDERS’ MEETING  
(par. 7 and 8 article 4 of L. 3556/2007)**

### **a) Structure of Share Capital**

The Company’s share capital amounts to € 19,330,715.6 divided into 27,226,360 common registered shares with a nominal value of € 0.71 each. All shares are listed and traded on the securities market of the Athens Exchange, in the Large Capitalization category. The Company’s shares are registered with voting rights.

According to the Company’s articles of association the rights and obligations of shareholders are the following:

- Right to dividend from the Company’s annual earnings. The dividend of each share is paid to its holder within two (2) months from the date of the General Meeting that approves the financial statements. The right to receive dividend is cancelled after five (5) years from the end of the year, during which the General Meeting approved the dividend distribution.
- Pre-emptive right to any share capital increase and withdrawal of new shares.
- Right to participate in the General Shareholders’ meeting.
- The capacity of the shareholder rightfully entails acceptance of the Company’s articles of association and the decision by its entities, which are in accordance with such and the law.
- The Company’s shares are indivisible and the Company does recognize only one owner exclusively for each share. All co-owners of shares, as well as those with dower or bare ownership of such, are represented in the General Meeting by only one individual, who is designated by such following an agreement. In case of a dispute, the share of the above owners is not represented.
- Shareholders are not liable further than the nominal value of each share.

### **b) Limitations to the transfer of Company shares**

The transfer of Company shares takes place as stipulated by the Law and there are no limitations regarding such transfers from its Articles of Association.

### **c) Significant direct or indirect participations according to the definition of articles 9 to 11 of L. 3556/2007.**

The significant (over 5%) participations on 31/12/2007 are as follows:

- VIOHALCO S.A.: percentage of 79.01% of voting rights
- HALCOR S.A.: percentage of 45.66 % of share capital
- OGWELL LIMITED: percentage of 33.06% of share capital\*

\* 100% subsidiary of HALCOR S.A.

### **d) Shares incorporating special control rights**

There are no Company shares that provide special control rights to owners.

### **e) Limitations on voting rights**

According to the Company’s Articles of Association, there are no limitations on voting rights emanating from its shares. The rules of the Company’s articles of association, which stipulate issues of votings, are included in article 24 and include the following:

- Each share provides one (1) voting right at the General Meeting.
- In order for shareholders to acquire the right to participate in the General Meeting, such must submit to the Company’s offices at least five (5) days prior to the meeting, a certificate by the Central Securities Depository of Athens regarding the number of shares registered in their name with the blocking of the transfer of the shares until the day of the General Meeting. Within the same deadline, shareholders must also submit letters of procuracy for their representatives.

### **f) Agreements between Company Shareholders**

To the knowledge of the Company, there are no agreements between shareholders.

### **g) Rules for appointment and replacement of BoD members and amendment of the articles of association**

The rules stated by the Company's Articles of Association regarding the appointment and replacement of its Board of Directors' members and the amendment of the provisions of its Articles of Association, do not differ from those stipulated by C.L. 2190/1920.

### **h) Responsibility of the Board of Directors for the issuance of new shares or the purchase of own shares**

- Article 6 § 1 of the Company's articles of association stipulates that only the General Shareholders' Meeting which convenes with quorum of 2/3 of the paid up share capital, has the right to proceed with an increase of the Company's share capital through issuance of new shares, by means of a decision made by a majority of 2/3 of the represented votes.
- The Company's articles of association do not allow the granting to the Board of Directors or to specific BoD members, of any right corresponding to the General Meeting, for issuance of shares and share capital increase.
- The Board of Directors may proceed with the purchase of own shares in the context of a decision by the General Meeting according to article 16 par. 5 to 13 of C.L. 2190/20.
- In effect of par. 9 article 13 of C.L. 2190/20, the Company's Board of Directors during the month of December of years 2006 until 2013, increases the Company's share capital, without amendment of its articles of association, by issuing new shares in the context of the approved by the General Shareholders' Meeting on 26/6/2002, Stock Option Plan. Detailed information on the latter is presented analytically in note 16 of the Annual Financial Statements.

### **i) Significant agreements put into effect, amended or terminated in case of a change in the Company's control**

The contracts of the Company's joint bond loans, which were undertaken in full by Banks and are presented in note 18 of the annual financial statements (group € 95.00 million long-term € 20.00 million short-term duration and for the company € 95.00 million long-term from which € 20.00 million short-term duration) include a clause for change in control in their terms, which provides the right to borrowers denounce such before their maturity in case the clause is activated.

To the knowledge of the Company, there are no other agreements which are put into effect, amended or terminated in case of a change in the Company's control.

### **j) Agreements with BoD members of the Company's staff**

To the Company's knowledge, there are no agreements of the Company with the members of its Board of Directors or with its staff, which stipulate the payment of indemnity specifically in case of resignation or termination of employment without reasonable cause or of termination of their term or employment.

Athens, 25 February 2008

**The Chairman of the Board of Directors**

**Ioannis Batsolas**

**HELLENIC CABLES S.A.**

**Annual Financial Statements (Corporate and Consolidated) according to the  
International financial Reporting Standards  
of 31 December 2007**

<u>Chairman of the B.o.D.</u>	<u>Member of the B.o.D.</u>	<u>General Manager</u>	<u>Financial Manager</u>
IOANNIS BATSOLAS Id. Card No. K 067453	IOANNIS STAVROPOULOS Id. Card No. K 221209	PERICLES SAPOUNTZIS Id. Card No. K 473915	IOANNIS THEONAS Id. Card No. II 652083  Reg. No. 0011130 A' CLASS

**HELLENIC CABLES S.A.**  
**Corp. Reg. No. 2131/06/B/86/19**

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# HELLENIC CABLES S.A.

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## HELLENIC CABLE INDUSTRY S.A.

### I. Balance Sheets

Amounts in Euro

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>ASSETS</b>					
<b>Non-current assets</b>					
Tangible fixed assets					
	6	84,651,574.32	84,435,092.69	53,410,324.12	51,227,960.18
Investments in real estate	8	2,471,230.44	2,168,074.00	2,471,230.44	2,168,074.00
Intangible assets	7	1,164,068.18	1,827,444.95	805,247.77	1,224,852.78
Investments in associates	9	2,674,636.54	2,076,912.00	935,583.00	935,583.00
Investments in subsidiaries	9a	-	-	19,507,372.80	19,507,372.80
Financial assets available for sale	10	1,729,660.49	1,759,368.61	1,729,660.49	1,759,368.61
Deferred tax claims	12	1,725,137.68	2,271,597.56	-	-
Derivatives	14a	130,785.00	126,792.04	130,785.00	126,792.04
Other receivables		330,270.38	343,482.67	230,314.11	223,090.60
		<b>94,877,363.03</b>	<b>95,008,764.52</b>	<b>79,220,517.73</b>	<b>77,173,094.01</b>
<b>Current assets</b>					
Stocks	13	89,735,346.66	71,619,542.48	48,102,918.03	35,289,853.86
Commercial and other short-term receivables	14	105,674,288.95	99,159,535.55	80,505,996.64	76,950,758.49
Derivatives	14a	893,948.78	442,035.85	712,600.00	442,035.85
Cash in hand and equivalent cash accounts	15	5,037,813.04	4,140,386.43	4,158,429.35	799,889.78
		<b>201,341,397.43</b>	<b>175,361,500.31</b>	<b>133,479,944.02</b>	<b>113,482,537.98</b>
<b>Total assets</b>		<b>296,218,760.46</b>	<b>270,370,264.83</b>	<b>212,700,461.75</b>	<b>190,655,631.99</b>
<b>OWNER'S EQUITY</b>					
<b>Owner's equity attributable to shareholders</b>					
Share capital	16	19,330,715.60	19,284,700.50	19,330,715.60	19,284,700.50
Reserves above par value		23,224,991.12	23,078,520.52	23,224,991.12	23,078,520.52
Foreign exchange differences from the consolidation of foreign subsidiary companies		2,802,738.04	5,994,103.81	-	-
Other reserves	17	24,621,909.68	20,131,289.04	14,510,970.46	10,581,895.82
Profits carried forward		45,001,085.09	35,481,072.73	19,574,346.60	17,845,685.76
		<b>114,981,439.53</b>	<b>103,969,686.60</b>	<b>76,641,023.78</b>	<b>70,790,802.60</b>
<b>Minority interest</b>		<b>867,508.27</b>	<b>795,421.26</b>	<b>-</b>	<b>-</b>
<b>Total owner's equity</b>		<b>115,848,947.80</b>	<b>104,765,107.86</b>	<b>76,641,023.78</b>	<b>70,790,802.60</b>
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Loans	18	90,416,652.82	74,334,060.74	76,000,000.00	71,375,909.05
Liabilities from leasing activities		6,840.00	15,820.74	-	-
Deferred tax liabilities	12	5,050,938.30	4,407,229.54	4,438,744.17	3,837,961.66
Liabilities for personnel compensation due to withdrawal from service	19	1,240,583.42	1,137,675.00	1,191,077.00	1,022,372.00
Grants	20	656,623.44	918,649.68	656,623.44	918,649.68
Provisions	22	100,000.00	-	100,000.00	-
		<b>97,471,637.98</b>	<b>80,813,435.70</b>	<b>82,386,444.61</b>	<b>77,154,892.39</b>
<b>Short-term liabilities</b>					
Suppliers and other short-term liabilities	21	32,840,312.82	32,828,980.83	30,143,552.18	23,045,849.92
Current tax liabilities	26	867,341.15	1,166,637.39	867,341.15	1,166,637.39
Loans		48,717,552.71	49,488,878.01	22,197,130.03	17,694,594.40
Liabilities from leasing activities		7,998.00	7,464.59	-	-
Derivatives	14a	464,970.00	1,299,760.45	464,970.00	802,855.29
		<b>82,898,174.68</b>	<b>84,791,721.27</b>	<b>53,672,993.36</b>	<b>42,709,937.00</b>
<b>Total liabilities</b>		<b>180,369,812.66</b>	<b>165,605,156.97</b>	<b>136,059,437.97</b>	<b>119,864,829.39</b>
<b>Total owner's equity and liabilities</b>		<b>296,218,760.46</b>	<b>270,370,264.83</b>	<b>212,700,461.75</b>	<b>190,655,631.99</b>

The notes on pages 5 to 40 constitute an integral part of these financial statements.

# HELLENIC CABLES S.A.

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**HELLENIC CABLE INDUSTRY S.A.**

## II. Income Statements

Amounts in Euros

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		12 months until 31/12/07	12 months until 31/12/06	12 months until 31/12/07	12 months until 31/12/06
<b>Sales</b>		<b>406,504,487.00</b>	<b>321,273,194.13</b>	<b>293,772,326.89</b>	<b>231,053,176.22</b>
Cost of products sold		(365,772,722.91)	(285,559,492.76)	(270,630,599.58)	(208,580,159.96)
<b>Gross Profit</b>		<b>40,731,764.09</b>	<b>35,713,701.37</b>	<b>23,141,727.31</b>	<b>22,473,016.26</b>
Operating distribution cost	23	(7,155,839.13)	(7,196,377.99)	(3,704,549.09)	(4,082,558.59)
Administrative expenses	23	(6,990,460.25)	(7,620,724.72)	(4,751,970.84)	(5,335,996.99)
Other operating income/(expenses), net	27	835,179.70	349,491.00	931,684.15	610,624.61
<b>Operating profits</b>		<b>27,420,644.41</b>	<b>21,246,089.66</b>	<b>15,616,891.53</b>	<b>13,665,085.29</b>
Financial income/(expenses), net	25	(8,164,967.19)	(3,961,876.09)	(4,732,533.56)	(4,246,079.37)
Income from dividends	21	27,136.00	247.31	481,255.00	419,820.31
Profits from associated companies		1,088,801.10	853,015.65	-	-
<b>Profits before taxes</b>		<b>20,371,614.32</b>	<b>18,137,476.53</b>	<b>11,365,612.97</b>	<b>9,838,826.23</b>
Income tax	26	(4,269,451.73)	(3,083,869.00)	(3,165,786.54)	(2,442,665.39)
<b>Net profits of the period</b>		<b>16,102,162.59</b>	<b>15,053,607.53</b>	<b>8,199,826.43</b>	<b>7,396,160.84</b>
<b>Distributed to:</b>					
The parent company's shareholders		15,991,177.95	14,934,711.34		
Minority interest		110,984.64	118,896.19		
		<b>16,102,162.59</b>	<b>15,053,607.53</b>		
<b>Profits per share that correspond to the shareholders of the parent company for the period</b> (expressed in Euros per share)					
Basic		0.589	0.555	0.302	0.275

The notes on pages 5 to 40 constitute an integral part of these financial statements.

# HELLENIC CABLES S.A.

**CABLEL**<sup>®</sup>

## HELLENIC CABLE INDUSTRY S.A.

### III. Statements of changes in owner's equity

<i>Amounts in Euros</i>	Share Capital and Reserve above par value	Fair value reserves	Other Reserves	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority Interest	Total Owner's Equity
<b>CONSOLIDATED FIGURES</b>								
<b>Balances as of 1 January 2006</b>	<b>41,610,177.52</b>	<b>174,583.14</b>	<b>20,447,207.61</b>	<b>20,845,153.47</b>	<b>2,979,492.21</b>	<b>86,056,613.95</b>	<b>637,584.50</b>	<b>86,694,198.45</b>
Foreign exchange differences	-	-	-	-	3,014,611.60	3,014,611.60	44,843.31	3,059,454.92
Net profits/(losses) recognized directly in owner's equity	-	(789,293.79)	-	-	-	(789,293.79)	(5,902.74)	(795,196.53)
Net profit of the period	-	-	-	14,934,711.34	-	14,934,711.34	118,896.18	15,053,607.53
Total recognized net profit of the period	-	(789,293.79)	-	14,934,711.34	3,014,611.60	17,160,029.15	157,836.75	17,317,865.92
Options of personnel	753,043.50	-	-	-	-	753,043.50	-	753,043.50
Transfer of reserves	-	-	298,792.08	(298,792.08)	-	-	-	-
<b>Balances as of 31 December 2006</b>	<b>42,363,221.02</b>	<b>(614,710.65)</b>	<b>20,745,999.69</b>	<b>35,481,072.73</b>	<b>5,994,103.81</b>	<b>103,969,686.60</b>	<b>795,421.26</b>	<b>104,765,107.86</b>
<b>Balances as of 1 January 2007</b>	<b>42,363,221.02</b>	<b>(614,710.65)</b>	<b>20,745,999.69</b>	<b>35,481,072.73</b>	<b>5,994,103.81</b>	<b>103,969,686.60</b>	<b>795,421.26</b>	<b>104,765,107.86</b>
Foreign exchange differences	-	-	-	-	(3,191,365.77)	(3,191,365.77)	(46,443.95)	(3,237,809.72)
Net profits/(losses) recognized directly in owner's equity	-	735,610.05	-	-	-	735,610.05	7,546.32	743,156.37
Net profit of the period	-	-	-	15,991,177.95	-	15,991,177.95	110,984.64	16,102,162.59
Total recognized net profit of the period	-	735,610.05	-	15,991,177.95	(3,191,365.77)	13,535,422.23	72,087.01	13,607,509.24
Options of personnel	192,485.70	-	-	-	-	192,485.70	-	192,485.70
Transfer of reserves	-	-	3,755,010.59	(3,755,010.59)	-	-	-	-
Dividend	-	-	-	(2,716,155.00)	-	(2,716,155.00)	-	(2,716,155.00)
<b>Balances as of 31 December 2007</b>	<b>42,555,706.72</b>	<b>120,899.40</b>	<b>24,501,010.28</b>	<b>45,001,085.09</b>	<b>2,802,738.04</b>	<b>114,981,439.53</b>	<b>867,508.27</b>	<b>115,848,947.80</b>
<b>COMPANY FIGURES</b>								
<b>Balances as of 1 January 2006</b>	<b>41,610,177.52</b>	<b>174,583.14</b>	<b>10,487,631.73</b>	<b>10,747,002.06</b>	-	<b>63,019,394.45</b>	-	<b>63,019,394.45</b>
Net profits/(losses) recognized directly in owner's equity	-	(377,796.19)	-	-	-	(377,796.19)	-	(377,796.19)
Net profit of the period	-	-	-	7,396,160.84	-	7,396,160.84	-	7,396,160.84
Total recognized net profit of the period	-	(377,796.19)	-	7,396,160.84	-	7,773,957.03	-	7,773,957.03
Options of personnel	753,043.50	-	-	-	-	753,043.50	-	753,043.50
Transfer of reserves	-	-	297,477.14	(297,477.14)	-	-	-	-
<b>Balances as of 31 December 2006</b>	<b>42,363,221.02</b>	<b>(203,213.05)</b>	<b>10,785,108.87</b>	<b>17,845,685.76</b>	-	<b>70,790,802.60</b>	-	<b>70,790,802.60</b>
<b>Balances as of 1 January 2007</b>	<b>42,363,221.02</b>	<b>(203,213.05)</b>	<b>10,785,108.87</b>	<b>17,845,685.76</b>	-	<b>70,790,802.60</b>	-	<b>70,790,802.60</b>
Net profits/(losses) recognized directly in owner's equity	-	174,064.05	-	-	-	174,064.05	-	174,064.05
Net profit of the period	-	-	-	8,199,826.43	-	8,199,826.43	-	8,199,826.43
Total recognized net profit of the period	-	174,064.05	-	8,199,826.43	-	8,373,890.48	-	8,373,890.48
Options of personnel	192,485.70	-	-	-	-	192,485.70	-	192,485.70
Transfer of reserves	-	-	3,755,010.59	(3,755,010.59)	-	-	-	-
Dividend	-	-	-	(2,716,155.00)	-	(2,716,155.00)	-	(2,716,155.00)
<b>Balances as of 31 December 2007</b>	<b>42,555,706.72</b>	<b>(29,149.00)</b>	<b>14,540,119.46</b>	<b>19,574,346.60</b>	-	<b>76,641,023.78</b>	-	<b>76,641,023.78</b>

The notes on pages 5 to 40 constitute an integral part of these financial statements.

