

ΜΕΤΚΑ

METAL CONSTRUCTIONS OF GREECE S.A.

**COMPANY'S No 10357/06/B/86/113 IN THE
REGISTER OF SOCIETES ANONYMES
ARTEMIDOS 8 MAROUSSI (ATHENS)**

**Annual Financial Statements
For the year ended 31 December 2011**

In accordance with article 4 of Law 3556/2007

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A. Statements of Members of the Board of Directors

(according to article 4 § 2 of law 3556/2007)

The members of the Board of Directors of METAL CONSTRUCTIONS OF GREECE S.A. :

1. Ioannis G. Mytilineos, Chairman and Managing Director of the Board of Directors
2. Panagiotis A. Gardelinos, Board Member, having been specifically assigned by the Board of Directors,
3. Filippos E. Zotos, Board Member, having been specifically assigned by the Board of Directors,

As far as we know the enclosed consolidated and separate financial statements of METAL CONSTRUCTIONS OF GREECE S.A. for the period of 1 January 2011 to 31 December 2011, which were prepared in accordance with the current International Financial Reporting Standards (IFRS), give a true picture of the assets and liabilities, the shareholders' equity and the profit and loss account of the Group and of the Company, as well as of the companies included in the consolidation as a whole.

It is also hereby stated that, to the best of our knowledge, the annual report prepared by the Board of Directors includes a true presentation of the improvement, the financial performance and the equity of the parent company and its subsidiaries, which are included in the Consolidated Financial Statements. All the important risks and financial uncertainties are taken into consideration for these estimations.

Maroussi, the 26th of March 2012

Confirmed by

Ioannis G. Mytilineos

Panagiotis A. Gardelinos

Filippos E. Zotos

Chairman and Managing
Director of the Board of
Directors

Member of the Board of
Directors

Member of the Board of
Directors

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of METAL CONSTRUCTIONS OF GREECE S.A.

Report on the Financial Statements

We have audited the accompanying individual financial statements of METAL CONSTRUCTIONS OF GREECE S.A. as well as the consolidated Financial Statements of the Company and its subsidiaries, which comprise the individual and consolidated Statement of Financial Position as at December 31, 2011, and the Income Statement and Statement of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these individual and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the individual and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the individual and consolidated 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 individual and consolidated 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 company'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 individual and consolidated 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 individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2011, and the financial performance and the cash flows of the Company and its subsidiaries for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by Paragraph 3d of Article 43a of Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned individual and consolidated Financial Statements, in the scope of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, 27 March 2012

The Certified Public Accountant - Auditor

Vassilis C. Kazas

SOEL Reg. No 13281

Pavlos Stellakis

SOEL Reg. No 24941



**C. Annual Report of the Board of Directors of the Company METKA S.A.
On the consolidated and Company Financial Statements
For the financial year from January 1st to December 31st 2011**

Shareholders Ladies and Gentlemen,

Pursuant to the provision of L.2190/1920 article 43a paragraph 3, article 108 paragraph 3 and article 136 paragraph 2 and the provision of L.3556/2007 article 4 paragraphs 2c, 6, 7 and 8, as well as, the resolution of the Board of the Hellenic Capital Committee 7/448/11.10.2007 article 2, 1/434/03.07.2007 and the Company's Articles of Association, we present to you the Annual Report of the Board of Directors for the financial year from 01/01/2011 to 31/12/2011, which comprises of the audited consolidated and corporate financial statements, the related notes and the Report of the Auditors. This report provides summary information for the Group and the Company (METKA S.A.), financial information aiming in informing the shareholders and investors for the financial position and performance, the overall developments and variations in the financial year under review (01/01/2011 to 31/12/2011), significant events that took place and their impact on the financial statements. Furthermore, an analysis of potential risks and uncertainties that the Group and the Company may face in the future,, the anticipated course and evolution of the group companies, the corporate governance, the dividend policy as well as, disclosure of the transactions between the Company and the related parties is provided.

This report accompanies the annual financial statements of fiscal year 2011 (01/01/2011 – 31/12/2011) and included individually together with those statements as well as the declarations of the members of the board of directors into the annual economic report concerning the fiscal year 2011. Given that the Company also composes consolidated financial statements, this report is cohesive having as a main reference point the consolidated financial information and referring to the corporate financial information of METKA S.A. only where necessary or appropriate in order to gain a better understanding of the content.

Financial developments & Performance of FY 2011

Financial Information

Greece continues to experience the impact of a deep and prolonged economic crisis. The horizontal austerity measures combined with incomplete promotion of the necessary structural reforms, fueled a vicious cycle of recession which led to a 13% shrinkage of the GNP during the last three years.

The vicious cycle of recession continued in 2011, while a series of failures on a financial and political level brought the country face-to-face with a default and exit from the euro. Following the completion of the bond exchange program and the new loan agreement this risk seems potential, at least for the time being, to be removed. However, no one can claim that tough times have gone away. The road to recovery is still long and insecure.

Economic and currency instability in Greece during the last few months, further deteriorated the local business environment. The domestic market remained frozen, while the trust shortage towards Greek economy increased financial pressures and created serious obstacles to the activity of Greek businesses.

Despite the intense adversity, METKA continues to move on a positive route. The dramatic crisis escalation in the Greek economy inevitably complicates the expansion of the Group's internationalized activity. However, the difficulties are largely counterbalanced due to a high experience, know-how, and reliability reserve built during the previous years with great effort by the Management and the employees.

The strategy of openness, geographical differentiation and the achievement of competitiveness internationally, maintained at a high level the resistance of METKA against the crisis. And this is clearly reflected in the financial results for 2011.

More specifically, the Group's turnover for 2011 reached € 1.003,7 million, showing a 63% increase compared to 2010, while the Company's turnover for the same period mounted to € 815,1 million, a 66% increase compared to 2010.

Main factors for this increase are:

a) The "CONSTRUCTION OF A POWER PLANT STATION OF 700 MW" in Syria, with a contractual value of € 673 million which in the period under review recorded a turnover of € 343,78 million.

b) The continuation of the project "CONSTRUCTION OF A POWER PLANT STATION OF 775 MW" in Denizli, Turkey, with a contractual value of € 478,6 million which in the period under review recorded a turnover of € 296,8 million.

c) The continuation of the project "CONSTRUCTION OF A COMBINED CYCLE POWER PLANT OF 870MW" in Samsun, Turkey, with a contractual value of € 327 million and \$ 117 million, which in the period under review recorded a turnover of € 137,6 million.

and

d) The continuation of the project "COMBINED CYCLE POWER PLANT OF 436,6 MW AT AG. THEODOROI KORINTHOS", with a contractual value of € 285 million, which recorded a turnover of € 52 million.

The Group's and the company's gross profit margin reached 18,6 % and 21% respectively, while the EBITDA (earnings before interest, taxes depreciation and amortization) of the Group were € 161,5 million (16,09%) compared to the € 101,3 million (17,4%) of 2010. Accordingly the Company's EBITDA amounted € 152,2 million (18,7%) compared to the € 67,3 million (14,7%) of the previous fiscal year.

Excluded from the above figures is the non-recurring profit from the sale of the ETADE subsidiary (€ 32,4 million).

The Group's net earnings after taxes and non-controlling stakes amounted to € 115 million, compared to the € 87,0 million of 2010 and Company's amounted to € 110,4 million, comparing to the € 69,9 million of 2010.

Noteworthy is also the Group's net cash at hand at the end of FY 2011, amounting to €152,8 million, which despite the negative economic climate results from the uninterrupted realization of its projects. The net operating cash flow for the Group and the Company was for one more period positive.

The financial position of the Group at December 31, 2011 continues to be satisfying and reflects its economic stability and its future perspectives. The total equity in December 31, 2011 amounted to € 339 million in comparison to the € 250 million of December 31 2010, demonstrating an increase by 36%.