### IV. Cash Flow Statements

<i>Amounts in Euros</i>	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		1/1 to 31/12/07	1/1 to 31/12/06	1/1 to 31/12/07	1/1 to 31/12/06
<b>Cash flows (for)/from operating activities</b>					
Cash flows for operating activities	28	(6,709,474.44)	(7,467,624.23)	10,412,139.40	(5,708,513.28)
Interest paid		(6,862,835.97)	(5,107,216.77)	(5,065,997.97)	(3,540,825.87)
Income tax paid		(3,571,650.30)	(1,526,809.80)	(2,837,577.78)	(121,504.76)
<b>Net cash flows for operating activities</b>		<b>(17,143,960.71)</b>	<b>(14,101,650.80)</b>	<b>2,508,563.65</b>	<b>(9,370,843.91)</b>
<b>Cash flows (to)/from investment activities</b>					
Purchase of tangible fixed assets	6	(9,097,487.95)	(6,105,021.47)	(6,126,470.65)	(1,811,261.42)
Purchase of intangible assets	7	(106,995.60)	(374,553.87)	(106,996.60)	(312,539.08)
Investments in real estate	8	(303,156.44)	-	(303,156.44)	-
Sale of tangible fixed assets		6,017.75	954,545.72	101,450.00	18,517.00
Dividends received		466,896.00	419,820.31	481,255.00	419,820.31
Purchase of financial assets available for sale		(7,460.00)	-	(7,460.00)	-
Sale of financial assets available for sale		42,536.00	-	42,536.00	-
Interest received		291,451.08	113,858.46	197,245.38	51,367.60
Return of share capital of a subsidiary		-	-	-	2,887,865.08
<b>Net cash flows for investment activities</b>		<b>(8,708,199.16)</b>	<b>(4,991,350.85)</b>	<b>(5,721,595.91)</b>	<b>1,253,769.49</b>
<b>Cash flows to/from financing activities</b>					
Issue of common shares		192,485.70	753,043.50	192,485.70	753,043.50
Dividends paid to the parent company's shareholders		(2,747,540.45)	(387.36)	(2,747,540.45)	(387.36)
Loans received		66,155,195.28	40,285,000.00	35,000,000.00	40,285,000.00
Loan settlement		(50,233,342.00)	(21,367,873.82)	(25,873,373.42)	(33,021,998.85)
Changes in leasing capital		(8,447.33)	23,285.33	-	-
Collection of subsidy		-	511,088.24	-	511,088.24
<b>Net cash flows from financing activities</b>		<b>13,358,351.20</b>	<b>20,204,155.89</b>	<b>6,571,571.83</b>	<b>8,526,745.53</b>
<b>Net (decrease)/increase in cash in hand and equivalent cash accounts</b>		<b>925,140.21</b>	<b>1,111,154.23</b>	<b>3,358,539.57</b>	<b>409,671.11</b>
Cash in hand and equivalent cash accounts at the beginning of the fiscal year	15	4,140,386.43	2,981,400.16	799,889.78	390,218.67
Foreign exchange differences in cash in hand		(27,713.60)	47,832.04	-	-
<b>Cash in hand and equivalent cash accounts at the end of the fiscal year</b>		<b>5,037,813.04</b>	<b>4,140,386.43</b>	<b>4,158,429.35</b>	<b>799,889.78</b>

The notes on pages 5 to 39 constitute an integral part of these financial statements.

### Notes on the financial statements

#### 1. General information

The present report includes the financial statements of HELLENIC CABLES S.A. (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (together the “Group”). The corporate names of the Company’s subsidiaries are presented in Note 9a of the financial statements.

The Group is primarily active in the production and sale of all types and forms of cables.

The Group is mainly active in Greece and Romania. The company is a societe anonyme and its shares are traded on the Athens Stock Exchange.

The Company is seated in Greece, 2 Mesogheion Ave. (4, Athens Tower, B’ Building, Athens). The Company’s electronic address is [www.cablel.gr](http://www.cablel.gr).

The financial statements as of 31 December 2007 included herein have been approved for publication by the Company’s Board of Directors on 25 February 2007.

The parent company is HALCOR S.A., the shares of which are traded on the Athens Stock Exchange. The Company, like HALCOR, belong to the VIOHALCO S.A. Group of Companies. On 31 December 2007, HALCOR’s direct and indirect holding in HELLENIC CABLES was 78.72% (2006: 78.90%).

#### 2. Overview of significant accounting principles

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

The Company’s financial statements included herein concern the fiscal year that ended on 31 December 2007 and have been prepared according to the International Financial Reporting Standard (“IFRS”).

Pursuant to European Legislation 1606/2002 and Law 3229/04 (as this has been amended by Law 3301/04), Greek companies that are listed on any stock exchange (domestic or international) are obligated to prepare their institutional financial statements for fiscal years that begin from 1 January 2005 and thereafter according to the IFRS.

These financial statements have been prepared according to the principle of historical cost (with the exception of lots, buildings and significant machinery, which were valuated at their reasonable values and considered a deemed cost on the date of transition to the IFRS, and derivatives which are valued at fair value).

The Group, applying the transitional provisions of IFRS 2 “Share-based payment”, did not recognize, in the financial statements included herein, share option plans, since these had been issued prior to 7 November 2002.

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

The accounting principles that have been adopted are consistent with those of the previous period, with the following exception:

The Group has applied the following new and amended standards and interpretation, the adoption of which had no effect on the Group's financial position and performance. As a result of the application of such, additional disclosures have arisen and in some cases changes in accounting principles.

### **IFRS 7 Financial instruments: Disclosures**

IFRS 7 requires disclosures that provide readers of the financial statements with the ability to evaluate the significance of the Group's financial instruments as well as the nature and exposure to risks that emerge from such financial instruments. These new disclosures are included in several notes of the financial statements. Despite the fact that there is no effect on the financial position and results of the Company, comparative data have been restated where necessary.

### **Amendment of IAS1 : Presentation of financial statements – Capital disclosures**

This amendment requires disclosures that provide readers of the financial statements with the ability to evaluate the Company's objectives, principles and the way the company's capital is managed, as well as any possible minimum capital adequacy requirements imposed by Regulatory or other Authorities.

These new disclosures are included in the financial statements in note 34.

### **IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies**

Interpretation 7 requires that in the period in which the economy of a company's functional currency becomes hyperinflationary, without the previous period having been hyperinflationary, the company shall apply the requirements of IAS 29 as though the economy had always been hyperinflationary.

Interpretation 7 does not apply to the Group.

### **IFRIC 8, Scope of IFRS 2**

IFRIC 8 clarifies that IFRS 2 *Share-based Payment* applies to transactions in which a company grants equity instruments or incurs the obligation to transfer cash or other assets (that are based on its share price) when the identifiable consideration given appears to be less than the fair value of the equity instruments granted or liability incurred.

Interpretation 8 does not apply to the Group.

### **IFRIC 9, Reassessment of Embedded Derivatives**

Interpretation 9 requires that a company assess the extent to which contract contains an embedded derivative at the time the contract is concluded, and that it prohibits a subsequent reassessment unless there is a change in the terms of the contract that significantly modifies cash flows.

Interpretation 9 does not apply to the Group.

### **IFRIC 10, Interim Financial Reporting and Impairment**

Interpretation 10 may affect financial statements if an impairment loss is recognized in an interim period in respect of goodwill or an investment in either an equity instrument available for sale or a non-listed equity instrument carried at cost, whereas this impairment may not be reversed in subsequent interim or annual financial statements.

Interpretation 10 does not apply to the Group.

Until the approval date of the financial standards, new IFRS, amendments and interpretations have been issued, whose application is not mandatory for the current accounting period and which the Group did not apply in advance. Such new standards and interpretations are presented below:

### (i) Standards and interpretations that have been used by IASB and adopted by the EU

#### ***IFRS 8 ‘Operating Segments’ (effective date: annual periods beginning on or after 1 January 2009)***

IFRS 8 replaces IAS 14 ‘Segment reporting’ and adopts an administrative approach with regard to financial information that is provided per segment. Information that shall be provided shall be that which management uses internally for evaluating the performance of operating segments and allocating resources to segments. This information may differ from that which is presented in the balance sheet and income statement and companies must provide clarifications and reconciliations with regard to these differences.

The Group is presently evaluating the affect of this standard on its financial statements.

#### ***IFRIC 11, IFRS 2 ‘Group and Treasury Share Transactions’ (effective date: annual periods beginning on or after 1 March 2007)***

Interpretation 11 requires that transactions, in which employees are granted rights on equity instruments of the company, be deemed, for accounting purposes, as fees that are set by the value of the shares settled with equity instruments, even in the case in which the company chooses or is obligated to purchase these equity instruments from third parties or where the company’s shareholders provide the instruments to be granted. The present Interpretation is also extended to the manner by which subsidiary companies manage, in their ordinary financial statements, programs in which their employees are granted rights on the parent company’s equity instruments.

Interpretation 11 does not apply to the Group.

### (ii) Standards and interpretations that have been used by IASB and have not yet been adopted by the EU

#### ***Amendments to IAS 23 ‘Borrowing Cost’ (effective date: annual periods beginning on or after 1 January 2009).***

According to the amendments to IAS 23, the option (provided in the existing standard) for recognition of the borrowing cost that can be allocated directly to an asset that meets the conditions in the period’s expenses, is repealed. All borrowing costs that can be allocated directly to the acquisition, construction or production of an asset that meets the conditions, must be capitalized. An asset that meets the conditions is an asset which necessarily requires a significant preparation period for the use it is intended for or for its sale. According to the transitional provisions of the Standards, the Group will adopt the amendment from the effective date and subsequently to such. Therefore, the borrowing cost that concerns assets that meet the conditions, is capitalized when the beginning of the capitalization begins from 1 January 2009 or after. No readjustment will be made for the borrowing cost that had been registered in the results prior to the aforementioned date.

#### ***IFRIC 12 ‘Service Concession Arrangements’ (effective date: annual periods beginning on or after 1 January 2008)***

Interpretation 12 addresses the manner by which grantors must apply the existing International Financial Reporting Standards (IFRS) so as to record the obligations that they assume and the rights that are assigned thereto in the relative concession arrangements. According to this Interpretation, grantors must not recognize the relative infrastructure as tangible assets, but to recognize a financial asset or an intangible asset. Interpretation 12 does not apply to the Group.

#### ***IFRIC 13 ‘Customer Loyalty Programs’ (effective date: annual periods beginning on or after 1 July 2008)***

IFRIC 13 requires that loyalty award credits be accounted for as a separate item of the sale transaction with which such are provided and thus part of the fair value of the sales price is allocated to such and is registered during the period where such credits are exercised.

The Group does not expect IFRIC 13 to have an effect on its financial statements as it does not implement such programs.

**IFRIC 14 ‘IAS 19 The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction’ (effective date: annual periods beginning on or after 1 January 2008).**

IFRIC 14 provides guidance as regards to the estimation of the limit on the surplus amount that may be registered as an asset in a defined benefit plan according to *IAS 19 ‘Employee Benefits’*. Furthermore, it explains how this limit can be affected when there is a legal or contractual minimum funding requirement and standardizes the existing practice.

The Group expects that this Interpretation will not affect its financial position or performance given that all defined benefit plans lead to a net liability / the group has no financed defined benefit plans.

**Amendments to IAS 1 ‘Presentation of Financial Statements’ (effective date: annual periods beginning on or after 1 January 2009).**

IAS 1 has been amended to improve the usefulness of information presented in the financial statements. The most important amendments include: the requirement that the statement of changes in equity includes only transactions with shareholders, the introduction of a new “comprehensive income” statement that combines all the income and expense items recognized in the income statement with “other income” and the requirement that restatements in the financial statements or retrospective implementations of new accounting policies be presented from the beginning of the first comparative period, namely in a third column of the balance sheet. The Group will make all necessary changes in the presentation of its financial statements for 2009.

**Amendments to IFRS 2 ‘Share-based Payment’ (effective date: annual periods beginning on or after 1 January 2009).**

The amendment clarifies two issues: The definition of the ‘vesting conditions’, with the introduction of the term ‘non-vesting conditions’ for terms that do not constitute service conditions or performance conditions. It is also clarified that all cancellations, either arising from the entity or from other parties, must receive the same accounting treatment.

The Group does not expect this amendment to affect its financial statements.

**Revised IFRS 3 ‘Business Combinations’ and Amended IAS 27 ‘Consolidated and Separate Financial Statements’ (effective date: accounting periods beginning on or after 1 July 2009)**

On January 10<sup>th</sup> 2008 the International Accounting Standards Board published the Revised IFRS 2 ‘Business Combinations’ and the Amended IAS 27 ‘Consolidated and Separate Financial Statements’. The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations, which will affect the amount of recognized goodwill, the results of the period during which the business combination takes place and the future results. These changes include that costs related to the acquisition be expensed and the recognition of future changes in the fair value of the contingent price in the results (instead of adjustment of goodwill). The amended IAS 27 requires that transactions, which lead to changes in the participation percentages in subsidiaries be registered in equity. Therefore such do not affect goodwill nor do they create a result (profit or loss). Furthermore, the amended standard changes the way losses of subsidiaries are accounted for as well as the loss of control of a subsidiary.

All the changes of the aforementioned standards will be applied from their effective date and will affect future acquisitions and transactions with minority shareholders from the aforementioned date and after.

**Amendments to IAS 32 and IAS 1 Financial Instruments – Puttable instruments (effective date: annual periods beginning on or after 1 January 2009)**

The amendment to IAS 32 requires that specific puttable financial instruments and liabilities that arise during the liquidation of an entity, be included in Equity if specific criteria are met. The amendment to IAS 1 requires the disclosure of information regarding puttable instruments classified as Equity.

The Group considers that the aforementioned amendments will not affect its financial statements.

### 2.2 Principles of Consolidation and holdings

#### (a) Subsidiary companies

Subsidiary companies are companies over which the Group, directly or indirectly, controls their financial and operating policies.

Subsidiary companies are fully consolidated (integrated consolidation) from the day control over them is acquired and cease to be consolidated from the day this control is no longer exercised.

Buy-outs of subsidiary companies are accounted for based on the buy-out method. The acquisition cost of a subsidiary company is estimated at the reasonable value of the assets that were acquired, of the shares that were issued and of the liabilities that were undertaken on the day the buy-out was effected, plus any cost that is directly associated with the buy-out. Assets, liabilities and contingent liabilities that are recognized in a business combination are estimated at the time of the buy-out at their reasonable values regardless of the holding percentage. The buy-out cost that exceeds the reasonable value of the recognizable net assets that were acquired is recorded as goodwill. If the total buy-out cost is less than the Group's share in the reasonable value of the net assets that were acquired, the difference is recorded directly in the Income Statement.

Transactions, balances and non-realized profits that arise between the Group's companies are deleted when the companies are consolidated. The same applies to non-realized losses, unless there are indications that the fixed asset that was transferred has been devaluated. The accounting principles that are applied by the Group's subsidiary companies have been readjusted so that they may be consistent with those that have been adopted by the Group.

#### (b) Associated companies

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights of an associated company ranges between 20% and 50%. Investments in associated companies are accounted for according to the net worth method and are initially recognized at their acquisition cost. The account in which investments in associated companies are recorded also includes the goodwill that arises during the buy-out (decreased by possible devaluation losses).

In its corporate statements, the Company records its holdings in subsidiary and associated companies at their acquisition cost, less any possible devaluation of thereof.

#### (c) Joint-ventures

Joint ventures are consolidated based on the proportionate consolidation method. In such, there is no participation cost and the assets and liabilities are incorporated proportionately based on the participation percentage.

### 2.3 Foreign exchange conversions

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

The figures recorded in the financial statements of the Group's companies are estimated by using the currency of the primary economic environment in which each company operates ("functional currency").

The consolidated financial statements are expressed in Euros, which constitutes both the parent company's functional and presentation currency.

#### (b) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the functional currency based on the exchange rate that is applicable on the day each transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions and from the conversion of monetary assets and liabilities that are expressed in a foreign currency with the foreign exchange rates that apply on the balance sheet date are recorded in the Income Statement.

### (c) The Group's Companies

The figures recorded in the financial statements of the Group's companies (none of which, as of 31 December 2007, operate in a hyperinflation economy) that are expressed in a different functional currency from the Group's presentation currency, are converted as follows:

- i. Assets and liabilities are converted based on the exchange rates that are applicable on the balance sheet date,
- ii. Income and expenses are converted based on the period's average exchange rates (unless the average exchange rate is not a reasonable estimation of the accumulated affect of the exchange rates that were applicable on the day the transactions were carried out, in which case income and expenses are converted based on the actual exchange rates that were applicable on the day the transactions were carried out), and
- iii. Any foreign exchange difference that may arise is recorded in an owner's equity reserve account and transferred to the results when these companies are sold.

In the consolidated financial statements, foreign exchange differences that arise from the conversion of a net investment in a foreign company are recognized in owner's equity. Upon the sale of a foreign company, accumulated foreign exchange differences are transferred to the results as part of the sale's profit or loss.

Goodwill and readjustments of reasonable values that arise from the buy-out of a foreign subsidiary company are recognized as the foreign company's assets and liabilities and are converted based on the exchange rate that applies on the balance sheet date.

### 2.4 Tangible fixed assets and investment property

Tangible fixed assets are recorded at acquisition cost less accumulated depreciation and any devaluation. The acquisition cost also includes all expenditures that are directly associated with the acquisition of real estate and equipment. As noted in Note 2.1, the Company and its subsidiary TELECABLES S.A. valued fields, buildings and machinery at their reasonable values on 1 January 2004, which were used as a deemed cost on the date of transition to the IFRS.

Expenditures that are incurred after the purchase of a tangible fixed asset are either incorporated in the asset's book value or, when it is deemed suitable, recognized as a separate fixed asset, only if it is deemed that the Group may obtain future financial gains from this asset greater than those expected according to the asset's initial performance and under the condition that its cost may be reliably estimated. Repair and maintenance costs are recorded in the Income Statement when these are incurred.

Lots are not depreciated. Other tangible fixed assets are depreciated based on the straight line method with equal annual burdens during the asset's expected service life, so that the cost may be deleted at its residual value. The expected service lives of assets are set as follows:

Buildings	20-33	years
Machinery – technical installations and other machinery	5-17	years
Transportation equipment	4-6	years
Telecommunications equipment	4-6	years
Furniture and other fixtures	5-7	years

The residual values and service lives of tangible fixed assets are reviewed and adjusted on every balance sheet date, if this is deemed necessary.

When the book value of a tangible fixed asset exceeds its recoverable value, the difference (devaluation loss) is immediately recorded in the Income Statement as an expense (Note 2.6).

During the sale of a tangible fixed asset, any difference that may arise between the price that is received and the book value thereof is recorded in the Income Statement as a profit or loss.

Investments in real estate concern lots that were recorded at their current value (deemed cost) on the date of transition to the IFRS. Thereafter they are estimated at cost less any possible devaluation. During the periods noted herein no devaluation was necessary. The reasonable value of these real estates, as of 31 December 2007, does not differ significantly from the value noted in the balance sheet that was estimated based on the Management's estimations.