It is the Group's policy to constantly assess its results and performance on a monthly basis, aiming to detect any deviations from its objectives and to adopt the required corrective measures timely and effectively. The Group assesses its performance by using financial performance indices, in particular:

- ROCE (Return on Capital Employed) – The index divides the earnings before taxes, financial, investment results and total depreciations with the total Group capital employed, which is the sum of the equity, plus the total borrowing obligations and the long term provisions.
- ROE (Return on Equity) – The index divides the earnings after tax by the Group Equity.
- EVA (Economic Value Added) – This index can be determined by multiplying the Capital Employed with the difference (ROCE – Cost of Capital) and is the amount by which the Group increases its economic value. The Group uses the model of WACC "Weighted Average Cost of Capital" in order to calculate the Cost of Capital.

Ratio	2011	2010	2009
ROCE	42%	50%	31%
ROE	34%	36%	21%
EVA	133.108 th.	100.327 th.	33.875 th.

The mean yield values of the Greek State Bonds during December 2011 were especially high and, therefore, not appropriate to be used in such an assessment.

For this reason, the European bond index iboxx AA Corporate Overall 10+ EUR indices was used as a basis for the estimation of the EVA index. Its mean yield for the same period was 5,16%. In the previous comparative period, this index had a mean yield of 5,25% and the financial index EVA would amount to € 118.193 th.

B. Significant events of the year 2011

I. Projects continued in year 2011

A) EPC Projects

1. Electric Power Plant of 700 MW in Deir Ali, Syria

The joint venture of ANSALDO – METKA (METKA acting as a leader) undertook for the account of the Public Establishment of Electricity for Generation and Transmission (PEEGT) the engineering, procurement, construction and commissioning of a natural gas power plant that generates power with natural gas fuel, with minimum capacity of 700 MW in Deir Ali, Syria.

The execution of the project started in July 2010 following the opening of the Letter of Credit. Works are in full progress and a 53% of the project has already been executed.

The contract price amounts up to € 673 million and the project is expected to be completed within the second half of 2013.

2. Power Plant Station of 775 MW in Denizli, Turkey

This project was undertaken by METKA on behalf of RWE and concerns the engineering – procurement – construction and commissioning of a power plant station with natural gas fuel, with capacity 775 MW, near the Denizli area in Turkey. This new power unit will be Siemens - based technology (SGT5-4000F gas turbine technology), and two- two- one formation (2 gas turbines, 2 boilers and one steam turbine).

The contract value for METKA is approximately €478,6 million.

The project will be executed in 2 phases, the first consisting of engineering and actions relative to the power licenses already completed. The project has already entered the construction process since 30/4/2010.

The part of the project concerning the works in Turkey is being realized by METKA's subsidiary Power Projects.

The project has surpassed the 80% of completion and commercial operation of the unit is anticipated for the end of 2012

3. Construction of a Combined Cycle Power Plant in Samsun, Turkey

Works for the construction of a Combined Cycle Power Plant of 870 MW, with natural gas fuel, undertaken by METKA on behalf of BORASCO commenced in 2010. The project has reached a 90% completion and its commercial operation is anticipated for the end of 2012.

4. Combined cycle power project in Korinthos

The project was completed within the time schedule. Its commercial operation is anticipated for the 1st trimester of 2012.

5. SES Aliveri, PPC project

During 2011, the procurement of the major electromechanical equipment to the site has been completed, the works for the erection of the main electromechanical equipment have been completed, whilst erection works of the rest equipment are in progress. At the same time, a contractual supplement has been signed with PPC for extending the Warranty period of the Project by eight months, thus, thus increasing the contractual value by € 7.200.000.

6. Combined cycle project in Brazi, Romania

The project is suspended due to damages (for reasons not attributable to the Contractor) in part of the equipment due to the usage of non-appropriate fuel. Repairs are expected to be completed in June 2012. Following the completion of the rest of the tests in July 2012 there will be a provisional acceptance of the plant.

7. Combined Cycle Unit of Ag. Nikolaos

Works and test have been completed and the Unit is in commercial operation since June 2011.

8. Electrostatic Precipitators for SES Ag. Dimitrios

Final acceptance of the filters for units III and IV has also been completed. A contractual supplement of value 1.350.000€ is expected to be signed for the compensation of various issues, while the rest of the claims and backlogs of the final acceptance protocols are expected to be referred to a conciliation committee.

9. HES Ilarion Hydroelectric Project, Small Ilarion and small Papadia

The project's timetable was modified so that its progress is aligned with the activities of the civil works performed by another contractor. The engineering and procurement of the main equipment have been completed while the erection and procurement of the rest of the equipment are in full progress. At the same time, a contractual supplement was signed with PPC for extra equipment and a compensation for the project's delay (for reasons not attributable to the Contractor) was approved, thus increasing the contractual price by 6.625.000€. According to the new time-schedule, the works are expected to be completed during 2013.

10. Power Plant Station of 724MW in Deir Azzour, Syria

The joint venture of ANSALDO – METKA (METKA acting as a leader) undertook for the account of the Public Establishment of Electricity for Generation and Transmission (PEEGT) the engineering, procurement, construction and commissioning of a natural gas power plant that generates power with natural gas fuel, with minimum capacity of 724 MW in Deir Ali, Northeastern Syria.

The budget of the contract is € 679 million and the project is expected to be completed 40 months after the opening of the Letter of Credit.

Summarizing

The participation of the EPC Projects in the 2011 sales turnover amounts to 938 mil. € which corresponds to a 93,5%.

B) Defense Projects

1. Patriot construction

The construction of air defence systems Patriot PAC-3 for Raytheon Company is being continued.

These are two different agreements concerning defence systems for the Governments of United Arab Emirates and Taiwan respectively.

The contracting party is INTRACOM Defence Electronics under the agreement with the Raytheon Company and the project's main features are the manufacture of 47 semi-trailers and 37 launcher mechanics for the United Arab Emirates and 15 semi-trailers and 11 launcher mechanics for the Government of Taiwan.

The total contractual price amounts up to \$51,6 million and the completion of deliveries is anticipated by January, 2013. Until December 2011, 27 semi-trailers & 19 Launcher mechanics have been delivered to the United Arab Emirates, as well as 1 semi-trailer for TAIWAN.

Summarizing

The contribution of Defense projects to the 2010 turnover amounted to € 18,7 million corresponding to 1,9% of the total turnover.

Other Projects

In addition to the aforementioned projects, during 2011 the Group completed various infrastructure projects and the corresponding turnover that has been recognized in the Income Statement for the financial year 2011 was € 46,3 million representing 4,6% of the total turnover.

II. New projects assigned to the Company in 2011

Thermal Power Plant Construction of 1250 MW in Iraq

Further to a contract signed on 23/11/2011, METKA undertook on behalf of the Ministry of Electricity Republic of Iraq, the engineering, installation and commissioning of a thermal power plant of 1250MW, with General Electric turbine technology, in open cycle, natural gas fueled, in the area Basra of South Iraq.

The contract budget is \$ 348,87 million and the project is expected to be completed 24 months after signing the contract and opening the Letter of Credit.

Construction of Six Sets of Balance of Plant equipment in Algeria

METKA's 100% subsidiary Power Projects Sanayi İnşaat Ticaret Limited Şirketi (Power Projects Limited) signed jointly with General Electric a contract for an energy project in Algeria.

The project concerns the engineering, procurement, installation and commissioning of six sets of Balance of Plant equipment trailer mounted which are going to be installed in three sites in Algeria.

The total contract price for Power Projects Limited is US\$43,950,000 and Algerian dinars 10.950.000. The project shall be executed rapidly (fast track) and is expected to be completed within the first half of 2012.

III. Other important events in 2011

- **Merger through absorption of the 100% subsidiary RODAX by the Company**

Completed within 2011 was the merger through absorption of the 100% subsidiary RODAX S.A. The merger was effected according to the relevant provisions of law 2190/1920 and law 2166/1993, with a transformation balance sheet dated 30/6/2011 and approval date by the Ministry of Development 29/12/2011, following a relevant decision nr. K2-10314/29.12.2011.

- **Decisions of the Regular General Assembly of 10/5/2011**

The annual Regular General Assembly of the company's shareholders took place on May 10 2011, and the following decisions, among others, were taken:

- a) Approval of the separate and consolidated financial statements for the period 01/01-31/12/2010.
- b) Distribution of a dividend € 0,4800 per share.
- c) The General Assembly discharged by absolute majority the Board of Directors and the Auditors from any compensation liability regarding the activities carried out and the management in general in connection with the financial year 2011.

- **Headquarter relocation**

The Extraordinary General Assembly decided on January 21, 2011, the relocation of the Company's headquarters in 8, Artemidos street of Paradeisos Amaroussiou. The headquarters of the subsidiaries RODAX & ELEMKA also moved to the new building complex. The above co-existence of the Company with its subsidiaries was deemed necessary and is expected to contribute to the synergies among them, such as the exchange of knowledge and experience among employees, while maximizing the benefits from the economies of scale thus created.

- **New organizational structure**

Upon a recent decision of the Board of Directors, METKA SA decided to adopt a new organizational structure aiming to deal more effectively with the anticipated project workload in Greece and especially abroad, with the following changes:

- 1) A new Engineering & Commissioning Division is formed, consisting of the Engineering and Commissioning Divisions which until now were part of the Projects Division.
- 2) A new Operations & Maintenance Division is formed, comprised by four divisions (Power Plant Operations, Power Plant Maintenance, Agios Nikolaos Power Plant, Korinthos Power Plant)
- 3) The IT Division is now part of the Financial & Administration Division.

The new organizational structure appears in the company's organization chart, available to the public through www.metka.gr.

C. Important events after 2011

There are no important events from the end of 2011 until today.

D. Perspectives for the year 2012

Despite last year's efforts to stimulate the economy within the public debt crisis of Europe, Greece remains in recession. According to the most recent forecasts, Greek Economy is expected to show significant downturn with further reduction of the GNP and unfavourable macroeconomic data. 2012 is expected to be another year of adverse economic situation for our country. The investing climate in Greece remains negative.

As regards METKA Group, in 2012 the non-executed signed contracts shall be continued, and very satisfactory performance in 2012 is anticipated, following the historic high of 2011 in turnover and profit. In the following period, the Group shall concentrate both to successfully executing the contracts abroad and seek new projects to already existing or new markets so as to increase its share in Infrastructure Energy Projects in Europe, Turkey, North Africa and Middle East.

The above are in the context of the Group's strategic choice of expanding to new markets.

E. Risks and Uncertainties

The activities of the Group are subject to various risks and uncertainties, related mainly with the technical and timely completion of the projects and their performance according to the guaranteed values. The Group is not subject to significant market risks (interest rates, market prices etc.), credit risk and liquidity risk. This is achieved through cooperation with reliable clients, small amount of short-term borrowing and invoicing in the same currency as the clients / suppliers.

According to Group's risk management policy, an evaluation of the risks related to its activities and operations, the planning of methodology, the selection of the suitable financial products for the reduction of risks and the application/implementation is performed in accordance with the process approved by the Management.

It should be noted however that the systems and risk management policies by nature offer potential and not absolute safety, since although they are designed to limit the possibility of the relevant risks and lower their consequences, they cannot fully exclude them.

A potential major change in the global circumstances could create risks even with trustworthy clients.

Subsequently, the factors of the basic risks and uncertainties are analysed, as well as the policies for their management and their impact on the activities of the Group.

I. Credit Risk

The credit risk occurs when the inability of the contracting parties to settle their obligations could decrease the amount of the future cash inflows from financial assets at the date of the balance sheet. The Group is regarded as not having any significant concentrations of credit risk.

The Group implements procedures so as to ensure that its receivables result from customers with acceptable credibility and reviews regularly the aging of its receivables.

The fact that the Company is not exposed to significant credit risk from commercial receivables is due to the nature of the activities of the Group as well as its policy, which is directed towards the collaboration with big corporations of the Public Sector and reliable foreign corporations with high credit ratings.

The credit risk also exists in relation to the cash and cash equivalents, the investments and financial derivatives. The risk can result from weakness of the contracting party to meet its obligations towards the Group. The bank balances are retained in bank institutions with high credit ratings and the Company implements processes which minimize its exposure to credit risk in relation to each financial corporation. None of the financial assets of the Group is a collateral for credit purpose (mortgage, pledge etc.)

II. Exchange Rate Risk

The exchange rate risk results from future commercial transactions and recognized assets and liabilities that are denominated in currency which is not the functional currency of the Company.

The Group is not exposed considerably to exchange rate risk due to low volume of transactions with customers and suppliers in foreign currency, with the exception of the OMV contract in Turkey and the MOE in Iraq which are in USD. Out of the commercial transactions which are denominated in foreign currency, the majority of them is denominated in dollars (USD).

The financial assets as well as the corresponding liabilities in foreign currency converted into Euros with the closing exchange rate are analysed as follows:

<i>Amounts in thousands €</i>	2011					2010			
	USD	SYP	GBP	RON	TRL	USD	GBP	RON	TRL
Nominal Amounts									
Financial Assets	1.630	1.599	1	1.871	3.635	2.348	-	92	139
Financial Liabilities	(14.623)	(1.246)	(76)	-	(52)	(19.636)	(46)	-	-
Total	(12.992)	353	(75)	1.871	3.583	(17.288)	(46)	92	139
Short-term exposure	(12.992)	353	(75)	1.871	3.583	(17.288)	(46)	92	139

The table below shows the sensitivity analysis of the financial year's result and equity in combination with the financial assets and the financial liabilities at the exchange rate EUR/USD, EUR/GBP, EUR/RON, EUR/TRL EUR/SYP. The table was prepared based on the scenario that there is a fluctuation at 31 December 2011 of the above exchange rates by 5% (2010: 5%). The effect on result and equity is as follows:

<i>Amounts in thousands €</i>	2011					2010			
	USD	SYP	GBP	RON	TRL	USD	GBP	RON	TRL
Earnings before tax	(650)	18	(4)	94	179	(747)	(2)	4	7
Equity	(520)	14	(3)	75	143	(568)	(2)	3	5

<i>Amounts in thousands €</i>	2011					2010			
	USD	SYP	GBP	RON	TRL	USD	GBP	RON	TRL
Earnings before tax	650	(18)	4	(94)	(179)	747	2	(4)	(7)
Equity	520	(14)	3	(75)	(143)	568	2	(3)	(5)

III. Interest Rate Risk

It is the risk from the fluctuations in the financial assets and liabilities value due to changes of the interest rates in the market. The Group is exposed to interest rate risk arising from short-term financing.

The total assets of the Group that are exposed to interest rate fluctuations relate mainly to cash and cash equivalents. The Group finances the projects using own funds in order to minimize the level of bank borrowing.

At 31 December 2011 the total borrowing of the Group relates to short-term borrowing in Euros. (Analytical table of short-term borrowing is in paragraph 24). Refer also to the following sensitivity analysis, where the sensitivity of result and equity is presented given a reasonable change of interest at a rate + 3% or – 3%.

Amounts in thousands €	31/12/2011		31/12/2010	
	3%	-3%	3%	-3%
Earnings before tax	(346)	346	(514)	514
Equity	(277)	277	(391)	391

IV. Market Price Risk

The Group is exposed in fluctuations in the value of raw and other materials purchased as well as changes in the value of portfolio investments due to uncertainty of their future prices.

The risk of fluctuations of the value of raw and other materials is limited as in major contracts that the Group enters into price readjustment clauses are included.

The market price risk regarding the portfolio of investments of the Group is considered limited, as the investments of the Group are mainly in Government bonds and they represent a very small portion of financial assets of Group.