### 2.5 Intangible assets

#### (a) Concessions and industrial property rights

Concessions and industrial property rights include trade marks and licenses and are estimated at their acquisition cost less depreciation. These assets are depreciated based on the straight line method during their service life, which ranges between 10-15 years.

#### (b) Software

Software licenses are estimated at their acquisition cost, less accumulated depreciation and any accumulated devaluation. These assets are depreciated based on the straight line method during their service life, which ranges between 3 to 5 years.

Expenditures that are required for the development and maintenance of software programs are recognized as an expense in the Income Statement in the year in which they are incurred.

### 2.6 Devaluation of non-financial assets

Assets that have an indefinite service life are not depreciated, but are subject to a devaluation control on an annual basis and when certain facts indicate that their book value may not be recovered. Assets that are depreciated are subject to control regarding their devaluation when there are indications that their book value will not be recovered. The recoverable value is the greater amount between an asset's reasonable value, less the cost that is required for the sale thereof, and the value due to usage. Losses due to an asset's devaluation are recorded in the Income Statement as an expense in the year in which they are incurred.

### 2.7 Financial assets

The Group's financial assets are classified into 4 categories. They are classified based on the purpose for which they were acquired. The Group's Management decides on the investment's classification at the time the asset is initially recognized and re-examines its classification on every publication date.

#### (a) Financial assets estimated at their reasonable value with changes to results

This category includes financial assets that were acquired in order to be resold in a short period of time. Financial assets of this category are recorded in a current asset account if they are held for commercial purposes or if they are expected to be sold within 12 months of the balance sheet date.

#### (b) Loans and receivables

This category includes non-derivatives with fixed or designated payments, which are neither traded in active markets nor intended to be sold. These financial assets are recorded in a current asset account, with the exception of those financial assets that have a term greater than 12 months from the balance sheet date. These latter assets are recorded in a non-current asset account.

#### (c) Investments held until maturity

This category includes non-derivatives with fixed or designated payments and with a specific maturity, and which the Group intends and has the capacity to hold onto until they mature. During the year the Group did not have any investments of this category.

#### (d) Financial assets available for sale

This category includes non-derivatives that are either classified in this category or cannot be classified in any of the aforementioned categories. These assets are recorded in non-current asset accounts provided the Management does not intend to liquidate them within 12 months of the Balance Sheet date.

The purchase and sale of an investment is recognized on the day the transaction is carried out, which is also the day on which the Group is bound to purchase or sell the asset. Investments are initially recorded at their reasonable value plus any expense

associated with the transaction. Investments are written off when the right to collect the cash flows that arise therefrom expires or is transferred and the Group has substantially transferred all the risks and benefits that ownership thereof entails.

Subsequently, assets that are available for sale are valued at their reasonable value and the relative profit or loss is recorded in an owner's equity reserve account until they are sold or sustain a devaluation. With regard to financial assets available for sales that are depicted in the Group's financial statements, these are estimated at cost less any devaluation, whereas they are not traded in an active market and their reasonable value cannot be reliably determined. Upon the sale or devaluation of these assets the profit or loss is transferred to the results. Devaluation losses that have been recognized in the results may not be reversed through the results for these financial assets (holdings).

Loans and receivables are recognized at their undepreciated cost based on the true interest rate method.

### **2.8 Stocks**

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

### **2.9 Commercial receivables**

Receivables from customers are initially recorded at their reasonable value and are subsequently estimated at their undepreciated cost based on the true interest rate method, less any devaluation loss. Devaluation losses are recognized when there is an objective indication that the Group is not in a position to collect all the amounts that are due pursuant to relative contractual terms. The amount of the provision is equal to the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted based on the true interest rate method. The provision is recorded as an expense in the Income Statement.

### **2.10 Cash in hand and equivalent cash accounts**

Cash in hand and equivalent cash accounts include cash in hand, sight deposits and short-term (up to 3 months) high-liquid and low-risk investments. Bank overdrafts are recorded in the liabilities as short-term loan liabilities.

### **2.11 Share capital**

Common shares are included in owner's equity.

Expenses that are directly associated with the issuance of shares appear, after the deduction of the relative income tax, as a reduction of the issuance's product. Expenses that are directly associated with the issuance of shares for the acquisition of a company are included in the acquisition cost of the company that is acquired.

### **2.12 Loans**

Loans are initially recorded at their reasonable value, decreased by any possible direct expense that is required in order to complete the transaction. They are subsequently valued at their undepreciated cost based on the true interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the true interest rate method.

Loans are classified as short-term liabilities unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date.

Interest expenses of loans are recorded directly in the income statements of the period that they concern, even if they concern a construction period of fixed assets.

### **2.13 Deferred income tax**

Deferred income tax is determined with the method of liability that arises from temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability during a transaction, with the exception of a business combination, which, when the transaction was effected,

did not affect the accounting or tax profit or loss. Deferred income tax is determined with the tax rates that are expected to apply during the fiscal year in which the claim shall be realized or the liability shall be settled and is based on the tax rates (and tax laws) that are in force or have been instituted on the balance sheet date.

Deferred tax claims are recognized to the extent that a future taxable profit will arise from the use of the temporary difference that creates the deferred tax claim.

Deferred income tax is recognized for the temporary differences that arise from investments in subsidiary and affiliated companies, with the exception of the case in which inversion of temporary differences is controlled by the Group and it is possible that the temporary differences will not invert in the foreseeable future.

### **2.14 Personnel benefits**

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

Short-term personnel benefits in the form of cash or in kind are recorded as an expense when these accrue.

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

Benefits following withdrawal from the service include both pre-determined contribution plans and pre-determined benefit plans.

The accrued cost of pre-determined contribution plans is recorded as an expense in the period that it concerns.

The liability that is recorded in the balance sheet with regard to predetermined benefit plans is the present value of the commitment to the pre-determined benefit less the reasonable value of the plan's assets, the changes that arise from non-recognized actuarial profits and losses and the cost of past service. The commitment of the pre-determined benefit is calculated by an independent actuary with the projected unit credit method.

Actuarial profits and losses that arise from adjustments on the basis of historic data and are above or below the margin of 10% of the accumulated liability are recorded in the results within the expected average insurance term of the plan's participants. The cost of past service is recorded directly in the results, with the exception of the case in which changes to the plan depend on the remaining term of the employee's past service. In this case, the cost of past service is recorded in the results based on the fixed method within the maturing period.

#### **(c) Employment termination benefits**

Employment termination benefits are paid when employees decide to withdraw prior to their respective date of retirement. The Group records these benefits when it is bound, or when it terminates the employment of existing employees based on a detailed schedule for which there is no possibility of withdrawal or when it offers these benefits as an incentive for voluntary retirement. Employment termination benefits that are due in 12 months after the balance sheet date are discounted.

In the case of employment termination in which the Group is not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for but are recorded as a contingent liability.

### **2.15 Grants**

Government grants are recognized at their reasonable value when it is certain that the grant will be received and the Group will comply with all stipulated terms.

Government grants that concern expenses are recognized in the results so that these will match the expenses that they will cover.

Government grants regarding the purchase of tangible fixed assets are recorded in long-term liability accounts as deferred government grants and are transferred as income to the income statement with the fixed method over the expected service lives thereof.

### 2.16 Provisions

Provisions are recognized when:

- i. There is a present legal or inferred commitment as a result of past events.
- ii. Outflow of funds may be demanded for the commitment's settlement.
- iii. The amount in question may be reasonably estimated.

Wherever there are various similar liabilities, the possibility that an outflow shall be required for settlement thereof is designated by examining the liability category overall.

Provisions are calculated at the present value of expenses that, based on the Management's best possible estimate, are required to cover the present liability on the balance sheet date (Note 4). The discount rate that is used in determining the present value reflects the current market estimations for the temporal value of money and increases that concern the specific liability.

### 2.17 Recognition of income

Income includes the reasonable value of the sale of goods and the provision of services, net of Value Added Tax, discounts and returns. Inter-company income within the Group is deleted in full. Income is recognized as follows:

#### (a) Sale of goods

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

#### (b) Provision of services

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

#### (c) Income from interest

Income from interest is recognized based on time proportion and with the use of the true interest rate. When receivables are devaluated, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial true interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied on the decreased (new book) value

#### (d) Dividends

Dividends are accounted for as income when a right to collect has been established with the approval of the General Meeting or relative competent body of the affiliated companies.

### 2.18 Leases

Leases of fixed assets, in which the Group substantially maintains all the risks and remunerations that ownership thereof entails, are classified as leasing. Leasing is capitalized from the moment the lease begins at the lesser amount between the fixed asset's reasonable value and the present value of the minimum rents. The corresponding liabilities that arise from the rents, net of financial expenses, are recorded in liability accounts. The part of financial expenses that concerns leasing is recorded in the results during the term of the lease. Fixed assets that were acquired through leasing are depreciated over the shorter period between the service lives thereof and the term of their lease.

Leases, in which the lessor substantially maintains all the risks and remunerations that ownership thereof entails are classified as operating leases. Payments that are made with regard to operating leases are recognized in the results proportionately during the term of the lease.

**2.19 Distribution of dividends**

The distribution of dividends to the parent company's shareholders is recognized as a liability in the financial statements when the distribution thereof is approved by the General Meeting of the shareholders.

### 3. Financial instruments

The Group hedges the risk that is associated with changes in the prices of metals that are incorporated in manufactured products through the pre-purchase or pre-sale of amounts equal to those of natural acts of equivalent metals (sale or purchase) listed on the London Metal Exchange.

Furthermore, the Group pre-purchases foreign exchange and mainly enters into foreign exchange futures contracts with external parties to face foreign exchange risk.

Moreover, for floating rate loans, the Group has entered into interest rate swaps (payment of a predefined interest rate and receipt of Euribor) to cover its exposure to risk from possible future changes in borrowing rates above predefined limits.

#### 3.1 Basic financial risk management tools and accounting principles that are followed

Results from financial risk management acts that have been settled are recorded in the income statement when these are realized (market results from transactions in aluminium and copper, result from pre-purchase of foreign exchange and difference in interest from interest rate swaps).

The Group, on a regular basis, determines the efficiency of acts of hedging expected cash flows, both on a business and accounting basis, and on every balance sheet date records in the net worth that part of the result from the estimation of open positions that is considered efficient.

#### 3.2 Determining reasonable values

The reasonable values of financial assets that are traded in active markets (stock markets) (e.g. derivatives, shares, bonds, mutual funds) are set according to the published prices that are valid on the balance sheet date. The reasonable value of financial assets is determined by their offer price, while the reasonable value of financial liabilities is determined by their demand price.

The reasonable values of financial assets that are not traded in active markets are set through the use of evaluation techniques and standards that are based on market data on the balance sheet date.

The nominal value less provisions for doubtful commercial claims is deemed to approximate their actual value. The reasonable values of financial liabilities, for the purpose of being recorded in financial statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the current interest rate that is available for the Group for the use of similar financial-credit means.

### 4. Significant accounting estimations and judgments of the Management

The management's estimations and judgments are re-examined on a continuous basis and are based on historical figures and expectations of future events, which are deemed reasonable pursuant to that which is in force.

The Group proceeds in estimations and acknowledgements with regard to the development of future events. Estimations and acknowledgements that entail a significant probability that they will cause substantial adjustments to the book values of assets and liabilities in the following 12 months concern the calculation of income tax, in the valuation of stocks and the calculation of fair value of derivatives.

The Group's judgment is required in order to determine the income tax provision. There are many transactions and estimations due to which the tax's final determination is uncertain. If the final tax is different from the initially recognized tax, the difference shall affect the income tax and the provision for deferred taxation of the period.

In addition, the Group estimates stocks at the lesser value between their current value and their net liquid value. The liquid value of stocks may differ in relation to the value which was estimated on the day the financial statements were prepared.

### 4.1. Reclassifications of figures

Certain figures noted in the financial statements and in certain notes of fiscal year 2007 have been reclassified in relation to the published financial statements of fiscal year 2006 so that they may be comparable with those of the current fiscal year. Specifically, in the consolidated income statement, a transfer was made of direct sales expenses from distribution expenses to the cost of goods sold (€ 3,061,022.74) and in the balance sheet a transfer of other taxes from current tax liabilities to the account suppliers and other short-term liabilities (€ 1,567,389.42 in the consolidated balance sheet and € 353,789.73 in the corporate).

### 5. Reporting by sector

#### Primary type of reporting – business sectors

The Group is divided into two business sectors:

- (1) CABLES – These are power & telecom cables as well as copper and aluminium conductors. The raw materials that are used belong to two categories: metal (copper, aluminium, steel wires) and plastic-rubber (“XLPE, EPR, PVC” etc.).
- (2) ENAMEL – Enamel cables are copper wires, tin-plated copper conductors and enameled wires. The raw materials that are used are copper in a Φ8mm wire, tin in ingots, enamels and raw materials for the construction of enamels.

Results per sector for the fiscal year until 31 December 2007 are analyzed as follows:

<i>Amounts in Euros</i>	CABLES	ENAMEL	Non-allocated	Total
<b>12 months until 31 December 2006</b>				
Total gross sales per sector	296,579,146.50	60,114,878.05	-	<b>356,694,024.55</b>
Inter-company sales	(33,238,757.40)	(2,182,073.02)	-	(35,420,830.42)
<b>Net sales</b>	<b>263,340,389.10</b>	<b>57,932,805.03</b>	-	<b>321,273,194.13</b>
Operating profits	19,342,425.31	1,903,664.35	-	21,246,089.66
Financial income-expenses	-	-	(3,961,876.09)	(3,961,876.09)
Share from the results of affiliated companies & dividends	-	-	853,262.96	853,262.96
<b>Profits before taxes</b>	<b>19,342,425.31</b>	<b>1,903,664.35</b>	<b>(3,108,613.13)</b>	<b>18,137,476.53</b>
Income tax	-	-	(3,083,869.00)	(3,083,869.00)
<b>Net profit</b>	<b>19,342,425.31</b>	<b>1,903,664.35</b>	<b>(6,192,482.13)</b>	<b>15,053,607.53</b>
<b>31 December 2006</b>				
Assets	232,905,556.96	35,387,795.87	2,076,912.00	<b>270,370,264.83</b>
Total liabilities	36,401,722.58	5,357,210.31	123,846,224.08	<b>165,605,156.97</b>
Investments in tangible and intangible assets and investments in real estate	6,429,099.22	-	50,476.12	<b>6,479,575.34</b>

Other information included in the consolidated income statement are as follows:

<i>Amounts in Euros</i>	CABLES	ENAMEL	Non-allocated	Total
<b>12 months until 31 December 2006</b>				
Depreciation of tangible fixed assets	5,747,422.63	489,356.00	-	<b>6,236,778.63</b>
Depreciation of intangible assets	976,600.70	-	-	<b>976,600.70</b>
<b>Total depreciation</b>	<b>6,724,023.33</b>	<b>489,356.00</b>	-	<b>7,213,379.33</b>
Impairment of receivables	-	-	1,068,265.82	<b>1,068,265.82</b>
Impairment of stocks	1,630,095.81	-	-	<b>1,630,095.81</b>

# HELLENIC CABLES S.A.

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## HELLENIC CABLE INDUSTRY S.A.

Results per sector for the fiscal year until 31 December 2007 are analyzed below:

<i>Amounts in Euros</i>	CABLES	ENAMEL	Non-allocated	Total
<b>12 months until 31 December 2007</b>				
Total gross sales per sector	377,569,811.55	74,361,449.81	-	<b>451,931,261.36</b>
Inter-company sales	<u>(36,480,082.39)</u>	<u>(8,946,691.97)</u>	-	<u>(45,426,774.36)</u>
<b>Net sales</b>	<b><u>341,089,729.16</u></b>	<b><u>65,414,757.84</u></b>	-	<b><u>406,504,487.00</u></b>
Operating profits	25,689,827.47	1,730,816.94	-	27,420,644.41
Financial income-expenses	-	-	(8,164,967.19)	(8,164,967.19)
Income from dividends	-	-	27,136.00	27,136.00
Share from the results of affiliated companies	-	-	1,088,801.10	1,088,801.10
<b>Profits before taxes</b>	<b><u>25,689,827.47</u></b>	<b><u>1,730,816.94</u></b>	<b><u>(7,049,030.09)</u></b>	<b><u>20,371,614.32</u></b>
Income tax	-	-	(4,269,451.73)	(4,269,451.73)
<b>Net profit</b>	<b><u>25,689,827.47</u></b>	<b><u>1,730,816.94</u></b>	<b><u>(11,318,481.82)</u></b>	<b><u>16,102,162.59</u></b>

Other information included in the consolidated income statement are as follows:

	CABLES	ENAMEL	Non-allocated	Total
<b>31 December 2007</b>				
Assets	260,824,040.87	32,720,083.05	2,674,636.54	<b>296,218,760.46</b>
Total liabilities	37,452,497.48	4,007,651.65	139,149,043.53	<b>180,369,812.66</b>
Investments in tangible and intangible assets and investments in real estate	9,114,393.55	-	90,090.00	<b>9,204,483.55</b>

Other information included in the consolidated income statement are as follows:

<i>Amounts in Euros</i>	CABLES	ENAMEL	Non-allocated	Total
<b>12 months until 31 December 2007</b>				
Depreciation of tangible fixed assets	6,315,307.30	471,577.00	-	<b>6,786,884.30</b>
Depreciation of intangible assets	<u>930,017.51</u>	-	-	<u>930,017.51</u>
<b>Total depreciation</b>	<b><u>7,245,324.81</u></b>	<b><u>471,577.00</u></b>	-	<b><u>7,716,901.81</u></b>
Impairment of receivables	(679,226.94)	93,958.00	-	<b>(585,308.94)</b>
Impairment of stocks	1,247,268.24	356,349.17	-	<b>1,603,617.41</b>

Transfers and transactions between sectors are carried out under actual commercial terms and conditions, pursuant to the terms and conditions that apply to transactions with third parties.

The sectors' assets mainly include tangible fixed assets, intangible assets, stocks, receivables and cash in hand.

Liabilities of sectors include operating liabilities.

Capitalized expenditures include expenditures for the acquisition of tangible fixed assets and intangible assets.

### Secondary type of reporting – geographic sectors

The Company is seated in Greece which is also the country where it is mainly active. Most of the Group's sales are effected in Greece and in other countries of the European Union.