V. Liquidity Risk

Liquidity risk is the risk that arises when the cash and cash equivalent assets are not adequate to meet the liabilities at their maturity date.

Liquidity risks is held at low level by maintaining adequate levels of bonds that can easily be converted into cash, while there are also unused credit lines from banks to meet any cash requirements.

The Group manages its liquidity requirement by close monitoring of the level of liabilities, obligations and payments on a daily basis.

Liquidity risk is closely linked to the project performance and procurement risk, given the financial negative impact that may arise in case of failure to execute the project under the terms of the contract.

The table below analyses the Group's and Company's financial liabilities, based on the remaining period at the balance sheet date until the expiry of the contract. The amounts shown in the table are the contractual undiscounted cash flows. Balances ending within 12 months equal to their book values, since the effect of discounting is not significant.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2011	METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	900	-	900
Short Term Loans	2,150	12,000	-	-	14,150
Leasing liabilities	-	-	-	-	-
Trade and other payables	215,488	115,465	65,482	-	396,435
Other payables	5,485	1,899	189	-	7,573
Total	223,124	129,364	66,571	-	419,058

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2010	METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	2,179	-	-	-	2,179
Leasing liabilities	-	-	-	-	-
Trade and other payables	279,060	81,843	69,432	-	430,334
Other payables	29,564	25,438	189	-	55,190
Total	310,802	107,281	69,621	-	487,704

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2011	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	12,000	-	-	12,000
Leasing liabilities	-	-	-	-	-
Trade and other payables	197,756	110,276	64,979	-	373,012
Other payables	2,156	1,300	-	-	3,456
Total	199,912	123,576	64,979	-	388,468

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2010	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	175,836	75,172	72,010	-	323,019
Other payables	21,269	23,265	-	-	44,534
Total	197,106	98,437	72,010	-	367,553

VI. Other risks and uncertainties

A) Project's performance and procurement risk

Possible risks which may arise from commercial transactions of Group is the delay in procurement of plant and equipment and the delay by subcontractors in the completion of construction work which may result in overall delay of the completion of the projects undertaken and therefore the imposition of penalties for breaching the contractual terms.

Due to the nature of its projects, the Group is exposed to risks related to the design, procurement, and commissioning of power plants. The risks are due to:

- Mechanical damages to equipment
- Unforeseen construction circumstances
- Delays due to bad weather
- Unforeseen cost increases of material and equipment

Due to the Group's long – standing experience, the strict selection of sub-contractors and suppliers, the Audit Division and the quality assurance of these, is not exposed to major risks regarding the proper implementation of works and supplies that assigns. In addition, guarantees are required from co-suppliers, in the form of bank assurance (performance, supply materials, etc.).

B) Insurance Risk

The insurance risk arises from the Company's activities and is associated with various events, including accidents, injuries, damage in equipment and force majeure events. All of the above events are most likely to cause delays and in worst-case cease of work. Any such developments would hinder the financial position and results of the Group.

In order to address the above risks, the Group proceeds to the 100% insurance against such risks to cover the total value of projects and activities with all-risk insurance policies (Erection All Risks & Construction All Risks), including civil liability, employer liability, machinery, vehicles etc to renowned international insurance firms.

However, the existing insurance policies cannot always fully cover possible damages from unexpected events such as natural disaster, war or terrorist attacks.

C) Risks arising from geopolitical factors

Apart from the Group's activity in Syria, there is no foreseeable risk for the Company due to geopolitical factors. Concerning the activity in Syria, it should be clear that METKA is not subjected into investor's risks but to the risks of a manufacturer of a public utility work (Deir Ali) with assured funding and confirmed credit, while opening of credit for the 2nd project (Deir Azzour).

A possible escalation of the conflicts in the area could affect the first project's smooth execution or even the opening of the credit for the 2nd project.

D) Dividend Policy

Regarding the distribution of dividends, the Company's management, after taking into account, inter alia, the uncertain market conditions, the tight financing policy of businesses by the banks, and aiming to enforce the Group's available cash in order to self-finance the planned growth in 2012, proposes the distribution of a dividend equal to € 0,75 share, as against € 0,48/share in 2010. The proposed distribution is subject to the approval of the Regular General Assembly of the Shareholders.

E) Group's structure and consolidation method

Apart from the parent Company, Group subsidiaries that are included in the consolidated financial statements with the method of full consolidation are:

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99,98	Direct	The participation percentage
ELEMKA	MAROUSI, ATTIKIS	83,50	Direct	The participation percentage

EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity
RODAX ATEE	MAROUSSI, ATTIKIS	100,00	Direct	The participation percentage
Drosco Holdings Limited	CYPROUS	83,50	Indirect	The participation percentage
Bridge Accessories & Construction Systems	MAROUSSI, ATTIKIS	62,625	Indirect	The participation percentage
METKA BRAZI SRL	BUCHAREST, ROMANIA	100,00	Direct	The participation percentage
RODAX ROMANIA SRL	BUCHAREST, ROMANIA	100,00	Indirect	The participation percentage
Joint Venture METKA – ETADE	ATHENS, ATTIKI	10,00	Direct	The participation percentage
POWER PROJECTS	Istanbul Turkey	100,00	Direct 99% Indirect 1%	The participation percentage
Joint Venture ATERMON -EKME –TMUCB-METKA SA	MAROUSSI, ATTIKIS	24,00	Direct 10% Indirect 14%	The participation percentage (Equity Method)
Joint Venture ATERMON – EKME	MAROUSSI, ATTIKIS	20,00	Indirect	The participation percentage (Equity Method)
MYTILINEOS FINANCIAL PARTNERS	Luxembourg	25,00	Direct	Equity method
METKA OVERSEAS LTD	Nicosia Cyprus	100,00	Direct	The participation percentage

It is noted that Group's consolidated financial statements are consolidated in the consolidated financial statements of ultimate parent company MYTILINEOS S.A., located in Greece and possesses the 56,193% of the Group.

F) Own Shares

As in the previous years, the Company and its subsidiaries did not purchase its own shares during the financial year of 2011. There are no parent company shares at the end of the period under review which are possessed by the parent or its subsidiaries.

G) Transactions with related parties

According to IAS 24 related parties are subsidiaries, companies with common ownership and /or administration of the company, relatives of company as well as the parent company and subsidiaries of the parent company, in addition the members of the Board and Administrative executive members of the company. The company is receives goods and services by the related parties, while also it supplies the same goods and services to them.

The transactions and balances of fiscal year 2011 are as follows:

Amounts of closing period 2011				
<i>Amounts in thousands euro</i>				
	Sales of goods and services	Purchases of goods and services	Receivables	Payables
Subsidiary				
RODAX S.A.	0	27.955	0	0
ELEMKA S.A.	0	21.001	0	2.904
AFFILIATED				
PROTERGIA S.A.	23.984	10.774	89.281	-
MYTILINEOS HOLDINGS	0	6.008	0	0
KORINTHOS POWER	51.067	0	45.597	-
ALUMINIUM	1.549	10.016	458	0

Clarifications concerning the above transactions:

Sales of the company to affiliated companies concern construction services.

Purchases of the Company by the subsidiary RODAX (which was absorbed on 29/12/2011) and by ELEMKA concern sub-constructing services. An amount of € 6.000 thousands out of the Company's purchases by its holding MYTILINEOS Holdings concern services reception and an amount of € 8 thousands rental expenses.

Transactions with the above companies are on a strictly commercial basis. The Group is not involved in any transaction or unusual nature of content that is substantial for the Group or companies and individuals closely associated with it and it is not intended to engage in such transactions in future. None of the transactions include special terms and conditions.