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>	
	<b>31/12/07</b>	<b>31/12/06</b>
<b>Sales</b>		
Greece	156,471,454.24	113,361,691.27
European Union	217,839,335.39	119,538,457.41
Other European countries	11,468,367.47	63,031,929.19
Asia	12,304,508.61	17,936,912.48
America	5,514,306.23	4,029,169.82
Africa	2,906,515.06	3,375,033.96
<b>Total</b>	<b><u>406,504,487.00</u></b>	<b><u>321,273,194.13</u></b>

# HELLENIC CABLES S.A.

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## HELLENIC CABLE INDUSTRY S.A.

Sales refer to the country where customers are established. Assets refer to the country where they are located. Capital expenditures refer to the country where the assets are located.

*Amounts in Euros*

	<b>CONSOLIDATED FIGURES</b>	
<b>Analysis of sales per sector</b>	<b>31/12/07</b>	<b>31/12/06</b>
Sale of merchandise and products	356,409,868.18	299,248,713.80
Income from services	6,920,033.17	3,082,741.86
Other	43,174,585.65	18,941,738.47
<b>Total</b>	<b>406,504,487.00</b>	<b>321,273,194.13</b>

*Amounts in Euros*

	<b>CONSOLIDATED FIGURES</b>	
<b>Total assets</b>	<b>31/12/07</b>	<b>31/12/06</b>
Greece	204,952,329.82	181,898,949.54
International	91,266,430.64	88,471,315.29
<b>Total</b>	<b>296,218,760.46</b>	<b>270,370,264.83</b>

*Amounts in Euros*

	<b>CONSOLIDATED FIGURES</b>	
<b>Investments in tangible and intangible assets</b>	<b>31/12/07</b>	<b>31/12/06</b>
Greece	6,195,883.60	2,130,040.10
International	3,008,599.95	4,349,535.24
<b>Total</b>	<b>9,204,483.55</b>	<b>6,479,575.34</b>

#### 6. Tangible fixed assets

The Group's and parent company's tangible fixed assets as of 31 December 2006 and 2007 and changes thereof during 2006 and 2007 are analyzed as follows:

#### CONSOLIDATED FIGURES

	Lots	Buildings	Mechanical Equipment	Transportation Equipment	Furniture & Fixtures	Fixed Assets under Construction	Total
<b>Cost or reasonable value</b>							
<b>Balance as of 1 January 2006</b>	<b>12,235,368.18</b>	<b>40,775,398.15</b>	<b>64,235,007.61</b>	<b>1,137,095.78</b>	<b>5,592,871.92</b>	<b>2,363,957.34</b>	<b>126,339,698.98</b>
Foreign exchange differences	137,015.21	1,523,250.18	2,677,302.70	521.00	238,738.10	153,275.68	<b>4,730,102.87</b>
Additions, including transport	-	1,043,994.21	4,857,877.72	3,880.23	491,518.00	24,399.06	<b>6,421,669.22</b>
Sales/deletions	-	-	(1,067,894.67)	(34,396.27)	(74,970.17)	-	<b>(1,177,261.11)</b>
Destructions	-	-	(27,500.07)	-	-	-	<b>(27,500.07)</b>
Reclassifications	-	-	-	-	-	(316,647.75)	<b>(316,647.75)</b>
<b>Balance as of 31 December 2006</b>	<b>12,372,383.39</b>	<b>43,342,642.54</b>	<b>70,674,793.29</b>	<b>1,107,100.74</b>	<b>6,248,157.85</b>	<b>2,224,984.33</b>	<b>135,970,062.14</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2006</b>	-	<b>(14,196,732.62)</b>	<b>(23,383,931.12)</b>	<b>(888,499.63)</b>	<b>(4,650,518.09)</b>	-	<b>(43,119,681.46)</b>
Foreign exchange differences	-	(1,056,306.63)	(1,329,690.90)	-	(212,548.69)	-	<b>(2,598,546.22)</b>
Depreciation of the period	-	(1,548,919.33)	(4,377,241.41)	(71,981.39)	(238,636.50)	-	<b>(6,236,778.63)</b>
Sales/deletions	-	-	332,164.70	34,396.16	53,476.00	-	<b>420,036.86</b>
Reclassifications	-	80,132.00	-	-	(80,132.00)	-	-
<b>Balance as of 31 December 2006</b>	-	<b>(16,721,826.58)</b>	<b>(28,758,698.73)</b>	<b>(926,084.86)</b>	<b>(5,128,359.28)</b>	-	<b>(51,534,969.45)</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>12,372,383.39</b>	<b>26,620,815.96</b>	<b>41,916,094.56</b>	<b>181,015.88</b>	<b>1,119,798.57</b>	<b>2,224,984.33</b>	<b>84,435,092.69</b>
<b>Cost or reasonable value</b>							
<b>Balance as of 1 January 2007</b>	<b>12,372,383.39</b>	<b>43,342,642.54</b>	<b>70,674,793.29</b>	<b>1,107,100.74</b>	<b>6,248,157.85</b>	<b>2,224,984.33</b>	<b>135,970,062.14</b>
Foreign exchange differences	(107,949.01)	(1,250,785.93)	(2,329,671.29)	(283.04)	(221,884.28)	(12,503.18)	<b>(3,923,076.73)</b>
Additions, including transport	-	828,740.40	3,341,579.23	17,965.15	571,252.88	4,337,950.29	<b>9,097,487.95</b>
Sales/deletions	-	(244,308.88)	(2,487,156.48)	(9,680.42)	(80,099.63)	-	<b>(2,821,245.41)</b>
Reversal of impairment	-	-	29,065.41	-	-	-	<b>29,065.41</b>
Reclassifications	-	-	-	-	-	(181,686.82)	<b>(181,686.82)</b>
<b>Balance as of 31 December 2007</b>	<b>12,264,434.38</b>	<b>42,676,288.13</b>	<b>69,228,610.16</b>	<b>1,115,102.43</b>	<b>6,517,426.82</b>	<b>6,368,744.62</b>	<b>138,170,606.54</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2007</b>	-	<b>(16,721,826.58)</b>	<b>(28,758,698.73)</b>	<b>(926,084.86)</b>	<b>(5,128,359.28)</b>	-	<b>(51,534,969.45)</b>
Foreign exchange differences	-	868,490.67	1,101,042.31	411.99	174,290.29	-	<b>2,144,235.26</b>
Depreciation of the period	-	(1,647,226.99)	(4,789,484.94)	(58,239.02)	(291,933.35)	-	<b>(6,786,884.30)</b>
Sales/deletions	-	188,248.48	2,385,128.35	6,763.29	78,446.15	-	<b>2,658,586.27</b>
<b>Balance as of 31 December 2007</b>	-	<b>(17,312,314.42)</b>	<b>(30,062,013.01)</b>	<b>(977,148.60)</b>	<b>(5,167,556.19)</b>	-	<b>(53,519,032.22)</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>12,264,434.38</b>	<b>25,363,973.71</b>	<b>39,166,597.15</b>	<b>137,953.83</b>	<b>1,349,870.63</b>	<b>6,368,744.62</b>	<b>84,651,574.32</b>

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**HELLENIC CABLE INDUSTRY S.A.**

## COMPANY FIGURES

	Lots	Buildings	Mechanical Equipment	Transportation Equipment	Furniture & Fixtures	Fixed Assets under Construction	Total
<b>Cost or reasonable value</b>							
<b>Balance as of 1 January 2006</b>	<b>8,152,781.00</b>	<b>19,724,508.93</b>	<b>32,015,960.80</b>	<b>961,640.99</b>	<b>2,753,661.57</b>	<b>620,571.64</b>	<b>64,229,124.93</b>
Additions, including transport	-	842,341.66	1,165,492.36	3,880.23	115,155.54	(60,975.41)	<b>2,065,894.38</b>
Sales/deletions	-	-	(8,000.00)	(34,396.27)	(19,451.52)	-	<b>(61,847.79)</b>
Reclassifications	-	-	-	-	-	(254,632.96)	<b>(254,632.96)</b>
<b>Balance as of 31 December 2006</b>	<b>8,152,781.00</b>	<b>20,566,850.59</b>	<b>33,173,453.16</b>	<b>931,124.95</b>	<b>2,849,365.59</b>	<b>304,963.27</b>	<b>65,978,538.56</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2006</b>	-	(1,804,946.43)	(6,602,590.82)	(768,840.10)	(2,042,580.10)	-	<b>(11,218,957.45)</b>
Depreciation of the period	-	(941,133.19)	(2,428,014.03)	(60,058.78)	(160,327.53)	-	<b>(3,589,533.53)</b>
Sales/deletions	-	-	4,533.34	34,396.16	18,983.10	-	<b>57,912.60</b>
<b>Balance as of 31 December 2006</b>	<b>-</b>	<b>(2,746,079.62)</b>	<b>(9,026,071.51)</b>	<b>(794,502.72)</b>	<b>(2,183,924.53)</b>	<b>-</b>	<b>(14,750,578.38)</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>8,152,781.00</b>	<b>17,820,770.97</b>	<b>24,147,381.65</b>	<b>136,622.23</b>	<b>665,441.06</b>	<b>304,963.27</b>	<b>51,227,960.18</b>
<b>Cost or reasonable value</b>							
<b>Balance as of 1 January 2007</b>	<b>8,152,781.00</b>	<b>20,566,850.59</b>	<b>33,173,453.16</b>	<b>931,124.95</b>	<b>2,849,365.59</b>	<b>304,963.27</b>	<b>65,978,538.56</b>
Additions, including transport	-	46,774.67	248,025.46	1,454.00	123,453.18	5,706,763.34	<b>6,126,470.65</b>
Sales/deletions	-	-	(69,888.32)	-	(1,731.73)	-	<b>(71,620.05)</b>
Destructions/deletions	-	-	(106,012.43)	-	-	-	<b>(106,012.43)</b>
Reclassifications	-	-	-	-	-	(109,692.88)	<b>(109,692.88)</b>
<b>Balance as of 31 December 2007</b>	<b>8,152,781.00</b>	<b>20,613,625.26</b>	<b>33,245,577.87</b>	<b>932,578.95</b>	<b>2,971,087.04</b>	<b>5,902,033.73</b>	<b>71,817,683.85</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2007</b>	-	(2,746,079.62)	(9,026,071.51)	(794,502.72)	(2,183,924.53)	-	<b>(14,750,578.38)</b>
Depreciation of the period	-	(982,362.63)	(2,478,792.60)	(46,373.94)	(164,944.23)	-	<b>(3,672,473.40)</b>
Sales/deletions	-	-	7,164.67	-	1,731.72	-	<b>8,896.39</b>
Destructions/deletions	-	-	6,795.66	-	-	-	<b>6,795.66</b>
<b>Balance as of 31 December 2007</b>	<b>-</b>	<b>(3,728,442.25)</b>	<b>(11,490,903.78)</b>	<b>(840,876.66)</b>	<b>(2,347,137.04)</b>	<b>-</b>	<b>(18,407,359.73)</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>8,152,781.00</b>	<b>16,885,183.01</b>	<b>21,754,674.09</b>	<b>91,702.29</b>	<b>623,950.00</b>	<b>5,902,033.73</b>	<b>53,410,324.12</b>

Mortgages have been filed against the real estate of ICME ECAB of Romania (details are included in note 18).

During the previous year, the tangible fixed assets of ICME ECAB of Romania were readjusted. This readjustment (9.5 million Euro) was recorded in the company's books according to local legislation and was effected for the purpose of preparing the financial statements according to the IFRS. The deferred tax receivable that corresponds to this amount amounts to 1.6 million Euros and is included in the income statement of 2006.

## 7. Intangible assets

The Group's and company's intangible assets as of 31 December 2006 and 2007 are analyzed as follows:

CONSOLIDATED FIGURES	Trade marks and licenses	Software	Total
<b>Cost</b>			
<b>Balance as of 1 January 2006</b>	<b>1,101,726.73</b>	<b>3,464,657.88</b>	<b>4,566,384.61</b>
Foreign exchange differences	-	91,139.42	<b>91,139.42</b>
Additions	7,430.00	50,476.12	<b>57,906.12</b>
Deletions	-	(12,232.00)	<b>(12,232.00)</b>

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Reclassifications	234,409.63	82,238.12	316,647.75
<b>Balance as of 31 December 2006</b>	<b>1,343,566.36</b>	<b>3,676,279.54</b>	<b>5,019,845.90</b>
<b>Accumulated depreciation</b>			
<b>Balance as of 1 January 2006</b>	<b>(498,550.86)</b>	<b>(1,687,812.14)</b>	<b>(2,186,363.00)</b>
Foreign exchange differences	-	(40,898.25)	(40,898.25)
Depreciation of the period	(163,227.28)	(813,373.42)	(976,600.70)
Deletions	-	11,461.00	11,461.00
<b>Balance as of 31 December 2006</b>	<b>(661,778.14)</b>	<b>(2,530,622.81)</b>	<b>(3,192,400.95)</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>681,788.22</b>	<b>1,145,656.73</b>	<b>1,827,444.95</b>

Cost	Trade marks and licenses	Software	Total
<b>Balance as of 1 January 2007</b>	<b>1,343,566.36</b>	<b>3,676,279.54</b>	<b>5,019,845.90</b>
Foreign exchange differences	-	(79,272.46)	(79,272.46)
Additions	16,905.60	90,090.00	106,995.60
Deletions	-	-	-
Reclassifications	93,477.88	88,208.94	181,686.82
<b>Balance as of 31 December 2007</b>	<b>1,453,949.84</b>	<b>3,775,306.02</b>	<b>5,229,255.86</b>
<b>Accumulated depreciation</b>			
<b>Balance as of 1 January 2007</b>	<b>(661,778.14)</b>	<b>(2,530,622.81)</b>	<b>(3,192,400.95)</b>
Foreign exchange differences	-	57,230.78	57,230.78
Depreciation of the period	(185,303.98)	(744,713.53)	(930,017.51)
<b>Balance as of 31 December 2007</b>	<b>(847,082.12)</b>	<b>(3,218,105.56)</b>	<b>(4,065,187.68)</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>606,867.72</b>	<b>557,200.46</b>	<b>1,164,068.18</b>

### COMPANY FIGURES

	Trade marks and licenses	Software	Total
<b>Cost</b>			
<b>Balance as of 1 January 2006</b>	<b>1,093,136.63</b>	<b>2,142,453.25</b>	<b>3,235,589.88</b>
Additions	7,430.00	50,476.12	57,906.12
Reclassifications	234,409.63	20,223.33	254,632.96
<b>Balance as of 31 December 2006</b>	<b>1,334,976.26</b>	<b>2,213,152.70</b>	<b>3,548,128.96</b>
<b>Accumulated depreciation</b>			
<b>Balance as of 1 January 2006</b>	<b>(493,139.09)</b>	<b>(1,151,433.59)</b>	<b>(1,644,572.68)</b>
Depreciation of the period	(162,282.37)	(516,421.13)	(678,703.50)
<b>Balance as of 31 December 2006</b>	<b>(655,421.46)</b>	<b>(1,667,854.72)</b>	<b>(2,323,276.18)</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>679,554.80</b>	<b>545,297.98</b>	<b>1,224,852.78</b>
<b>Cost</b>			
<b>Balance as of 1 January 2007</b>	<b>1,334,976.26</b>	<b>2,213,152.70</b>	<b>3,548,128.96</b>
Additions	16,905.60	90,090.00	106,995.60
Reclassifications	93,477.88	16,214.60	109,692.48
<b>Balance as of 31 December 2007</b>	<b>1,445,359.74</b>	<b>2,319,457.30</b>	<b>3,764,817.04</b>
<b>Accumulated depreciation</b>			
<b>Balance as of 1 January 2007</b>	<b>(655,421.46)</b>	<b>(1,667,854.72)</b>	<b>(2,323,276.18)</b>
Depreciation of the period	(184,359.07)	(451,934.02)	(636,293.09)
<b>Balance as of 31 December 2007</b>	<b>(839,780.53)</b>	<b>(2,119,788.74)</b>	<b>(2,959,569.27)</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>605,579.21</b>	<b>199,668.56</b>	<b>805,247.77</b>

### 8. Investments in real estate

Investments in real estate concern lots that, on the date of transition to the IFRS, were estimated at their reasonable value which was considered a deemed cost.

The addition for the period (€303,156.44) also concerns a lot.

Due to the fact that the real estate market of the regions where these lots are located has not sustained any significant changes the management deems that the above values reflect the current values of these lots.

### 9. Investments in associated companies

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Balance as of 1 January	<b>2,076,912.00</b>	<b>1,618,251.89</b>	<b>935,583.00</b>	<b>935,583.00</b>
Foreign exchange differences	(51,316.56)	15,549.46	-	-
Share in the profit/loss	1,088,801.10	853,015.65	-	-
Dividends received	(439,760.00)	(409,905.00)	-	-
Balance as of 31 December	<b>2,674,636.54</b>	<b>2,076,912.00</b>	<b>935,583.00</b>	<b>935,583.00</b>

The Group's holding percentages in associated companies, none of which are listed, and brief financial information thereof are provided below:

	Country	Assets	Liabilities	Income (Turnover)	Profits/(losses) after taxes	Holding percentage
<b>2006</b>						
Steelmet S.A.	Greece	8,319,955.41	4,598,105.96	20,683,799.64	2,104,218.19	29.56%
Metal Globe L.T.D	Serbia (Montenegro)	4,736,194.98	4,064,870.96	12,677,281.04	383,665.51	30.00%
Metal Agencies L.T.D	England	34,951,209.23	33,208,396.13	88,277,537.04	277,710.14	33.00%
E.D.E. S.A.	Greece	108,065.80	6,019.54	-	(2,164.60)	99.99%
De laire Limited	Cyprus	184,670.00	32,124.00	559,426.00	113,209.00	100.00%
Copperprom L.T.D	Greece	74,259.42	66,769.57	76,239.43	(8,712.04)	40.00%
Electric Cable Agencies	England	-	-	-	-	100.00%
		<b>48,374,354.84</b>	<b>41,976,286.16</b>	<b>122,274,283.15</b>	<b>2,817,926.19</b>	
<b>2007</b>						
Steelmet S.A.	Greece	11,664,042.66	6,821,204.72	24,440,907.98	2,209,305.99	29.56%
Metal Globe L.T.D	Serbia (Montenegro)	3,402,097.69	2,812,975.76	4,928,971.35	(79,829.44)	30.00%
Metal Agencies L.T.D	England	26,034,606.00	24,987,595.00	61,385,821.00	(123,289.00)	33.00%
E.D.E. S.A.	Greece	101,050.55	331.47	-	(1,327.18)	99.99%
De laire Limited	Cyprus	732,318.00	172,880.00	1,014,499.00	528,811.00	100.00%
Copperprom L.T.D	Greece	72,194.84	60,749.45	84,354.81	3,955.54	40.00%
Electric Cable Agencies	England	-	-	-	-	100.00%
		<b>42,006,309.74</b>	<b>34,855,736.40</b>	<b>91,854,554.14</b>	<b>2,537,626.91</b>	

E.D.E. S.A., De Laire Limited and Electric Cable Agencies were consolidated based on the net worth method and not on the integrated consolidation method, as during the previous year, due to the fact that they recorded negligible figures.

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### 9a. Investments in subsidiary companies

The parent company's holdings in subsidiary companies are analyzed as follows:

	COMPANY FIGURES			
	31/12/07		31/12/06	
	19,507,372.80	22,395,237.88	-	(2,887,865.08)
<b>Balances as of 1 December</b>				
Return of capital to subsidiary (TELECABLES S.A.)				
<b>Balances as of 31 December</b>	<b>19,507,372.80</b>	<b>19,507,372.80</b>		

  

	Country	Acquisition value at the beginning of the period	Return of capital to subsidiary	Acquisition value at the end of the period	Direct holdings percentage
<b>2006</b>					
TELECABLES S.A.	Greece	5,617,454.15	(2,887,865.08)	2,729,589.07	100.00%
ICME ECAB S.A.	Romania	16,385,718.73	-	16,385,718.73	98.59%
LESCO OOD	Bulgaria	300,545.85	-	300,545.85	99.15%
GENECOS S.A.	France	81,361.97	-	81,361.97	60.00%
LESCO ROMANIA	Romania	10,157.18	-	10,157.18	65.00%
		<b>22,395,237.88</b>	<b>(2,887,865.08)</b>	<b>19,507,372.80</b>	

  

	Country	Acquisition value at the beginning of the period	Return of capital to subsidiary	Acquisition value at the end of the period	Direct holdings percentage
<b>2007</b>					
TELECABLES S.A.	Greece	2,729,589.07	-	2,729,589.07	100.00%
ICME ECAB S.A.	Romania	16,385,718.73	-	16,385,718.73	98.59%
LESCO OOD	Bulgaria	300,545.85	-	300,545.85	99.15%
GENECOS S.A.	France	81,361.97	-	81,361.97	60.00%
LESCO ROMANIA	Romania	10,157.18	-	10,157.18	65.00%
		<b>19,507,372.80</b>	<b>-</b>	<b>19,507,372.80</b>	

### 10. Financial assets available for sale

Financial assets available for sale concern holdings in both domestic and foreign companies with holding percentages below 20%.

	CONSOLIDATED FIGURES	COMPANY FIGURES
<b>Balances, 1 January 2006 and 2007</b>	<b>1,759,368.61</b>	<b>1,759,368.61</b>
Additions	7,460.00	7,460.00
Sales	(37,168.12)	(37,168.12)
<b>Balances, 31 December 2007</b>	<b>1,729,660.49</b>	<b>1,729,660.49</b>

Financial assets available for sale as of 31 December include the following:

	CONSOLIDATED FIGURES	COMPANY FIGURES
	31/12/06	31/12/06
<b>Unlisted titles</b>		
Domestic participating titles	381,027.78	381,027.78
International participating titles	1,378,340.83	1,378,340.83
	<b>1,759,368.61</b>	<b>1,759,368.61</b>

  

	CONSOLIDATED FIGURES	COMPANY FIGURES
	31/12/07	31/12/07
<b>Unlisted titles</b>		
Domestic participating titles	351,319.66	351,319.66
International participating titles	1,378,340.83	1,378,340.83
	<b>1,729,660.49</b>	<b>1,729,660.49</b>

### 11. Joint ventures

In 2006, the parent company established & operated the following joint ventures: 'JOINT VENTURE NEXANS – HELLENIC CABLES – FULGOR – PUBLIC POWER CORPORATION PIPES 2005', in which the parent company has a holding percentage of 33.3%, 'JOINT VENTURE NEXANS & HELLENIC CABLES – PUBLIC POWER CORPORATION 2005', in which the parent company has a holding percentage of 50%, and 'JOINT VENTURE NEXANS & HELLENIC CABLES – PUBLIC POWER CORPORATION 2006' in which the parent company has a holding percentage of 50%. During 2007, the joint venture 'JOINT VENTURE NEXANS – HELLENIC CABLES – FULGOR – PUBLIC POWER CORPORATION 2007' was established, in which the parent company has a holding percentage of 33.3%.

The aforementioned joint ventures were consolidated based on the proportionate consolidation method. It is noted that the participating companies undertake the income and expenses of such joint ventures proportionately.

### 12. Deferred taxation

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

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Deferred tax claims:	1,725,137.68	2,271,597.56	-	-
Deferred tax liabilities:	(5,050,938.30)	(4,407,229.54)	(4,438,744.17)	(3,837,961.66)
	<b>(3,325,800.62)</b>	<b>(2,135,631.98)</b>	<b>(4,438,744.17)</b>	<b>(3,837,961.66)</b>

Most of the deferred tax claims are recoverable after 12 months.

The total change in deferred income tax is as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2007	2006	2007	2006
Balances at the beginning of the year	(2,135,631.99)	(2,581,803.69)	(3,837,961.66)	(2,928,422.77)
Foreign exchange differences (Debit)/credit recorded in the income statement	(107,832.58)	116,917.43	-	-
	(897,097.67)	95,503.61	(527,496.00)	(1,063,850.00)
Tax that was (debited)/credited in owner's equity	(185,238.38)	233,750.66	(73,286.51)	154,311.11
Balance at the end of the year	<b>(3,325,800.62)</b>	<b>(2,135,631.99)</b>	<b>(4,438,744.17)</b>	<b>(3,837,961.66)</b>

Changes in deferred tax claims and liabilities during the fiscal year, without taking into consideration the offset of balances within the same tax principle, are as follows:

Deferred tax claims:

CONSOLIDATED FIGURES	Tangible fixed assets	Future benefits that have been offset for the readjustment of real estate	Derivatives	Total
<i>Amounts in Euros</i>				
Balance 1/1/2006	647,521.14	-	-	647,521.14
Debit recorded in the results of the fiscal year	(77,194.80)	1,584,353.79	-	1,507,158.99
Foreign exchange differences	116,917.43	-	-	116,917.43
Balance 31/12/2006	687,243.77	1,584,353.79	-	2,271,597.56
Foreign exchange differences	(25,481.24)	(82,351.34)	-	(107,832.58)
Tax that was debited in owner's equity	-	-	(111,951.08)	(111,951.08)
(Debit)/credit in the results of the fiscal year	(77,194.80)	(249,481.42)	-	(326,676.22)
Balance 31/12/2007	584,567.73	(1,252,521.03)	(111,951.80)	1,725,137.68

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Deferred tax liabilities:

	Tangible fixed assets	Provisions	Intangible assets	Tax losses	Other	Total
<b>CONSOLIDATED FIGURES</b>						
<i>Amounts in Euros</i>						
<b>Balance 1/1/2006</b>	<b>(4,556,959.61)</b>	<b>329,440.14</b>	<b>310,263.81</b>	<b>544,123.00</b>	<b>143,807.84</b>	<b>(3,229,324.82)</b>
(Debit)/credit recorded in the results of the fiscal year	(555,654.22)	(43,793.82)	(141,728.47)	(544,123.00)	(126,355.88)	(1,411,655.39)
(Debit)/credit recorded in owner's equity	-	-	-	-	233,750.66	233,750.66
<b>Balance 31/12/2006</b>	<b>(5,112,613.83)</b>	<b>285,646.32</b>	<b>168,535.34</b>	<b>-</b>	<b>251,202.62</b>	<b>(4,407,229.55)</b>
(Debit)/credit recorded in the results of the fiscal year	(163,067.93)	(84,542.31)	(97,591.06)	-	(225,220.15)	(570,421.45)
(Debit)/credit recorded in owner's equity	-	-	-	-	(73,287.30)	(73,287.30)
<b>Balance 31/12/2007</b>	<b>(5,275,681.76)</b>	<b>201,104.01</b>	<b>70,944.28</b>	<b>-</b>	<b>(47,304.83)</b>	<b>(5,050,938.30)</b>
<b>COMPANY FIGURES</b>						
<i>Amounts in Euros</i>						
<b>Balance 1/1/2006</b>	<b>(4,254,242.26)</b>	<b>302,841.14</b>	<b>302,696.47</b>	<b>435,704.00</b>	<b>284,577.88</b>	<b>(2,928,422.77)</b>
(Debit)/credit recorded in the results of the fiscal year	(221,169.20)	(43,793.82)	(165,088.22)	(435,704.00)	(198,094.77)	(1,063,850.00)
(Debit)/credit recorded in owner's equity	-	-	-	-	154,311.11	154,311.11
<b>Balance 31/12/2006</b>	<b>(4,475,411.46)</b>	<b>259,047.32</b>	<b>137,608.25</b>	<b>-</b>	<b>240,794.22</b>	<b>(3,837,961.66)</b>
(Debit)/credit recorded in the results of the fiscal year	(157,003.11)	(67,431.06)	(88,249.26)	-	(214,812.57)	(527,496.00)
(Debit)/credit recorded in owner's equity	-	-	-	-	(73,286.61)	(73,286.51)
<b>Balance 31/12/2007</b>	<b>(4,632,414.57)</b>	<b>191,616.26</b>	<b>49,358.99</b>	<b>-</b>	<b>(47,304.86)</b>	<b>(4,438,744.17)</b>

The deferred tax that was (debited)/credited in the results of the fiscal year arose from the following differences:

<i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/07</b>	<b>31/12/2006</b>	<b>31/12/07</b>	<b>31/12/2006</b>
Tangible fixed assets	(240,262.73)	(555,654.22)	(157,003.11)	(221,169.20)
Intangible assets	(97,591.06)	(141,728.47)	(88,249.26)	(165,088.22)
Provisions	(84,542.31)	(43,793.82)	(67,431.06)	(43,793.82)
Tax losses	-	(544,123.00)	-	(435,704.00)
Future benefit from the readjustment of the real estate of a subsidiary	(249,481.42)	1,584,353.79	-	-
Other	(225,220.15)	(203,550.67)	(214,812.57)	(198,094.76)
<b>Total</b>	<b>(897,097.67)</b>	<b>95,503.61</b>	<b>(527,496.00)</b>	<b>(1,063,850.00)</b>

As of 31 December 2007, the Company realized investments in the amount of approximately 11.1 million €, which are subject to incentive law 2601/1998. Pursuant to this law, the Company has the right to form, from accounting profits that it will earn in future years, an untaxed reserve equal to 70% of the aforementioned investments. This right expires between 2012 and 2014. The corresponding future tax gain has not been recorded in the financial statements included herein due to the fact the company is not certain whether the accounting profits that it will earn shall be sufficient. The current tax for the period has decreased due to a tax-exempt discount amounting to 1,900 thousand €, which will be accounted and presented in reserves with the approval by the General Shareholders' Meeting (2006: 2.850 thousand €).

### 13. Stocks

The Group's and parent company's stocks as of 31 December 2006 and 2007 are analyzed as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Merchandise	8,552,455.93	7,029,801.69	3,485,230.42	2,768,360.34
Finished products	20,365,406.93	23,079,323.17	12,458,882.17	15,183,316.55
Semi-finished products	18,939,218.81	17,629,523.04	7,493,245.08	7,918,040.39
By-products & deposits	1,537,486.74	1,368,134.01	639,752.54	336,940.30
Work in progress	2,717,854.86	2,173,335.97	2,717,854.86	2,173,335.97
Raw and indirect materials, consumables, spare parts and packaging materials	38,482,642.68	21,297,677.76	22,414,234.00	7,416,125.47
Down payments for the purchase of stocks	743,898.12	671,842.65	-	-
<b>Total</b>	<b>91,338,964.07</b>	<b>73,249,638.29</b>	<b>49,209,199.07</b>	<b>35,796,119.02</b>
Less: Provisions for depreciated stocks				
Merchandise	-	(19,024.54)	-	(19,024.54)
Finished products	(134,427.10)	(790,224.81)	(115,868.57)	(109,362.23)
Semi-finished products	(157,536.33)	(182,680.15)	(157,536.33)	(182,680.15)
By-products & deposits	(621.27)	(7,821.73)	(621.27)	(7,821.73)
Raw and indirect materials, consumables, spare parts and packaging materials	(1,222,948.95)	(536,313.44)	(832,254.87)	(187,376.51)
Down payments for the purchase of stocks	(88,083.76)	(94,031.14)	-	-
	<b>(1,603,617.41)</b>	<b>(1,630,095.81)</b>	<b>(1,106,281.04)</b>	<b>(506,265.16)</b>
<b>Total net liquid value</b>	<b>89,735,346.66</b>	<b>71,619,542.48</b>	<b>48,102,918.03</b>	<b>35,289,853.86</b>

### 14. Customers & other receivables

Current assets	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Customers	74,043,045.77	67,901,959.15	49,721,782.77	49,849,579.99
Less: Provisions for devaluation	(1,967,192.71)	(2,552,501.65)	(1,325,040.78)	(1,232,418.22)
<b>Net customer receivables</b>	<b>72,075,853.06</b>	<b>65,349,457.50</b>	<b>48,396,741.99</b>	<b>48,617,161.77</b>
Other advance payments	266,528.00	645,899.28	250,355.60	634,770.42
Cheques and notes receivable	17,516,023.51	17,374,794.80	14,246,589.36	12,530,580.70
Receivables from affiliated companies	4,664,659.44	6,677,871.35	9,549,335.61	8,211,424.12
Other tax claims	3,837,367.47	-	2,114,402.78	-
Other debtors	7,399,882.90	9,521,471.85	6,034,596.73	7,366,780.71
Less: Provisions for devaluation	(86,025.43)	(409,959.23)	(86,025.43)	(409,959.23)
<b>Total</b>	<b>105,674,288.95</b>	<b>99,159,535.55</b>	<b>80,505,996.64</b>	<b>76,950,758.49</b>

The reasonable values of receivables are approximately equal to their book values.

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## HELLENIC CABLE INDUSTRY S.A.

Exposure to credit risk

The financial assets that entail credit risk are as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Financial assets available for sale	1,729,660.49	1,759,368.61	1,729,660.49	1,759,368.61
Customers	76,740,512.50	72,027,328.85	57,946,077.60	56,828,585.89
Cash & cash equivalents	5,037,813.04	4,140,386.43	4,158,429.35	799,889.78
Derivatives	1,024,456.79	568,827.89	843,385.00	568,827.89
	<b>84,532,442.82</b>	<b>78,495,911.78</b>	<b>64,677,552.44</b>	<b>59,956,672.17</b>

The time analysis of customer balances, is as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Customers</b> <i>(amounts in Euro)</i>				
Up to date	59,516,557.50	56,987,877.01	46,589,108.18	45,581,766.74
Delayed				
< 6 months	15,188,851.19	11,134,288.62	9,471,567.69	7,406,540.19
>6 months	2,035,103.81	3,905,163.22	1,885,401.73	3,840,278.96
<b>Total</b>	<b>76,740,512.50</b>	<b>72,027,328.85</b>	<b>57,946,077.60</b>	<b>56,828,585.89</b>

From the above amounts, checks receivable post-dated (up to date amounts), are excluded and are as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	17,516,023.51	17,374,794.80	14,246,589.36	12,530,580.70

The movement of the impairment provision for customers is as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Balance at beginning of period	2,552,501.65	1,719,235.83	1,232,418.22	1,247,634.51
Loss of the period	197,813.60	932,594.64	120,000.00	130,000.00
Deletion	(114,864.70)	(172,401.77)	(27,377.44)	(145,216.29)
Offsetting	(633,869.90)	-	-	-
Foreign exchange difference	(34,387.94)	73,072.95	-	-
Balance at end 31	<b>1,967,192.71</b>	<b>2,552,501.65</b>	<b>1,325,040.78</b>	<b>1,232,418.22</b>

#### 14a. Derivatives

Derivatives as of 31 December 2006 and 2007 are analyzed as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
<b>Non-current assets</b>				
Interest rate swaps	130,785.00	126,792.04	130,785.00	126,792.04
<b>Total</b>	<b>130,785.00</b>	<b>126,792.04</b>	<b>130,785.00</b>	<b>126,792.04</b>
<b>Current assets</b>				
Foreign exchange swaps	712,600.00	42,899.26	712,600.00	42,899.26
Copper and aluminium future contracts	181,348.78	399,136.59	-	399,136.59
<b>Total</b>	<b>893,948.78</b>	<b>442,035.85</b>	<b>712,600.00</b>	<b>442,035.85</b>
<b>Short-term liabilities</b>				
Foreign exchange swaps	295,320.00	33,394.10	295,320.00	33,394.10
Copper and aluminium future contracts	169,650.00	1,266,366.35	169,650.00	769,461.19
<b>Total</b>	<b>464,970.00</b>	<b>1,299,760.45</b>	<b>464,970.00</b>	<b>802,855.29</b>
Amounts that have been recorded in the results as income	362,301.60	4,530.70	365,091.84	10,226.76

#### 15. Cash in hand and equivalent cash accounts

The Group's and parent company's cash in hand and equivalent cash accounts as of 31 December 2006 and 2007 are analyzed as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Cash in hand	37,666.66	540,352.78	36,642.15	57,355.85
Bank deposits	5,000,146.38	3,600,033.65	4,121,787.20	742,533.93
<b>Total</b>	<b>5,037,813.04</b>	<b>4,140,386.43</b>	<b>4,158,429.35</b>	<b>799,889.78</b>

### 16. Share capital

The Company's and Group's share capital as of 31 December 2006 and 2007 is analyzed follows:

	<i>Number of shares</i>	<b>Share capital</b>	<b>Above par reserve</b>	<b>Total</b>
<b>1 January 2006</b>	<b>26,908,000</b>	<b>19,104,680.00</b>	<b>22,505,497.52</b>	<b>41,610,177.52</b>
Stock option plan towards employees	253,550	180,020.50	573,023.00	753,043.50
<b>31 December 2006</b>	<b>27,161,550</b>	<b>19,284,700.50</b>	<b>23,078,520.52</b>	<b>42,363,221.02</b>
Stock option plan towards employees	64,810	46,015.10	146,470.60	192,485.70
<b>31 December 2007</b>	<b>27,226,360</b>	<b>19,330,715.60</b>	<b>23,224,991.12</b>	<b>42,555,706.72</b>

The company has adopted a share option plan up to 1.97% of the number of common registered shares that are outstanding at the time of adoption (530,600 options), adjusted to future changes in the number of shares into which the share capital is divided, under the following terms and conditions:

- (a) Beneficiaries of the share option plan: Members of the Board of Directors, persons employed by the company or affiliated companies.
- (b) Exercise price: The exercise price has been set as the closing price of the Athens Stock Exchange during the first fifteen days of June 2002, specifically 2.97 Euros per option.
- (c) Exercise of options: Options are secured gradually by 10% annually, beginning from the first business day of November 2002 until, and including, the first business day of November 2011. The above secured options are exercised from the first business day of November 2006 until, and including, the first business day of November 2013. Following this closing date any option that is not exercised is cancelled.