H) Information of para.7 and explanatory report of para. 8 to the Regular General Shareholders' Assembly of METKA S.A. pursuant to article 4 of Law 3556/2007

According to article 4 para.7 of law 3556/2007, the Company is obliged to publish in the present BoD report detailed information pertaining to the issues below as well as an explanatory report on the additional information of article 4 para.7 of law 3556/2007, according to the stipulations of para.8 of article 4 of law 3556/2007. The explanatory report concerns the developments related to the information of para.7 of law 3556/2007, for the fiscal year under review.

I. Structure of the Company's share capital

The share capital of the Company amounts to €16.624.192, divided into 51.950.600 common shares with par value of €0,3200 per share and one voting right each. The shares of the Company are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid share value corresponds. Each share entitles all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividend on the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Regular General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) working days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions for 2011. The payment date and the payment method of the dividend are released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the aforementioned dividend. It is noted that from the above mentioned amount, a tax is applicable and it is withheld in the favour of the Greek Tax Authorities.
- The right to reclaim the amount of someone's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved by the General Meeting.
- The right of pre-emption at every increase of the Company's share capital via cash payment and the issuance of new shares.
- The right to request a copy of the annual financial statements, the report of the Board of Directors and the report of the Company's Auditors.
- The right to participate in the Company's General Meeting which is analysed to the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
- The General Meeting of Company's Shareholders retain all its rights during the winding up (according to paragraph 4 of article 38 of the Articles of Association).

The shareholders' liability is limited to the nominal value of the shares held.

II. Restrictions on transfer of Company shares

The transfer of Company shares is performed as provided by the Law and the Athens Exchange's regulation. The Articles of Association sets no restriction on the transfer of shares.

III. Significant Direct / Indirect holdings according to Law 3556/2007

The Shareholders (individuals or legal entities) that hold directly or indirectly more than 5% of Company's shares on December 31, 2011, are presented in the table below.

Name	Percentage
Mytilineos Holdings S.A.	56.193%

IV. Shares conferring special control rights

None of the Company's shares provide special rights of control to their holders.

V. Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. Agreements among Company's shareholders

The Company is not aware of any agreements among shareholders, which would result in restrictions on the transfer of the Company's shares or in the exercise of the voting rights stemming from such shares.

VII. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association.

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendments of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/1920 as amended by Law 3604/2007.

VIII. Responsibility of the Board of Directors for the issuance of new shares or acquisition of own shares

A) According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five years per instance of renewal.

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, the 1/10 of the existed shares, if the beneficiaries exercise their stock option right, the price, and the terms of share distribution to beneficiaries.

The Board of Directors regulates by resolution any other detail not otherwise regulated by the General Meeting, issues stock options certificates and shares for the entitled persons, who exercise their options, increasing the share capital accordingly and certifying such increase in December of every year.

IX. Significant agreement come in force is amended / terminated in the event of a change in the control of the Company following a public offer

There are no agreements which come in force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. Significant agreement between the Company and the members of the Board of Directors or of the employees

There is no agreement between the Company and the members of the Board of Directors or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer. The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to € 930.312 on 31.12.2011 for the company (and € 1.312.959 at Group level). From the above amount, € 62.851 relates to the members of the Board of Directors.

H. Corporate Governance Declaration

This is a declaration of conformity of the Company with the provisions of article 2 of law 3873/2010 pertaining to:

1.1 Conformity of the Company with the Corporate Governance Code

Our Company conforms with the policies and practices adopted by the "Corporate Governance Code for Listed Companies" (henceforth the "Code") which is published in the Association of Hellenic Industries' site.

1.2 Deviation from the Code's special practices

The Company's practices, applied according to its Statutes, its Internal Regulation and Ethical Code, deviate from the Code's special practices at the following points:

- i. According to the Company's current Statutes, the BoD is comprised of five to eleven members instead of seven to fifteen anticipated by the Code (article 2.1). The Company re-examined its structure, organization and operation, and decided that not to adopt this practice of the Code.
- ii. The Company intends to propose in the forthcoming Regular General Assembly an addition to articles 12 and 13 of its Statutes so as to anticipate (a) The Vice-president of the BoD to come out of its independent members (article 3.3), (b) The Vice-president of the BoD to be able to insert items in the agenda of the BoD's session when the latter is summoned by the President (article 3.4), (c) a procedure according to which the Vice-president shall coordinate the communication among the executive and non-executive members (article 3.4), (d) a separate session of the non-executive members under the Vice-president in which assessment of the President takes place (article 3.4.). Further to the relevant modifications of the Statutes by the General Assembly, the Board of Directors shall adopt and implement right away the said special practices of the Code also modifying its Internal Operation Regulation.
- iii. The Company intends to propose in the forthcoming Regular General Assembly a modification of article 19 of its Statutes so as the BoD members not to be able to participate in more than five (5) BoD's of listed companies (article 4.2.). The BoD shall adopt the said practice modifying accordingly its Internal Operation Regulation. The BoD is not aware of professional commitments of its members (including important non-executive commitments in non-profit institutions).
- iv. Our company, re-examining the BoD's operation, adopted the Code's special practice (article 4.3.) and modified its Internal Operation Regulation so as the appointment of an executive member of the BoD as non-executive to a non-subsidiary or affiliate company to be approved by the BoD.
- v. Our company intends to propose in the forthcoming Regular General Assembly a modification of article 10 par.1 of its Statutes according to Code (article 5.1.) so as the BoD members to be elected by the General Assembly with a maximum service of four (4) years instead of five anticipated by the current Statutes.
- vi. There is no committee for the designation of candidatures for the BoD positions (article 5.5). Given that this committee is not imposed by law and our Company applies strict criteria to the selection of candidatures, it reserves the right not to establish such a committee and shall examine the possibility of applying a generally accepted methodology and process to this end.
- vii. There is no evaluation process for the effectiveness of the BoD members and its committees (article 7.1). Our Company intends to conform to this special practice following the design of such a process.
- viii. The company's Statutes do not anticipate a process of electronic voting or voting through mail by the shareholders of the General Assembly (Part II. Article 1.2.). The company expects the issue of relevant ministerial decisions in order to implement this procedure.

2. The General Assembly and Shareholders' Rights

2.1 Operation of the General Assembly and its main authorities.

2.1.1 The General Assembly of the Shareholders is the highest authority of the Company which decides for any corporate issue and judges all matters subjected to it. More specifically, the General Assembly exclusively decides for:

A) modifications of the Articles of Association. Modifications include any share capital increase/decrease as well as those imposed by other laws,

- B) Auditor election,
- C) approval or change of the balance sheet and the annual financial statements of the Company,
- D) distribution of annual profit,
- E) merging, split, modification, revival of the Company,
- F) conversion of the Company's shares to nominal,
- G) extension or short cut of the Company's duration,
- H) the Company's winding up and the appointment of liquidators,
- I) BoD members' election

2.1.2 The decisions of the General Assembly are mandatory for absent shareholders or shareholders who disagree.

2.1.3. The General Assembly of the Shareholders is summoned by the Board of Directors and meets regularly at the Company's headquarters at least once annually and always within six months from the ending of the fiscal year. The Board of Directors may also summon an extraordinary meeting of the Shareholders when needed. In special situations, the General Assembly may session in another domestic place, following a permission by the Minister of Commerce which should detail the terms under which permission is granted. This permission is not required when are present or represented all shareholders in the Assembly and none objects to session and take decisions.

2.1.4 The General Assembly, excluding Repeated Assemblies and simulations, is summoned at least twenty (20) days before the date of the session (including non-working days). Not counting are the day of publication of the invitation and the day of the session. The invitation of the shareholders to a General Assembly should include the date, day, time, and place of the Assembly, the agenda, the shareholders who have a right to participate, as well as precise instructions about the way in which the shareholders may participate to the assembly and exercise their rights in person or through a representative or even remotely. An invitation is not required in case all shareholders are present or represented and none objects to session and take decisions.

2.1.5 The General Assembly is in quorum and valid to session on the agenda when are present or represented shareholders who comprise at least one fifth (1/5) of its share capital. If no quorum is achieved the General Assembly is repeated twenty (20) days from the cancellation date, following an invitation at least ten (10) days before. This repetitive meeting may validly session on the original agenda not taking into account the portion of the share capital represented.