The movement of options are as follows:

	<b>Number of options</b>	<b>Exercise price (€)</b>
<b>Pending as of 1 January 2006</b>	<b>212,240</b>	2.97
Secured during the year	53,060	2.97
<b>Balance as of 31 December 2006</b>	<b>265,300</b>	2.97
<b>With a right to exercise as of 31 December 2006</b>	<b>11,750</b>	2.97
Secured during the year	53,060	2.97
Exercised during the year	(64,810))	2.97
<b>Balance as of 31 December 2007</b>	<b>212,240</b>	2.97
<b>With a right to exercise as of 31 December 2007</b>	<b>-</b>	

During the year 64,810 options were exercised which resulted in a share capital increase. The difference between the nominal value and the exercise price was transferred to the above par reserve (total amount of € 192,485.70 (2006: €753,043.50)).

#### 17. Other reserves

CONSOLIDATED FIGURES	Statutory reserve	Reserves from the valuation of derivatives	Special reserves	Untaxed reserves	Total	Foreign exchange differences from the consolidation of foreign subsidiaries	Total
<b>Balance as of 1 January 2006</b>	<b>3,790,978.38</b>	<b>174,583.14</b>	<b>5,160,062.11</b>	<b>11,496,167.12</b>	<b>20,621,790.75</b>	<b>2,979,492.21</b>	<b>23,601,282.96</b>
Capitalization	1,314.94	-	297,477.14	-	298,792.08	-	298,792.08
Foreign exchange differences	-	-	-	-	-	3,014,611.60	3,014,611.60
Transfer to results	-	(789,293.79)	-	-	(789,293.79)	-	(789,293.79)
<b>Balance as of 31 December 2006</b>	<b>3,792,293.32</b>	<b>(614,710.65)</b>	<b>5,457,539.25</b>	<b>11,496,167.12</b>	<b>20,131,289.04</b>	<b>5,994,103.81</b>	<b>26,125,392.85</b>
<b>Balance as of 1 January 2007</b>	<b>3,792,293.32</b>	<b>(614,710.65)</b>	<b>5,457,539.25</b>	<b>11,496,167.12</b>	<b>20,131,289.04</b>	<b>5,994,103.81</b>	<b>26,125,392.85</b>
Foreign exchange differences	-	-	-	-	-	(3,191,365.77)	(3,191,365.77)
Distribution	290,010.59	-	615,000.00	2,850,000.00	3,755,010.59	-	3,755,010.59
Transfer to results	-	735,610.05	-	-	735,610.05	-	735,610.05
<b>Balance as of 31 December 2007</b>	<b>4,082,303.91</b>	<b>120,899.40</b>	<b>6,072,539.25</b>	<b>14,346,167.12</b>	<b>24,621,909.68</b>	<b>2,802,738.04</b>	<b>27,424,647.72</b>

COMPANY FIGURES	Statutory reserve	Reserves from the valuation of derivatives	Special reserves	Untaxed reserves	Total
<b>Balance as of 1 January 2006</b>	<b>2,029,950.07</b>	<b>174,583.14</b>	<b>5,160,062.11</b>	<b>3,297,619.55</b>	<b>10,662,214.87</b>
Capitalization	-	-	297,477.14	-	297,477.14
Transfer to results	-	(377,796.19)	-	-	(377,796.19)
<b>Balance as of 31 December 2006</b>	<b>2,029,950.07</b>	<b>(203,213.05)</b>	<b>5,457,539.25</b>	<b>3,297,619.55</b>	<b>10,581,895.82</b>
<b>Balance as of 1 January 2007</b>	<b>2,029,950.07</b>	<b>(203,213.05)</b>	<b>5,457,539.25</b>	<b>3,297,619.55</b>	<b>10,581,895.82</b>
Distribution	290,010.59	-	615,000.00	2,850,000.00	3,755,010.59
Transfer to results	-	174,064.05	-	-	174,064.05
<b>Balance as of 31 December 2007</b>	<b>2,319,960.66</b>	<b>(29,149.00)</b>	<b>6,072,539.25</b>	<b>6,147,619.55</b>	<b>14,510,970.46</b>

Most of the above reserves arise primarily from the Parent Company and the Group's subsidiary companies. Pursuant to Greek legislation, companies are obligated to use 5% of the profits that they earn during a fiscal year to form a statutory reserve until this equals one third of their paid-up share capital. Throughout their term, companies are prohibited from distributing their statutory reserve.

Special law untaxed reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves).

Reserves from income exempt from taxation and reserves taxed pursuant to special laws concern income from interest and a tax has been withheld at the source. Apart from any pre-paid taxes, these reserves are subject to taxation if they are distributed.

Deferred taxes have not been accounted for with regard to these untaxed reserves, which, on 31 December 2006 and 2007, amounted to approximately 4.0 million € and 4.7 million € respectively on a Group level, if they are distributed.

#### 18. Loans

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
<b>Long-term loans</b>				
Bank loans	20,995,435.78	14,424,969.84	3,000,000.00	11,466,818.05
Debenture loan	95,000,000.00	77,500,000.00	95,000,000.00	77,500,000.00
Less: Long-term loans payable in the next fiscal year	(25,578,782.96)	(17,590,909.00)	(22,000,000.00)	(17,590,909.00)
<b>Total long-term loans</b>	<b>90,416,652.82</b>	<b>74,334,060.84</b>	<b>76,000,000.00</b>	<b>71,375,909.05</b>
<b>Short-term loans</b>				
Bank loans	48,717,552.71	49,488,878.01	22,197,130.03	17,694,594.40
<b>Total short-term loans</b>	<b>48,717,552.71</b>	<b>49,488,878.01</b>	<b>22,197,130.03</b>	<b>17,694,594.40</b>
<b>Total loans</b>	<b>139,134,205.53</b>	<b>123,822,938.85</b>	<b>98,197,130.03</b>	<b>89,070,503.45</b>

As noted in Note 6, a mortgage has been filed against the real estate of ICME ECAB S.A. (Romania), including the equipment thereof, while a lien has been filed against the company's movable property (with the exception of receivable sand stocks) for the acquisition of a long-term loan, the amount of which, as of 31 December 2007, amounted to approximately € 2.7 million.

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

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Between 1 and 2 years	33,666,666.82	29,616,463.99	29,750,000.00	27,590,909.05
Between 2 and 5 years	55,249,986.00	44,717,596.85	46,250,000.00	43,785,000.00
Over 5 years	1,500,000.00	-	-	-
	<b>90,416,652.82</b>	<b>74,334,060.84</b>	<b>76,000,000.00</b>	<b>71,375,909.05</b>

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
<b>Leasing liabilities – minimum rents</b>				
Up to 1 year	7,998.00	7,464.59	-	-
From 1 to 5 years	6,840.00	15,820.74	-	-
Over 5 years	-	-	-	-
<b>Total</b>	<b>14,838.00</b>	<b>23,285.33</b>	<b>-</b>	<b>-</b>
<b>Current value of leasing liabilities</b>	<b>14,838.00</b>	<b>23,285.33</b>	<b>-</b>	<b>-</b>

The reasonable values of loans are approximately equal to their book values as loans bear floating interest rates. The book values of the Group's loans have been issued in Euros.

The interest rates of the loans during fiscal years 2007 and 2006 are as follows:

31/12/07		31/12/06	
CONSOLIDATED FIGURES	COMPANY FIGURES	CONSOLIDATED FIGURES	COMPANY FIGURES
%	%	%	%
5.63	4.94	5.36	4.80

The Group has sufficient credit limits to cover future corporate needs.

As of 31 December 2007, the part of these credit limits not withdrawn yet amounted to € 53.0 million, on a consolidated level, and €48.0 million, on a corporate level.

### 19. Liabilities for personnel compensation due to withdrawal from service

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
<b>Liabilities recorded in the balance sheet for:</b>				
Retirement benefits	<u>1,240,583.42</u>	<u>1,137,675.00</u>	<u>1,191,077.00</u>	<u>1,022,372.00</u>
<b>Amounts recorded in the results</b>				
Retirement benefits	237,899.40	283,531.00	294,451.00	276,858.00
Present value of non-funded liabilities	1,440,423.42	1,374,200.00	1,385,734.00	1,252,658.00
Non-recorded actuarial (profits)/losses	(199,840.00)	(236,525.00)	(194,657.00)	(230,286.00)
<b>Liability recorded in the Balance Sheet</b>	<u>1,240,583.42</u>	<u>1,137,675.00</u>	<u>1,191,077.00</u>	<u>1,022,372.00</u>
<b>Changes in net liability recognized in the Balance Sheet</b>				
Net liability at the beginning of the year	1,137,675.00	1,083,987.00	1,022,372.00	948,437.00
Benefits paid	(134,990.98)	(229,843.00)	(125,746.00)	(202,923.00)
Total expenditure recognized in the income statement	237,899.40	283,531.00	294,451.00	276,858.00
<b>Net liability at year-end</b>	<u>1,240,583.42</u>	<u>1,137,675.00</u>	<u>1,191,077.00</u>	<u>1,022,372.00</u>
<b>Present value of the liability at the end of the period</b>	<u>1,240,583.42</u>	<u>1,137,675.00</u>	<u>1,191,077.00</u>	<u>1,022,372.00</u>
<b>Analysis of expenditures recognized in the income statement</b>				
Cost of current employment	108,884.40	103,196.00	99,775.00	91,713.00
Interest against the liability	53,527.00	47,427.00	49,667.00	42,834.00
Cost of additional benefits	68,726.00	129,714.00	64,980.00	111,358.00
Cost of arrangement from the transfer of personnel	-	-	73,267.00	27,759.00
Depreciation of actuarial loss	6,762.00	3,194.00	6,762.00	3,194.00
<b>Total expenditure recognized in the income statement</b>	<u>237,899.40</u>	<u>283,531.00</u>	<u>294,451.00</u>	<u>276,858.00</u>
<b>The main actuarial acknowledgements that were used for accounting purposes are as follows:</b>				
Discount rate	4.8%	4.1%	4.8%	4.1%
Future salary increases	4.0%	4.0%	4.0%	4.0%

#### (a) Retirement benefits

Pursuant to Greek labor law, employees are entitled to an indemnification in the event of their discharge or retirement, the amount of which varies depending on their salaries, their years of service and the manner by which they withdraw from the company (discharge or retirement). Employees who resign are not entitled to an indemnification. The due indemnification in the event of retirement is equal to 40% of the indemnification that would had been payable in the event of an unjustified discharge. In Greece, these plans are not funded. With regard to accumulated benefits, the Group charges its results in each period with a corresponding increase of the retirement liability. Benefits that are paid to pensioners during each period are charged against this liability.

#### (b) Medical benefits after withdrawal from service

The Group has not adopted any medical plan after withdrawal from service.

### 20. Grants

The following grants have been received for the acquisition of machinery.

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Balance at the beginning of the year	918,649.68	750,858.99	918,649.68	750,858.99
Grants received	-	511,088.24	-	511,088.24
Depreciation of grants	(262,026.24)	(343,297.55)	(262,026.24)	(343,297.55)
<b>Balance at year-end</b>	<u>656,623.44</u>	<u>918,649.68</u>	<u>656,623.44</u>	<u>918,649.68</u>

### 21. Suppliers & other liabilities

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Suppliers	16,911,985.53	13,927,423.58	11,218,600.03	8,596,761.82
Advance payments from customers	68,694.26	202,407.78	-	-
Social security funds	639,287.34	567,443.18	614,751.94	530,922.87
Amounts due to affiliated entities	9,223,758.40	10,957,386.58	13,566,556.42	8,610,111.42
Dividends payable	18,088.86	49,474.31	18,088.86	49,474.31
Sundry creditors	2,222,286.48	2,617,132.48	2,186,017.52	2,572,816.90
Deferred income	7,027.45	-	-	-
Accrued expenses	1,599,822.29	1,779,408.57	1,599,822.29	1,779,408.57
Other credit transit accounts	897,323.24	1,128,091.21	573,355.00	552,564.30
Other liabilities	1,252,038.97	1,600,213.15	366,360.13	353,789.73
<b>Total</b>	<b>32,840,312.82</b>	<b>32,828,980.84</b>	<b>30,143,552.19</b>	<b>23,045,849.92</b>

### 22. Provisions

During 2007, provisions were created for contingencies and expenses amounting to €100,000.

### 23. Expenses per category

CONSOLIDATED FIGURES	Note	Cost of products sold	Operating Distribution Cost	Administrative Expenses	Total
<b>31/12/06</b>					
Employee benefits	24	(13,994,795.98)	(2,958,959.22)	(3,935,301.85)	<b>(20,889,057.05)</b>
Cost of stocks recognized as an expense		(246,015,439.24)	(128,135.38)	-	<b>(246,143,574.62)</b>
Depreciation		(6,365,251.80)	(195,783.49)	(652,344.04)	<b>(7,213,379.33)</b>
Insurance premiums		(498,207.68)	(384,277.00)	(132,992.36)	<b>(1,015,477.04)</b>
Rent		(217,976.95)	(213,031.48)	(475,126.99)	<b>(906,135.42)</b>
Transportation expenses		(4,205,162.25)	(48,975.36)	(1,972.22)	<b>(4,256,109.83)</b>
Fees – benefits of third parties		(5,442,183.43)	(2,446,220.24)	(595,798.70)	<b>(8,484,202.37)</b>
Provisions		(382,987.00)	(149,997.00)	-	<b>(532,984.00)</b>
Other expenses		(8,437,488.43)	(670,998.82)	(1,827,188.56)	<b>(10,935,675.81)</b>
<b>Total</b>		<b>(285,559,492.76)</b>	<b>(7,196,377.99)</b>	<b>(7,620,724.72)</b>	<b>(300,376,595.47)</b>
<b>31/12/07</b>					
Employee benefits	24	(15,589,059.67)	(3,436,081.68)	(3,479,735.64)	<b>(22,504,876.99)</b>
Cost of stocks recognized as an expense		(324,249,842.11)	(137,186.38)	(4,553.66)	<b>(324,391,582.15)</b>
Depreciation		(6,692,678.46)	(180,088.32)	(642,414.18)	<b>(7,515,180.96)</b>
Insurance premiums		(468,143.62)	(408,762.83)	(53,910.88)	<b>(930,817.33)</b>
Rent		(283,326.86)	(494,378.34)	(176,484.01)	<b>(954,189.21)</b>
Transportation expenses		(5,030,715.51)	(57,259.69)	(34,064.41)	<b>(5,122,039.61)</b>
Fees – benefits of third parties		(7,716,875.11)	(1,740,877.22)	(656,328.90)	<b>(10,114,081.23)</b>
Provisions		-	-	(9,192.61)	<b>(9,192.61)</b>
Other expenses		(5,742,081.57)	(701,204.67)	(1,933,775.96)	<b>(8,377,062.20)</b>
<b>Total</b>		<b>(365,772,722.91)</b>	<b>(7,155,839.13)</b>	<b>(6,990,460.25)</b>	<b>(379,919,022.29)</b>

# HELLENIC CABLES S.A.

**CABLEL**<sup>®</sup>

## HELLENIC CABLE INDUSTRY S.A.

COMPANY FIGURES	Note	Cost of products sold	Operating Distribution Cost	Administrative Expenses	Total
<b>31/12/06</b>					
Employee benefits	24	(9,435,444.63)	(1,805,516.32)	(2,922,400.15)	<b>(14,163,361.10)</b>
Cost of stocks recognized as an expense		(181,985,969.46)	(128,135.38)	-	<b>(182,114,104.84)</b>
Depreciation		(3,952,131.80)	(150,658.36)	(165,446.87)	<b>(4,268,237.03)</b>
Insurance premiums		(190,648.19)	(369,523.26)	(112,716.69)	<b>(672,888.14)</b>
Rent		(84,923.13)	(142,447.76)	(418,050.92)	<b>(645,421.81)</b>
Transportation expenses		(2,876,454.06)	(27,291.44)	(1,699.30)	<b>(2,905,444.80)</b>
Fees – benefits of third parties		(5,989,430.75)	(916,227.26)	(242,729.68)	<b>(7,148,387.69)</b>
Provisions		(382,987.00)	(130,000.00)	-	<b>(512,987.00)</b>
Other expenses		(3,682,170.94)	(412,758.81)	(1,472,953.38)	<b>(5,567,883.13)</b>
<b>Total</b>		<b>(208,580,159.96)</b>	<b>(4,082,558.59)</b>	<b>(5,335,996.99)</b>	<b>(217,998,745.38)</b>
<b>31/12/07</b>					
Employee benefits	24	(10,384,352.54)	(1,835,190.09)	(2,389,499.97)	<b>(14,609,042.60)</b>
Cost of stocks recognized as an expense		(241,478,137.34)	(137,066.04)	-	<b>(241,615,203.38)</b>
Depreciation		(4,022,507.20)	(140,807.46)	(145,451.83)	<b>(4,308,766.49)</b>
Insurance premiums		(216,083.50)	(391,886.41)	(32,339.80)	<b>(640,309.71)</b>
Rent		(158,612.09)	(387,119.45)	(116,948.25)	<b>(662,679.79)</b>
Transportation expenses		(3,415,006.91)	(18,795.36)	(16,681.13)	<b>(3,450,483.40)</b>
Fees – benefits of third parties		(8,343,011.54)	(367,468.83)	(375,162.50)	<b>(9,085,642.87)</b>
Other expenses		(2,612,888.46)	(426,215.45)	(1,675,887.36)	<b>(4,714,991.27)</b>
<b>Total</b>		<b>(270,630,599.58)</b>	<b>(3,704,549.09)</b>	<b>(4,751,970.84)</b>	<b>(279,087,119.51)</b>

### 24. Employee benefits

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Personnel fees and expenses	16,865,033.09	15,789,180.76	10,811,363.32	10,420,787.99
Social security expenses	4,681,944.50	3,816,345.29	2,783,228.28	2,465,715.11
Retirement cost of fixed benefits schemes	237,899.40	283,531.00	294,451.00	276,858.00
Other employee benefits	720,000.00	1,000,000.00	720,000.00	1,000,000.00
<b>Total</b>	<b>22,504,876.99</b>	<b>20,889,057.05</b>	<b>14,609,042.60</b>	<b>14,163,361.10</b>