2.1.6 The decisions of the General Assembly are taken with an absolute majority of the votes represented. However, in case of decision concerning a) Company nationality change b) change of Company headquarters c) change of purpose or objective of the Company d) conversion of the Company's shares to nominal e) shareholder additional obligations f) share capital increase or imposed by law or through capitalization of reserves or share capital decrease, unless effected according to para.6 of article 16 of C.L.2190/1920, g) issuance of bond loan pursuant to the provisions of articles 3a and 3b C.L. 2190/1920 as currently valid, h) change of profit distribution, i) merging, split, modification, revival of the Company, j) extension or short cut of the Company's duration, k) the Company's termination, l) authority or renewal of authority to the BoD for share capital increase according to para.1 of article 6 of the Articles of Association, and m) any other case which according to law the quorum of this paragraph is required, the General Assembly is in quorum and may validly session on the agenda when are present or represented shareholders which comprise two thirds (2/3) of the share capital.

2.1.7 Temporary president in the General Assembly is the BoD's president, or its deputy, who appoints as Secretary one of the present shareholders or representatives, until the General Assembly certifies the shareholders' list who are entitled to participate and elects the chair. The chair consists of the President and the Secretary who is also the teller.

2.1.8 The discussions and decisions of the General Assembly are limited to the agenda. The agenda is prepared by the BoD and includes the BoD's proposals to the Assembly as well as any proposals of auditors or shareholders who represent 1/20 of the share capital. The discussions and decisions of the General Assemblies are recorded in a special book (proceedings) and the relevant proceedings are signed by the Assembly's President and Secretary. At the beginnings of the proceedings the list of the present or represented shareholders is recorded. Following a shareholder's demand the President of the Assembly is obliged to record in the proceedings the opinion of the shareholder who made the demand. If only one (1) shareholder is present in the General Assembly, a notary must be also present in order to sign the session's proceedings.

2.2 Shareholders' rights and their exertion

2.2.1 Participation and voting right

2.2.1.1 Shareholders exert their rights towards the management of the Company, only in the General Assemblies and according to law and the Articles of Association. Each share offers the right of one vote to the General Assembly, taking into account the requirements of article 16 of C.L. 2190/1920, as is currently valid.

2.2.1.2 Right to participate in the General Assembly has any shareholder appearing in the files of the Dematerialized Securities System of the «Hellenic Stock Markets S.A.», in which the Company's shares are kept. To prove his attribute, the shareholder must bring a relevant written certificate from the aforementioned authority or, alternatively, this can be done through a direct link of the Company with the files of the authority. The shareholder's attribute should exist at the record date which is five (5) days before the General Assembly and the relevant confirmation/certificate or electronic confirmation should reach the Company latest three (3) days before the General Assembly.

2.2.1.3 Right to participate and vote to the General Assembly have only the confirmed shareholders at the record date. In case of non-conformity to the provisions of article 28a of C.L. 2190/1920, the shareholder may participate in the General Assembly only following a permission from the Company.

2.2.1.4 The exertion of the above rights (participation and vote) does not require a freezing of the beneficiary's shares neither the application of any other relevant procedure which limits the share transfer and sale in the period between the record date and the General Assembly date.

2.2.1.5 The shareholder participates in the General Assembly and votes either in person or through a representative. Each shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Assembly through the designation of up to three (3) individuals. However, if the shareholder possesses shares appearing in more than one share account, this limitation does not prevent the shareholder to appoint different representatives for each share account in the General Assembly. A representative who represents more than one shareholders may vote differently for each shareholder. The shareholder's representative is obliged to notify the Company, before the General Assembly starts, any specific event which may be useful to the shareholders in order to assess the risk of the representative operating on behalf of other parties apart of the shareholder. In the context of this paragraph, there may be an interest conflict, especially when the representative:

- a) is a shareholder who controls the Company or any other legal person or entity controlled by this shareholder,
- b) is a member of the BoD or the Company's management or a shareholder controlling the Company or other legal person or entity controlled by a shareholder who controls the Company,
- c) is an employee or chartered auditor of the Company or a shareholder who controls the Company or other legal person or entity controlled by a shareholder who controls the Company,
- d) is a spouse or first degree relative with one of the individuals mentioned above in cases (a) to (c).

The appointment or removal of the shareholder's representative is made through a written document and notified to the Company at least three (3) days before the General Assembly.

2.2.2 Other shareholder rights

2.2.2.1 Ten (10) days prior to the Regular General Assembly, each shareholder can take from the Company copies of its annual financial statements, and the BoD and auditor reports. Those documents must be timely supplied from the BoD to the Company's office.

2.2.2.2 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors is obliged to summon a Special General Assembly, designating a session date within forty five (45) days from the date that the request reached the President of the BoD. The request should include the item of the agenda. If the Board of Directors does not summon a general assembly within twenty (20) days after the relevant request, the shareholders who asked for it conduct it on their own, with the expenses charged to the Company, and following a decision of the Court of first instance in the area of the Company's headquarters, issued during the procedure of injunction. This decision details the time and place of the session, as well as the agenda.

2.2.2.3 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors is obliged to include in the agenda of the General Assembly additional items, provided that the request reaches the BoD at least fifteen (15) days before the date of the General Assembly. It is the BoD's responsibility to publish or disclose additional agenda items, according to article 26 of C.L. 2190/1920, at least seven (7) days before the General Assembly. If the items are not made public, the shareholders who requested them have the right to ask for a postponement of the General Assembly according to para. 3 of article 39 of C.L. 2190/1920 and make themselves the publication, on the expense of the Company and according to the previous paragraph.

2.2.2.4 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors supplies the shareholders, according to article 27 para. 3 of C.L. 2190/1920, at least six (6) days before the date of the General Assembly, decision drafts for items included in the original or revised agenda, provided that the request reaches the BoD at least seven (7) days before the date of the General Assembly.

2.2.2.5 Following a request by any shareholder handed to the Company at least five (5) days before the General Assembly, the Board of Directors is obliged to supply the General Assembly with all specific information for the Company's affairs, insofar as they are useful for assessing the agenda items.

2.2.2.6 Following a request by shareholder(s) representing (1/20) of the paid share capital, the President of the Assembly is obliged to postpone only once the decision-making for all or selected items of the Special or Regular General Assembly, designating another day as in the shareholders' request, provided that it is no more than thirty (30) days from the postponement day. The new General Assembly is actually a continuation of the previous one and there is no need to publish an invitation. New shareholders can participate to the continuation of the General Assembly according to articles 27 para.2 and 28 of C.L. 2190/1920.

2.2.2.7 Following a request by shareholder(s) representing (1/20) of the paid share capital, handed to the Company five (5) full days before the Regular General Assembly, the Board of Directors is obliged to announce at the General Assembly the amounts which were paid during the last two years by the Company for any reason to its managers or other employees, as well as any other Company contract which was made for any reason with the same persons. Also, following a request by any shareholder handed as above, the BoD is obliged to supply the specific information asked, concerning the affairs of the Company, insofar as they are useful in order to assess the agenda items. The BoD may deny the disclosure of information for any fair cause, recording the relevant rationale in the proceedings. Such a cause may be on certain occasions the representation of the requesting shareholders in the Board of Directors according to para.3 or 6 of article 18 of C.L. 2190/1920.

2.2.2.8 Following a request by shareholders representing 1/5 of the paid share capital, handed to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide the General Assembly information concerning the course of corporate affairs and the property of the Company. The BoD may refuse to disclose the requested information for a substantial cause, recording the rationale in the proceedings. Such a cause may be on certain occasions the representation of the requesting shareholders in the Board of Directors according to para.3 or 6 of article 18 of C.L. 2190/1920, provided that the BoD members have received adequate relevant information.