### 25. Financial income / (expenses), net

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
<b>Income</b>				
Interest	291,451.08	113,858.46	197,245.38	51,367.60
Foreign exchange differences	31,094,987.37	26,868,725.22	1,254,720.21	583,284.84
Profit from foreign exchange swaps	1,448,388.70	256,556.53	1,445,864.39	256,556.53
<b>Total income</b>	<b>32,834,827.15</b>	<b>27,239,140.21</b>	<b>2,897,829.98</b>	<b>891,208.97</b>
<b>Expenses</b>				
Interest charges and related expenses	(7,614,023.74)	(5,409,284.78)	(5,362,076.83)	(3,942,515.88)
Foreign exchange differences	(32,764,554.16)	(25,480,618.83)	(1,651,784.80)	(883,659.77)
Losses from foreign exchange swaps	(621,216.44)	(311,112.69)	(616,501.91)	(311,112.69)
<b>Total expenses</b>	<b>(40,999,794.34)</b>	<b>(31,201,016.30)</b>	<b>(7,630,363.54)</b>	<b>(5,137,288.34)</b>
<b>Financial income/(expenses), net</b>	<b>(8,164,967.19)</b>	<b>(3,961,876.09)</b>	<b>(4,732,533.56)</b>	<b>(4,246,079.37)</b>

### 26. Income tax

Current and deferred tax is analyzed as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Current tax	(3,372,354.06)	(3,179,372.61)	(2,638,290.54)	(1,378,815.39)
Deferred tax	(897,097.67)	95,503.61	(527,496.00)	(1,063,850.00)
<b>Total income tax</b>	<b>(4,269,451.73)</b>	<b>(3,083,869.00)</b>	<b>(3,165,786.54)</b>	<b>(2,442,665.39)</b>

The reconciliation of the tax of the fiscal year by applying the parent company's tax rate (25% for 2007 and 29% for 2006) is as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Accounting profit before taxes	20,371,614.32	18,137,476.53	11,365,612.97	9,838,826.23
<b>Tax, based on the parent company's tax rate (2007: 25% and 2006: 29%)</b>	<b>(5,092,903.58)</b>	<b>(5,259,868.19)</b>	<b>(2,841,403.24)</b>	<b>(2,853,259.61)</b>
Future gain from the tax real estate readjustment	-	1,584,353.79	-	-
Permanent tax differences	35,164.30	(579,482.64)	(263,702.30)	(294,401.03)
Effect of the difference in the tax rates of subsidiaries on the tax	808,622.29	1,164,842.27	-	-
Additional taxes paid	(435,681.00)	(606,046.50)	(435,681.00)	(121,504.75)
Differences from tax audit	(100,000.00)	-	(100,000.00)	-
Change in the estimation regarding the realization of future tax gains	-	(214,167.74)	-	-
Offsetting of tax loss of subsidiary	40,346.26	-	-	-
Untaxed reserves (Law 2601/98)	475,000.00	826,500.00	475,000.00	826,500.00
<b>Total income tax of the fiscal year</b>	<b>(4,269,451.73)</b>	<b>(3,083,869.00)</b>	<b>(3,165,786.54)</b>	<b>(2,442,665.39)</b>

Tax losses for which a deferred tax claim has not been recognized amount to approximately €1.2 million as of 31 December 2007 on a consolidated level and concern a domestic subsidiary company (2006: € 1.1 million).

### 27. Other operating income / (expenses), net

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Income</b>				
Income from rents	276,579.16	171,473.26	184,479.16	171,473.26
Depreciation of grants received	262,026.24	343,297.55	262,026.24	343,297.55
Other income	813,635.24	404,971.72	812,580.75	876,492.72
<b>Total</b>	<b>1,260,140.64</b>	<b>919,742.53</b>	<b>1,259,086.15</b>	<b>1,391,263.53</b>
<b>Expenses</b>				
Provisions for penalties	(228,200.00)	(225,000.00)	(228,200.00)	(225,000.00)
Purchases under receipt (impairment)	-	(243,852.00)	-	(243,852.00)
Other expenses	(199,861.55)	(63,721.00)	(137,928.34)	(91,368.73)
<b>Total</b>	<b>(428,061.55)</b>	<b>(767,573.00)</b>	<b>(326,168.34)</b>	<b>(795,220.73)</b>
Profits from the sale of fixed assets	3,100.61	197,321.47	38,726.34	14,581.81
<b>Other operating income – expenses, net</b>	<b>835,179.70</b>	<b>349,491.00</b>	<b>931,684.15</b>	<b>610,624.61</b>

### 28. Cash flows from operating activities

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2007	2006	2007	2006
Profits of the period	16,102,162.59	15,053,607.53	8,199,826.43	7,396,160.84
Adjustments for:				
Tax	4,269,451.73	3,083,869.00	3,165,786.54	2,442,665.39
Depreciation of tangible fixed assets	6,786,884.30	6,236,778.63	3,672,473.40	3,589,533.53
Depreciation of intangible assets	930,017.51	976,600.70	636,293.09	678,703.50
Impairments and reversals of impairments	(29,065.41)	27,500.07	-	-
Profits from the sale of tangible fixed assets	(3,100.61)	(197,321.47)	(38,726.34)	(14,581.81)
Profit from the sale of financial items recorded as "available for sale"	(5,367.88)	-	(5,367.88)	-
Profits from the reasonable value of derivatives	(362,301.60)	(4,530.70)	(365,091.84)	(10,226.76)
Income from interest	(291,451.08)	(113,858.46)	(197,245.38)	(51,367.60)
Interest expenses	7,614,023.74	5,409,284.78	5,362,076.83	3,942,515.88
Income from dividends	(27,136.00)	(247.31)	(481,255.00)	(419,820.31)
Depreciation of grants	(262,026.24)	(343,297.55)	(262,026.24)	(343,297.55)
Profits from affiliated companies	(1,088,801.10)	(853,015.65)	-	-
Loss from the destruction of fixed assets and deletion of intangible assets	159,742.00	771.00	99,216.77	-
Provisions (mainly for the impairment of receivables and stocks)	1,153,115.64	2,716,139.63	537,409.64	799,983.87
	<b>34,946,147.59</b>	<b>31,992,280.20</b>	<b>20,323,370.02</b>	<b>18,010,268.98</b>
<b>Changes in working capital</b>				
(Increase)/decrease in stocks	(19,719,421.59)	(25,593,459.04)	(13,413,080.05)	(10,288,682.35)
(Increase)/decrease in receivables	(7,916,613.84)	(20,231,716.56)	(3,331,150.42)	(16,501,011.20)
Increase/(decrease) in liabilities	(600,637.72)	6,365,271.17	6,832,999.85	3,070,911.29
	<b>(28,236,673.15)</b>	<b>(39,459,904.43)</b>	<b>(9,911,230.62)</b>	<b>(23,718,782.26)</b>
<b>Cash flows for operating activities</b>	<b>6,709,474.44</b>	<b>(7,467,624.23)</b>	<b>10,412,139.40</b>	<b>(5,708,513.28)</b>

### 29. Commitments

Liabilities from operating leases

The Group leases vehicles based on operating leases. The future total payable leases according to the operating leases are as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/06	31/12/07	31/12/06
Up to 1 year	225,984.08	232,397.02	192,342.44	198,755.10
From 1-5 years	223,944.69	344,620.92	186,672.89	273,707.08
<b>Total</b>	<b>449,928.77</b>	<b>577,017.94</b>	<b>379,015.33</b>	<b>472,462.18</b>

### 30. Contingent liabilities/receivables

The Group's and parent company's contingent liabilities and receivables concern banks, other guarantees and other matters that arise within the framework of their ongoing activities. These liabilities and receivables are as follows:

Liabilities:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/2006	31/12/07	31/12/2006
Guarantees for securing liabilities to suppliers	1,016,662.00	986,414.23	478,034.23	478,034.23
Guarantees for securing the good performance of contracts with customers	18,133,515.67	13,870,766.58	13,922,638.46	13,122,232.58
Other liabilities	1,515,948.23	-	-	-
<b>Total</b>	<b>20,666,125.90</b>	<b>14,857,180.81</b>	<b>14,400,672.69</b>	<b>13,600,266.81</b>

As noted in Note 6, a mortgage has been filed against the real estate of ICME ECAB (Romania), including the equipment thereof, while a lien has been filed against the company's movable property (with the exception of receivables and stocks) for the acquisition of a long-term loan, the amount of which, as of 31 December 2007, amounted to approximately 2.7 million Euros.

Received guarantees:

*Amounts in Euro*

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/2006	31/12/07	31/12/2006
	-	11,444.00	-	-

Capital commitments:

*Amounts in Euro*

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/2006	31/12/07	31/12/2006
	925,000.00	-	925,000.00	-

The Group's companies may be liable to an income tax due to the fact that the competent tax authorities have not yet audited some of their fiscal years. These unaudited fiscal years are as follows:

Company	Fiscal Years	
	from	until
HELLENIC CABLES S.A. (parent company)	2007	2007
TELECABLES S.A.	2004	2007
ICME ECAB S.A.	2003	2007
LESCO OOD	2003	2007
GENECOS S.A.	2005	2007
LESCO ROMANIA	2003	2007
Steelemt S.A. (parent company)	2003	2007
Metal Globe L.T.D.	2003	2007
Metal Agencies L.T.D.	2005	2007
E.D.E. S.A.	1999	2007
De laire Limited	2001	2007
Copperprom L.T.D.	2003	2007
Electric Cable Agencies	2005	2007
JOINT VENTURE NEXANS - HELLENIC CABLES - FULGOR - PPC PIPES 2005	2006	2007
JOINT VENTURE NEXANS & HELLENIC CABLES - PPC 2005'	2006	2007
JOINT VENTURE NEXANS & HELLENIC CABLES - PPC 2006'	2006	2007
JOINT VENTURE NEXANS - HELLENIC CABLES - FULGOR - PPC 2007'	2007	2007

During the current period, the tax audit of the parent company was completed for fiscal years 2003 to 2006, from which taxes and surcharges emerged amounting to € 436 thousand, which burdened the period's results.

### 31. Affiliated companies

The main transactions with affiliated entities are analyzed as follows:

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/07	31/12/2006	31/12/07	31/12/2006
<b>Sale of goods</b>				
Subsidiary companies	-	-	10,759,029.88	5,773,831.66
Other affiliated entities	46,941,315.00	36,071,940.21	38,879,919.34	27,362,038.17
	<b>46,941,315.00</b>	<b>36,071,940.21</b>	<b>49,638,949.22</b>	<b>33,135,869.83</b>
<b>Sale of services</b>				
Subsidiary companies	-	-	1,901,332.69	1,567,965.84
Other affiliated entities	2,016,091.58	824,517.56	502,595.78	463,091.43
	<b>2,016,091.58</b>	<b>824,517.56</b>	<b>2,403,928.47</b>	<b>2,031,057.27</b>
<b>Sale of fixed assets</b>				
Subsidiary companies	-	-	101,450.00	10,000.00
Other affiliated entities	2,400.00	6,817.00	-	6,817.00
	<b>2,400.00</b>	<b>6,817.00</b>	<b>101,450.00</b>	<b>16,817.00</b>
<b>Purchase of goods</b>				
Subsidiary companies	-	-	31,068,114.00	24,675,399.44
Other affiliated entities	58,434,084.17	133,156,029.47	41,581,938.06	100,374,763.23
	<b>58,434,084.17</b>	<b>133,156,029.47</b>	<b>72,650,052.06</b>	<b>125,050,162.67</b>
<b>Purchase of services</b>				
Subsidiary companies	-	-	111,426.68	50,167.88
Other affiliated entities	6,309,454.94	4,876,882.28	5,555,729.68	3,928,454.24
	<b>6,309,454.94</b>	<b>4,876,882.28</b>	<b>5,667,156.36</b>	<b>3,978,622.12</b>
<b>Purchase of fixed assets</b>				
Subsidiary companies	-	-	-	2,500.00
Other affiliated entities	1,306,646.27	72,560.70	1,021,537.29	72,560.70
	<b>1,306,646.27</b>	<b>72,560.70</b>	<b>1,021,537.29</b>	<b>75,060.70</b>

<b>Benefits to the Management</b> <i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/07</b>	<b>31/12/2006</b>	<b>31/12/07</b>	<b>31/12/2006</b>
Fees – Benefits to the B.o.D and Executives including the proposed distribution of the current year's profit	1,431,366.46	3,048,157.83	972,226.02	2,646,683.87
	<b>1,431,366.46</b>	<b>3,048,157.83</b>	<b>972,226.02</b>	<b>2,646,683.87</b>
<b>Year-end balances that arise from sales (purchase of goods, services, fixed assets, etc.):</b> <i>Amounts in Euros</i>	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
<b>Receivables from affiliated entities:</b>				
Subsidiary companies	-	-	5,724,192.34	3,205,756.93
Other affiliated entities	4,664,659.44	6,677,871.35	3,825,143.27	5,005,667.19
	<b>4,664,659.44</b>	<b>6,677,871.35</b>	<b>9,549,335.61</b>	<b>8,211,424.12</b>
Liabilities to affiliated companies:				
<b>Subsidiary companies</b>	-	-	12,166,831.14	7,080,202.86
Other affiliated entities	9,223,758.40	10,957,386.58	1,399,725.28	1,529,908.56
	<b>9,223,758.40</b>	<b>10,957,386.58</b>	<b>13,566,556.42</b>	<b>8,610,111.42</b>

### 32. Earnings per share

Basic earnings per share are calculated by dividing the profit that corresponds to the parent company's shareholders by the weighted average number of outstanding common shares during the period.

	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Profits that correspond to the parent company's shareholders	15,991,177.95	14,934,711.33	8,199,826.43	7,396,160.84
Weighted average number of shares	27,161,905	26,909,389	27,161,905	26,909,389
Basic earnings per share (Euros per share)	<b>0.589</b>	<b>0.555</b>	<b>0.302</b>	<b>0.275</b>
	<b>CONSOLIDATED FIGURES</b>		<b>COMPANY FIGURES</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Profits that correspond to the parent company's shareholders	0.589	0.555	0.302	0.275
Weighted average number of shares	27,161,905	26,909,389	27,161,905	26,909,389
Adjustment for rights on shares	103,671	42,932	103,671	42,932
Total weighted average number of shares for diluted profits per share	27,265,576	26,952,321	27,265,576	26,952,321
Diluted earnings per share (Euros per share)	<b>0.587</b>	<b>0.554</b>	<b>0.301</b>	<b>0.274</b>

### 33. Dividends per share

	<b>2006</b>
Dividends	2,716,155
Number of shares on December 31st	27,161,550
Dividend per share from 2006 profits	<b>0.10</b>
	<b>2007</b>
Proposed dividend	3,539,426.80
Number of shares on December 31st	27,226,360
Proposed dividend per share from profits of 2007 (which must be approved by the General Shareholders' Meeting)	<b>0.13</b>

### 34. Financial risk management

#### Financial risk factors

The Group is exposed to the following risks from the use of its financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information regarding the Group's exposure to each of the above risks, the Group's objectives, the policies and procedures it applies for the calculation and management of risk, as well as the management of the Group's capital. Additional quantitative information on such disclosures are included throughout the consolidated financial statements.

The Group's risk management policies are applied in order to identify and analyze the risks faced by the Group and to set risk tolerance limits and to apply control on such limits. The risk management policies and relevant systems are periodically examined in order to incorporate changes that arise in market conditions and in the Group's activities.

The supervision of adherence to the risk management policies and procedures have been appointed to the Internal Audit department, which realizes planned and unscheduled audits as regards to the implementation of procedures, with the audit results being disclosed to the Board of Directors.

#### Credit risk

Credit risk is the risk of loss for the Group in the case a customer or third party in a financial instrument transaction, does not fulfill his contractual obligations and is mainly related to the receivables from customers and to investments in securities.

The financial assets that entail credit risk are as follows:

(amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
Financial assets available for sale	10	1,729,660.49	1,759,368.61	1,729,660.49	1,759,368.61
Customers	14	76,740,512.50	72,027,328.85	57,946,077.60	56,828,585.89
Cash in hand and cash equivalents	15	5,037,813.04	4,140,386.43	4,158,429.35	799,889.78
Derivatives	14a	1,024,733.78	568,827.89	843,385.00	568,827.89
		<b>84,532,719.81</b>	<b>78,495,911.78</b>	<b>64,677,552.44</b>	<b>59,956,672.17</b>

#### (a) Customers and other receivables

The Group's exposure to credit risk is mainly affected by the characteristics of each customers. The demographic characteristics of the Group's client base, including the risk of default payments that characterizes the specific market and the country where customers operate in, affect credit risk less as there is no geographic concentration of credit risk. During the period, only one customer exceeded 10% of the period's total sales, while during December 31<sup>st</sup> 2007 no customer exceeded 10% of the open balances of customers. Therefore commercial risk is spread to a large number of customers.

The Board of Directors has established a credit policy, according to which each new customer is examined on an individual basis for his credit ability before the ordinary payment terms are proposed to such. The examination of credit ability performed by the Group includes the examination of bank resources and other third party resources for credit rating, if available. Credit lines are defined for each customer, and are re-examined according to the current conditions, while if necessary the sales and payment terms are readjusted. The credit lines of customers are mainly defined according to the insurance limit received for such from insurance companies and following the receivables are insured according to such limits.

During the monitoring of customer credit risk, customers are grouped according to their credit characteristics, the maturity characteristics of their receivables and any possibly prior payment problems displayed. Customers and other receivables mainly include wholesale customers of the Group. Customers characterized as "high risk" are placed in a special customer statement and future sales must be pre-collected and approved by the Board of Directors. According to the customer's history and capacity, in order to secure its receivables, the Group requests real guarantees or collateral (i.e. letters of guarantee), when possible.

The Group registers an impairment provision, which represents its estimation for losses regarding its customers, other receivables and investments in securities. This provision is mainly comprised of impairment losses of specific receivables that are estimated based on the given conditions that such will be realized but have not yet been finalized.

**(b) Investments**

Investments are classified by the Group according to the purpose for which such were acquired. The Management decides on the proper classification of the investment when such is initiated and re-examines the classification at each balance sheet date. The Management considers that there will be no case of default payments for such investments.

**(c) Guarantees**

The Group has a policy not to provide financial guarantees, except for by exception, guarantees to subsidiaries or affiliated companies following a decision by the Board of Directors.

**Liquidity risk**

Liquidity risk refers to the risk that the Group may not be able to fulfill its financial obligations when such mature. The approach adopted by the Group for the management of liquidity is to secure, through holding the absolutely necessary cash equivalents and adequate credit lines from cooperating banks, that it will at all times have adequate liquidity to fulfill its obligations when such mature, under normal as well as difficult conditions, without sustaining non-acceptable losses or risking its reputation.

To avoid liquidity risks, the Group realizes a cash flow provision for a period of one year during the preparation of the annual budget, and a monthly rolling three-month provision in order to secure that it has adequate cash equivalents to cover its operating needs, including covering its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be forecasted.

The analysis of financial liabilities and derivatives (for which purchases are presented with a negative sign and sales with a positive sign) based on the contractual maturity, is as follows:

<b>GROUP</b>	<b>31/12/2006</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 years</b>	<b>Total</b>
<b>31 December 2006</b>					
<b>Financial liabilities</b>					
Bank debt	45,929,806.75	36,595,862.12	7,132,284.63	2,201,660.00	<b>45,929,806.75</b>
Corporate bond loans	77,500,000.00	12,500,000.00	22,500,000.00	42,500,000.00	<b>77,500,000.00</b>
Bank Open Accounts	393,056.30	393,056.30	-	-	<b>393,056.30</b>
Financial Leasing Liabilities	23,361.03	7,392.73	7,392.73	8,575.57	<b>23,361.03</b>
Suppliers and other liabilities	32,828,980.82	32,540,974.28	165,219.49	122,787.05	<b>32,828,980.82</b>
	<b>156,675,204.90</b>	<b>82,037,285.43</b>	<b>29,804,896.85</b>	<b>44,833,022.62</b>	<b>156,675,204.90</b>

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<b>Derivatives (Analysis per category)</b>	<b>31/12/2006</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 years</b>	<b>Total</b>
Nominal value of interest rate swaps (in €)	23,750,000.00	8,250,000.00	8,250,000.00	7,250,000.00	<b>23,750,000.00</b>
Nominal value of foreign exchange forward contracts (in USD)	3,794,667.73	3,794,667.73	-	-	<b>3,794,667.73</b>
Nominal value of foreign exchange forward contracts (in GBP)	14,311,939.37	14,311,939.37	-	-	<b>14,311,939.37</b>
Nominal Value of Aluminium Derivatives	(3,107,820.66)	(3,107,820.66)	-	-	<b>(3,107,820.66)</b>
Nominal Value of Copper Derivatives	(6,451,132.72)	(6,451,132.72)	-	-	<b>(6,451,132.72)</b>
	<b>32,297,653.72</b>	<b>16,797,653.72</b>	<b>8,250,000.00</b>	<b>7,250,000.00</b>	<b>32,297,653.72</b>

<b>COMPANY</b>	<b>31/12/2006</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 years</b>	<b>Total</b>
<b>31 December 2006</b>					
<b>Financial liabilities</b>					
Bank debt	11,466,818.15	5,090,909.10	5,090,909.05	1,285,000.00	<b>11,466,818.15</b>
Corporate bond loans	77,500,000.00	12,500,000.00	22,500,000.00	42,500,000.00	<b>77,500,000.00</b>
Bank Open Accounts	103,685.30	103,685.30	-	-	<b>103,685.30</b>
Suppliers and other liabilities	23,045,849.92	23,045,849.92	-	-	<b>23,045,849.92</b>
	<b>112,116,353.37</b>	<b>40,740,444.32</b>	<b>27,590,909.05</b>	<b>43,785,000.00</b>	<b>112,116,353.37</b>

<b>Derivatives (Analysis per category)</b>	<b>31/12/2006</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 year</b>	<b>Total</b>
Nominal value of interest rate swaps (in €)	23,750,000.00	8,250,000.00	8,250,000.00	7,250,000.00	<b>23,750,000.00</b>
Nominal value of foreign exchange forward contracts (in USD)	3,794,667.73	3,794,667.73	-	-	<b>3,794,667.73</b>
Nominal value of foreign exchange forward contracts (in GBP)	14,311,939.37	14,311,939.37	-	-	<b>14,311,939.37</b>
Nominal Value of Aluminium Derivatives	(2,733,094.66)	(2,733,094.66)	-	-	<b>(2,733,094.66)</b>
Nominal Value of Copper Derivatives	(4,215,678.50)	(4,215,678.50)	-	-	<b>(4,215,678.50)</b>
	<b>34,907,833.94</b>	<b>19,407,833.94</b>	<b>8,250,000.00</b>	<b>7,250,000.00</b>	<b>34,907,833.94</b>

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## HELLENIC CABLE INDUSTRY S.A.

(amounts in Euro)

<b>GROUP</b>	<b>31/12/2007</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 year</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>31 December 2007</b>						
<b>Financial liabilities</b>						
Bank debt	43,815,778.14	28,399,118.14	4,916,660.00	9,000,000.00	1,500,000.00	<b>43,815,778.14</b>
Corporate bond loans	95,000,000.00	20,000,000.00	28,750,000.00	46,250,000.00	-	<b>95,000,000.00</b>
Bank Open Accounts	318,427.39	318,427.39	-	-	-	<b>318,427.39</b>
Financial Leasing Liabilities	14,838.00	7,998.00	6,840.00	-	-	<b>14,838.00</b>
Suppliers and other liabilities	32,840,312.81	32,659,084.83	19,972.80	161,255.18	-	<b>32,840,312.81</b>
	<b>171,989,356.34</b>	<b>81,384,628.36</b>	<b>33,693,472.80</b>	<b>55,411,255.18</b>	<b>1,500,000.00</b>	<b>171,989,356.34</b>

<b>Derivatives (Analysis per category)</b>	<b>31/12/2007</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 year</b>	<b>Total</b>
Nominal value of interest rate swaps (in €)	15,500,000.00	8,250,000.00	7,250,000.00	-	<b>15,500,000.00</b>
Nominal value of foreign exchange forward contracts (in USD)	19,057,036.96	19,057,036.96	-	-	<b>19,057,036.96</b>
Nominal value of foreign exchange forward contracts (in GBP)	13,485,546.61	13,485,546.61	-	-	<b>13,485,546.61</b>
Nominal Value of Aluminium Derivatives	803,436.55	1,406,058.65	(602,622.10)	-	<b>803,436.55</b>
Nominal Value of Copper Derivatives	1,728,728.67	2,032,838.44	(304,109.77)	-	<b>1,728,728.67</b>
	<b>50,574,748.79</b>	<b>44,231,480.66</b>	<b>6,343,268.13</b>	<b>-</b>	<b>50,574,748.79</b>

<b>COMPANY</b>	<b>31/12/2007</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>2-5 year</b>	<b>Total</b>
<b>31 December 2007</b>					
<b>Financial liabilities</b>					
Bank debt	3,000,000.00	2,000,000.00	1,000,000.00	-	<b>3,000,000.00</b>
Corporate bond loans	95,000,000.00	20,000,000.00	28,750,000.00	46,250,000.00	<b>95,000,000.00</b>
Bank Open Accounts	197,130.03	197,130.03	-	-	<b>197,130.03</b>
Suppliers and other liabilities	30,143,552.18	28,922,781.62	1,220,770.56	-	<b>30,143,552.18</b>
	<b>128,340,682.21</b>	<b>51,119,911.65</b>	<b>30,970,770.56</b>	<b>46,250,000.00</b>	<b>128,340,682.21</b>

<b>Derivatives (Analysis per category)</b>	<b>31/12/2007</b>	<b>&lt;1 year</b>	<b>1- 2 years</b>	<b>Total</b>
Nominal value of interest rate swaps (in €)	15,500,000.00	8,250,000.00	7,250,000.00	<b>15,500,000.00</b>
Nominal value of foreign exchange forward contracts (in USD)	19,057,036.96	19,057,036.96	-	<b>19,057,036.96</b>
Nominal value of foreign exchange forward contracts (in GBP)	13,485,546.61	13,485,546.61	-	<b>13,485,546.61</b>
Nominal Value of Aluminium Derivatives	(1,687,425.45)	(1,084,803.35)	(602,622.10)	<b>(1,687,425.45)</b>
Nominal Value of Copper Derivatives	(3,284,265.33)	(2,980,155.56)	(304,109.77)	<b>(3,284,265.33)</b>
	<b>43,070,892.79</b>	<b>36,727,624.66</b>	<b>6,343,268.13</b>	<b>43,070,892.79</b>

### Market risk

Market risk corresponds to risk from changes in the prices of raw materials, foreign exchange rates and interest rates that affect the Group's results or the value of its financial instruments. The aim of market condition risk management is to control the Group's exposure to such risks in the context of acceptable parameters, by optimizing performance at the same time.

The Group realizes transaction on financial derivatives in order to hedge part of the risk from market conditions.

#### (a) Risk from Fluctuation of Prices of Metal Raw Materials (copper, aluminium, other metals)

The Group bases both its purchases and its sales on market prices/indices for the price of copper and other metals it uses and that are included in its products. The risk from the fluctuation of metal prices is covered with hedging (futures contracts on the London Metal Exchange – LME). However the Group does not cover its entire basic operational stock with hedging and as a result a possible decrease in metal prices may negatively affect its results through the devaluation of stocks.

#### (b) Foreign exchange risk

The Group is exposed to foreign exchange risk in the sales and purchases it realizes and in loans that have been issued in currencies other than the operating currency of the Group's companies, which is mainly the euro. Currencies in which such transactions take place is mainly the euro, USD, GBP and Romanian currency.

Throughout time, the Group hedges the largest part of its estimated exposure to foreign currency in relation to estimated sales and purchases, as well as its receivables and liabilities in foreign currency. The Group mainly enters into foreign exchange futures contracts with external third parties to face risk from changes in exchange rates. Such contracts mainly mature in less than one year from the balance sheet date. When deemed necessary, the contracts are renewed at their maturity. In some cases foreign exchange risk may be covered also with loans in the respective currencies.

The interest of loans is in a currency that does not differ from that of cash flows, which arise from the Group's operating activities, mainly the euro.

The Group's investments in other subsidiaries are not hedged, as such foreign exchange positions are considered long-term.

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The risk from changes in foreign exchange rates is as follows:

GROUP	31 December 2006					
	EURO	USD	GBP	LEVA	RON	OTHER
Customers and receivables	73,098,029.85	3,750,426.73	9,631,303.10	19,993.17	12,659,782.70	-
Loans	(122,010,268.56)	(200,602.91)	(1,345,981.61)	(289,371.00)	-	-
Trade and other creditors	(25,342,420.91)	(602,710.04)	(634,287.05)	(36,900.01)	(6,131,950.45)	(80,712.38)
Cash equivalents	3,519,438.34	126,830.52	2,476.95	37,154.00	454,464.02	22.60
	(70,735,221.28)	3,073,944.30	7,653,511.39	(269,123.84)	6,982,296.27	(80,689.78)
Derivatives for hedging of the above Risks (Nominal Value)	-	(7,176,712.17)	(14,311,939.37)	-	-	-
<b>Total Risk</b>	<b>(70,735,221.28)</b>	<b>(4,102,767.87)</b>	<b>(6,658,427.98)</b>	<b>(269,123.84)</b>	<b>6,982,296.27</b>	<b>(80,689.78)</b>

COMPANY	31 December 2006					
	EURO	USD	GBP	LEVA	RON	OTHER
Customers and receivables	66,493,375.64	2,817,540.90	7,616,472.79	-	-	23,369.16
Loans	(88,966,818.15)	(103,685.30)	-	-	-	-
Trade and other creditors	(22,016,245.66)	(390,491.36)	(561,447.43)	-	-	(77,665.47)
Cash equivalents	671,592.47	125,869.13	2,428.18	-	-	-
	(43,818,095.70)	2,449,233.37	7,057,453.54	-	-	(54,296.31)
Derivatives for hedging of the above Risks (Nominal Value)	-	(7,176,712.17)	(14,311,939.37)	-	-	-
<b>Total Risk</b>	<b>(43,818,095.70)</b>	<b>(4,727,478.80)</b>	<b>(7,254,485.83)</b>	<b>-</b>	<b>-</b>	<b>(54,296.31)</b>

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## HELLENIC CABLE INDUSTRY S.A.

amounts in Euro

GROUP	31 December 2007					
	EURO	USD	GBP	LEVA	RON	OTHER
Customers and receivables	79,776,102.97	1,279,568.07	12,483,478.84	4,209.11	12,130,929.96	-
Loans	(123,570,918.64)	(528,234.60)	(375,901.24)	(121,297.36)	(14,552,691.69)	-
Trade and other creditors	(26,642,104.99)	(558,207.79)	(277,181.39)	(50,629.96)	(5,258,397.69)	(53,790.99)
Cash equivalents	4,421,350.09	77,490.86	90,880.38	46,481.80	401,545.51	64.40
	(66,015,570.57)	270,616.54	11,921,276.59	(121,236.41)	(7,278,613.91)	(53,726.59)
Derivatives for hedging of the above Risks (Nominal Value)	-	(294,712.12)	(13,485,546.61)	-	-	-
<b>Total Risk</b>	<b>(66,015,570.57)</b>	<b>(24,095.58)</b>	<b>(1,564,270.02)</b>	<b>(121,236.41)</b>	<b>(7,278,613.91)</b>	<b>(53,726.59)</b>

COMPANY	31 December 2007					
	EURO	USD	GBP	LEVA	RON	OTHER
Customers and receivables	68,910,199.93	607,581.85	10,988,214.86	-	-	-
Loans	(98,000,000.00)	(197,130.03)	-	-	-	-
Trade and other creditors	(29,508,020.70)	(357,395.90)	(227,314.84)	-	-	(50,820.74)
Cash equivalents	3,992,894.48	75,177.49	90,357.38	-	-	-
	(54,604,926.29)	128,233.41	10,851,257.40	-	-	(50,820.74)
Derivatives for hedging of the above Risks (Nominal Value)	-	(294,712.12)	(13,485,546.61)	-	-	-
<b>Total Risk</b>	<b>(54,604,926.29)</b>	<b>(166,478.71)</b>	<b>(2,634,289.21)</b>	<b>-</b>	<b>-</b>	<b>(50,820.74)</b>

Sensitivity analysis:

If the foreign currency increased by 10% against the euro, the effect would be:

GROUP	Results		Equity	
	2007	2006	2007	2006
USD	(2,677.29)	(455,863.10)	-	-
GBP	(173,807.78)	(739,825.33)	-	-
LEVA	(13,470.71)	-	-	-
RON	-	-	(808,734.88)	775,810.70
<b>COMPANY</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
USD	(18,497.63)	(525,275.42)	-	-
GBP	(292,698.80)	(806,053.98)	-	-

If the foreign currency devalued by 10% against the euro, the effect would be:

GROUP	Results		Equity	
	2007	2006	2007	2006
USD	2,190.51	372,978.90	-	-
GBP	142,206.37	605,311.63	-	-
LEVA	11,021.49	-	-	-
RON	-	-	661,692.17	(634,754.21)

COMPANY	Results		Equity	
	2007	2006	2007	2006
USD	15,134.43	429,770.80	-	-
GBP	239,480.84	659,498.71	-	-

### (c) Interest rate risk

The Group finances its investments as well as its needs in working capital through bank debt and corporate bond loans, and as a consequence its results are charged with debit interest. Increasing trends in interest rates will have a negative effect on results as the Group will be charged with additional borrowing costs.

Interest rate risk is contained as part of the group's loans are with fixed interest rates, either directly or through the use of financial instruments (interest rate swaps).

The relevant analysis is as follows:

amounts in Euro

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Fixed interest rates</b>				
Financial liability items	15,500,000.00	23,750,000.00	15,500,000.00	23,750,000.00
	<b>15,500,000.00</b>	<b>23,750,000.00</b>	<b>15,500,000.00</b>	<b>23,750,000.00</b>
<b>Floating interest rates</b>				
Financial liability items	123,649,043.53	100,096,224.08	82,697,130.03	65,320,503.45
	<b>123,649,043.53</b>	<b>100,096,224.08</b>	<b>82,697,130.03</b>	<b>65,320,503.45</b>

If interest rates increased/decreased by 0.25% the effect on results and equity would be as follows:

GROUP	Results		Equity	
	2007	2006	2007	2006
Floating interest rate	-/+286,258.55	-/+208,612.16		
Interest rate swaps			+/-42,619.56	+/-3,967.41
<b>COMPANY</b>				
	Results		Equity	
	2007	2006	2007	2006
Floating interest rate	-/+202,146.99	-/+143,288.97		
Interest rate swaps			+/-42,619.56	+/-3,967.41

### Capital management

The policy of the Board of Directors corresponds to maintaining a powerful capital base, in order to maintain trust in the Group from investors, creditors and the market and to allow the future development of the Group's activities. The Board of Directors monitors the return on capital, which is defined by the Group as the net results divided with the total net position, excluding non-convertible preferred shares and minority interest. The Board of Directors also monitors the level of dividends to shareholders of common shares.

The Board of Directors tries to maintain a balance between the highest returns that would be plausible with higher debt levels and the advantages and security that would be provided by a powerful and healthy capital position.

The Group does not have a specific plan for purchase of own shares.

There were no changes in the approach adopted by the Group as regards to capital management during the period.

The Group monitors and examines its capital adequacy overall based on the ratio net debt to EBITDA (earnings before interest, taxes, depreciation & amortization). The ratio was as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
Total debt	139,141,045.53	123,838,759.49	98,197,130.03	89,070,503.45
Minus: cash & cash equivalents	(5,037,813.04)	(4,140,386.43)	(4,158,429.35)	(799,889.78)
<b>Net debt</b>	<b>134,103,232.49</b>	<b>119,698,373.06</b>	<b>94,038,700.68</b>	<b>88,270,613.67</b>
<b>EBITDA</b>	35,137,546.22	28,459,468.99	19,925,658.02	17,933,322.32
<b>Net debt/EBITDA</b>	3.8	4.2	4.7	4.9

(English Free Translation from the Original Greek Auditors' Report)

**INDEPENDENT AUDITOR'S REPORT**

**To the shareholders of «HELLENIC CABLES A.E.»**

**Report on the Financial Statements**

We have audited the accompanying financial statements of HELLENIC CABLES A.E. (the "Company"), as well as the consolidated financial statements of the Company and its subsidiaries (the "Group), which comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of HELLENIC CABLES A.E. and Group as of December 31, 2007, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Report on Other Legal and Regulatory Requirements**

The content of the Board of Directors Report comply with article 43a, par. 3 and 107, par.3 of Codified Law 2190/1920 as well as article 11a of Law 3371/2005 and its content is consistent with the accompanying financial statements.

Athens, 28 February 2008

The Certified Auditor Accountant

George Anastopoulos  
(SOEL Reg. No. 15451)  
Ernst & Young (Hellas) S.A  
(SOEL Reg. No. 107)

 **ERNST & YOUNG**