2.2.2.9 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the decision for any agenda item is made through roll-call vote.

2.2.2.10 Shareholders representing one twentieth (1/20) of the paid share capital, have the right to ask for a Company audit addressing the local Court of first instance which judges according to the procedure of voluntary jurisdiction. The audit is imposed if there is possibility of acts against the law or the Statutes or the decisions of the General Assembly.

2.2.2.11 Shareholders representing one twentieth (1/20) of the paid share capital, have the right to ask for a Company audit addressing the Court of the previous paragraph, if there is evidence that the corporate affairs administration does not operate in a moral and sensible way. This provision is not applied if the minority which requests the audit is represented in the Company's BoD.

3. Board of Directors and Committees

3.1 The Board of Directors is the administrative instrument of the Company. It is responsible for the management (administration and distribution) of the corporate property and its representation aiming to amplify its financial value and performance, and defend the corporate interests.

The Board of Directors meets regularly (at least once in a month), and specially depending on the urgency of the affairs and the need for decision-making. At the regular meetings, all members of the BoD are usually present. Up to now there hasn't been a case when the BoD did not make a decision due to unreached quorum. More specifically, during 2011 forty-two (42) meetings of the BoD were realized. The attendance of each BoD member is shown in the following table:

NAME	TOTAL MEETINGS DURING HIS MANDATE	MEETINGS HE ATTENDED IN PERSON	MEETINGS HE ATTENDED THROUGH A REPRESENTATIVE
Ioannis Mytilineos, son of George (President and Managing director)	43	43	-
George Pallas, son of Nikolaos (Vice-president)	43	43	-
George Economou, son of Alexandros (Executive member)	43	43	-
Filippos Zotos, son of Evangelos (Executive member)	43	43	-

Panayiotis Gardelinos, son of Antonios (Executive member)	43	43	-
Nikolaos Bakirtzoglou, son of Haralambos (Non-executive independent member)	43	43	-
Iosif Avagianos, son of Andreas (Non-executive independent member)	43	43	-

3.2 The **Auditing Committee** meets regularly at least once every trimester or especially if the members need to be informed about an issue and make a decision. The following table shows each member's attendance in 2011:

NAME	MEETINGS DURING HIS MANDATE	MEETINGS WHICH HE ATTENDED IN PERSON	MEETINGS WHICH HE ATTENDED THROUGH A REPRESENTATIVE
George Pallas Vice-president (Non-executive member)	4	4	-
Nikolaos Bakirtzoglou, Independent non-executive member)	4	4	-
Iosif Avagianos (Independent non-executive member)	4	4	--

3.3 The main authorities of the Board of Directors according to the Articles of Association and the Internal Operation Regulation of the Company are the following:

- To define strategies, including the sale of shares or their distribution in other ways, the acquisition of any company or proposal to the General Assembly for merging the Company,
- To adopt and apply a general policy based on the proposals of the General Managers and Managers of the Company,
- To manage and dispose corporate property and represent the Company in Court or extra judicially,
- To draw up the annual budget and business plan of the Company, to designate and achieve performance goals, to monitor the Company's course and control large capital expenses,
- To conduct full and effective internal control in all the activities of the Company,
- To monitor the effectiveness of the Corporate Governance principles, based on which the Company operates and, if required, make the necessary changes,
- To define a strategy and manage the Company's business risks,
- To select, utilize, and develop the managing executives of the Company and designate their fee policy,
- To appoint an internal auditor and designate his fee,
- To designate the accounting principles followed by the Company,
- To brief the General Assembly of the Shareholders,
- To draw up the annual reports which contain in detail the company's transactions with affiliates according to article 42e para. 5 of the current C.L. 2190/1920.

The rules for representing and binding the Company are designated with special decisions of the Board of Directors.

The Fee Committee has not yet been founded. The Company intends to found a fee committee conforming to article 1.6 part C of the AHI Code.

3.4 The Auditing Committee’s main duty is to monitor the financial information procedure, to monitor the effective operation of the internal audit system and the risk management system, as well as to monitor the operation of the internal auditors’ Management of the audited entity, to monitor the progress of the mandatory audit of the company and consolidated financial statements, to overview and follow issues pertaining to the existence and conservation of the objectivity and independence of the legal auditor or auditing office, to accept the mandatory reports of the legal Company auditors pertaining to any issue relevant to the course and results of the mandatory audit, as well as to follow the drawing up and receive a possible special report of the legal auditors with the weaknesses of the internal audit system and, especially, the weaknesses in procedures concerning the financial information and compilation of financial statements.

The matters discussed in the Auditing Committee during 2011 are shown in the following table:

MEETING DATE	AGENDA
19/01/2011	Briefing and filing the report for the audits during the fourth trimester of 2010
28/04/2011	Briefing and filing the report for the audits during the first trimester of 2011
20/07/2011	Briefing and filing the report for the audits during the second trimester of 2011
20/10/2011	Briefing and filing the report for audits during the third trimester of 2011

3.5 According to the Articles of Association, the BoD consists of seven (7) members, two of which are independent non-executive. The BoD’s composition is as follows:

NAME	ΙΔΙΟΤΗΤΑ
Mytilineos John, father's name George	President and Managing Director Executive Member
Pallas George, father's name Nikolaos	Vice-president (non-executive member)
Economou George, father's name Alexander	Executive Member
Zotos Filippos, father's name Evangelos	Executive Member
Gardelinos Panayiotis, father's name Antonios	Executive Member
Bakirtzoglou Nikolaos, father's name Haralambos	Non-executive Independent Member
Avagianos Iosif, father's name Andreas	Non-executive Independent Member

The executive members deal with everyday administration issues of the Company and monitor the implementation of the BoD's decisions. The non-executive members are responsible for monitoring the implementation of the BoD's decisions and special Company departments appointed to them by the BoD. Independent non-executive members are the ones who do not have any business activity or other commercial relation with the Company which could affect their independent judgment. In this context, a person is not considered independent member of the BoD when: (a) has a business or other type of relation with the company or an affiliate as described in article 42e para.5 of C.L. 2190/1920, which by its nature affects substantially its business activity and especially when he is an important goods or services supplier or a main company client, (b) is the President or General Manager of the company or the same in an affiliate company (executive member) and according to article 42e para.5 of C.L.2190/ 1920, or has an employment relationship or receives a wage from the company or its affiliates, (c) has a family relationship up to the second degree or is married to an executive BoD member or manager or major shareholder of the company or its affiliates according to article 42e para.5 of C.L. 2190/1920, (d) has been appointed according to article 18 para.3 of C.L.2190/1920. The independent non-executive BoD members can file separate reports to the General Assembly. Their presence in a BOD session is not obligatory when there are other members representing and acting on behalf of the minority Shareholders.

3.6. The BoD in force has been elected by the General Assembly of 7.05.09 and its service ends in 30.06.2012. It consists of four executive, three non-executive members, two of which are independent non-executive members.

3.7 Apart from the executive members of the BoD which work exclusively in the Company, the non-executive and the independent members of the BoD are all professionally active in their specific areas of expertise. More specific information for the members' participation to BoDs of other companies or non-profit organizations can be found in the company's website.

4. Risk management and internal audit

4.1 Information regarding risk management and internal audit:

I. Main element description of the risk management and internal audit systems

a. Risk factors

The Group faces a number of risk factors in the business sectors of its activity. Its exposure in these risk factors may affect its operation, its financial situation or its operating results. The following, additionally to the risks presented in other parts of the Group's annual operation statement, are the main risks factors which could affect substantially the results and the financial situation of the Group.

Market risk

The global economic situation continues to fluctuate. The Group is exposed to risks from fluctuations in the general economic and financial environment, as well as in the purchase of raw and auxiliary material.

During 2010 and 2011, the Group took on a series of actions on order to counterbalance its exposure to market risks, improve cost structure, and safeguard its cash flow.

Those were mainly:

- Risk compensation from exposure in €/€ exchange fluctuations through the use of derivative products.
- Application of property optimal exploitation programs and cost reduce programs.
- Work-out of production improvement plans.

Non-realization of expected long-term benefits from productivity and cost reduce initiatives

The Group has taken, and continues to take, initiatives in the areas of productivity and cost reduction in order to improve performance and reduce the total production cost. There are always possibilities those actions or the calculated savings not to be realized in full, and this may be due to circumstances out of the Group's control.

Political, Legal, and Regulatory matters

The Group may be affected from unfavorable political and regulatory developments related to its activity in EPC projects in countries outside Greece.

Informatics Security

The Group's business processes are supported from various software packages and information processing systems. Nevertheless, one can never fully exclude the possibility of unavailability of the information systems or data safety hacking.

The Group lessens those risks by applying high safety standards and taking measures in order to achieve and assure the availability, reliability, confidentiality, and traceability. Additionally, and in order to control safety risks, the Group invests regularly into software and equipment upgrades, conducts periodic internal and external audits through international consultant groups, and generally applies continuous progress processes.

Risks related to EPC projects

The Group is contractually exposed to risks related to mechanical and electrical design, procurement, construction and ready-for-operation delivery of energy facilities in the agreed price. The aforementioned risks mainly relate to cost excesses concerning:

- Unforeseen cost increase of raw materials and equipment

- Equipment damages or mechanical faults
- Unforeseen conditions during construction
- Delays due to extraordinary weather conditions
- Performance faults or supplier/sub-contractor weaknesses
- Additional works required by the client or due to client's delay to supply timely information pertaining to the design of the mechanics of the project.

In cases where additional time or extra costs are involved due to the client's responsibility, the Group negotiates a pecuniary compensation.

The Group's main advantage is its people. Therefore, any inability to maintain its workforce or approach and gain new, proficient employees in order to develop its know-how could affect its current or future performance.

METKA's success in this area depends in its ability to hire, train, and maintain an adequate number of employees, including managers, engineers, and technicians who possess the necessary abilities and specialization.

Extraordinary Events

Extraordinary events, including natural disasters, war or terrorist activities, non-planned production interruptions, supply interruptions or inability of the equipment and/or processes to comply to the standards, may increase the cost and affect the Group's financial results. Also, the Group's current insurance terms may not offer enough protection capable to cover all damage that may arise from such circumstances.

b. Risk Assessment and Management

The Group has designated the risk as a totality of uncertain and random incidents that can have an impact on the Company's activities, business actions and financial performance, as also on the Company's business strategy and goal attainment.

A certain risk assessment approach has been considered for all of the Company's activities, under the following guidelines:

- (i) Identification and assessment of risk factors
- (ii) Risk management policy guidelines
- (iii) Implementation and evaluation of Risk management policy guidelines

The Group has not yet implemented a consolidated Risk management structure. However, all heads of the Company's divisions are involved in risk assessment, in order to facilitate the good execution of work of all divisions and the BoD, and also, to assist all related parties involved to designate the appropriate measures and actions for Risk management.

The Group conducts regular internal audits in order to ensure the adequacy and effectiveness of the Risk Assessment and Management procedures.

c. Internal audit

Furthermore, and beyond the responsibilities of the Audit Committee, the Internal Audit Division is an independent and impartial Unit that reports the results of its work to the Board of Directors. The responsibilities of the Internal Audit Division are aiming to assist the Company in attaining its goals, by offering a systematic scientific approach to the assessment and improvement of risk management, of the internal control systems, and of the adjustment of all policies and procedures foreseen by current laws and the corporate governance framework.

Within the Internal Audit's tasks are the permanent analysis and monitoring of:

- the effectiveness of the existing mechanisms used for Financial Data provision, Auditing Control, Quality / Health & Safety / Environmental issues, and risk management
- the preparation of Financial Statements, and other important issues that are for publication
- the adequacy of qualifications and impartiality of chartered accountants
- cases of conflict of personal interests of the BoD or management members of the Company with the interests of the Company
- relations and interactions between the Company and its subsidiaries, and also, the relations of the Company with companies that BoD members or shareholders have an at least 10% capital participation
- legitimacy of fees and allotments to the management members regarding decisions taken by the adequate institutions of the Company

4.2 BoD statement concerning the annual re-examination of corporate strategy, main business risks and internal audit systems

The company re-examines regularly the corporate strategy, the main business risks and the internal audit systems.

More specifically, the Management:

- a. Is regularly informed for the internal and external company environment which it analyses and evaluates.
- b. Supports the Managing Director during the designation procedure of the corporate vision, the corporate mission, and the strategic goals.
- c. Draws up and proposes the strategy of the Company and its subsidiaries.
- d. Cooperates with the Managing Director for the designation of guidelines.
- e. Draws up, proposes, and monitors the Company's business plan and its subsidiaries.
- f. Monitors and coordinates, in cooperation with the company's organic units and the subsidiaries, the separate actions for the implementation of the strategy and business plan of the company and the subsidiaries.
- g. Notifies the Managing Director and the respective General Managers as regards the implementation of the strategy and the business plan on a Group level.
- h. Notifies the management of the subsidiaries for the guidelines and the company's business plan.
- i. Cooperates with the management of the subsidiaries in order to implement the Group's strategy.
- j. Cooperates with the appropriate organic units for the communication of the strategy of the Group.

4.3 Legal auditors do not offer non-auditing services to the company, nor participate in any way, directly or indirectly, to the decisions connected with the activity of the audited entity. There are no self-audit conditions or self-interest, advocate attribute, familiarity, intimidation, and trust disruption during their work. Therefore, taking into account Law 3693/2008, there are no cases which have affected the objectivity and effectiveness of the mandatory audit.

4.4 BoD members' fees

According to the company's Articles of Association, the compensation of the BoD members must be approved by the Annual General Assembly following a proposal by the BoD.

For the period 1.1.2011 -31.12.2011 no stock option rights have been granted and there is no share distribution program in effect.

4.5 The BoD members' CVs are as follows:

IOANNIS MYTILINEOS, SON OF GEORGE

Born in Athens in 1955. Has a degree from the Polytechnic School of the Aristotle University of Thessaloniki, Department of Civil Engineering. He is the President and Managing Director of METKA S.A., and co-founder and Vice-president of MYTILINEOS S.A.

GEORGE PALLAS, SON OF NIKOLAOS

Born in Salamina of Pireaus – Attika in 1956. He is Vice-president of METKA S.A. Has a degree in Electrical Engineering. Member of the Hellenic Technical Chamber. Works in the company since the year 2000.

GEORGE ECONOMOU, SON OF ALEXANDER

Born in Volos of Magnisia in 1949. He is the manager of the Volos factory and executive member of the BoD. Has a degree in Mechanical Engineering and works in the company since 1977.

FILIPPOS ZOTOS, SON OF EVANGELOS

Born in Athens in 1953. He is General Financial and Administrative Manager and an executive member of the BoD. Holds a degree in Civil Engineering from NTUA and Economic Engineering from University of Aachen in Germany and works in the company since 1982.

PANAYIOTIS GARDELINOS, SON OF ANTONIOS

Born in Athens 1961. He is General Project Manager and executive BoD member. Has a degree in mechanical engineering and works in the company since 2006.

NIKOLAOS BAKIRTZOGLU, SON OF HARALAMBOS

Born in Nikaia of Attika in 1945. He is an independent non-executive member of the BoD. Has a degree in Electrical Engineering and works in the company since 1972.

IOSIF AVAGIANOS, SON OF ANDREAS

Born in Mytilini of Lesvos in 1946. He is an independent non-executive member of the BoD. Has a degree in Metallurgy Engineering. Has a 30 year experience as an Industry Manager in the design, installation and commissioning of industrial production units.

5. Additional Information

Article 10 para. 1 of Directive 2004/25/EK of the European Parliament and the Council of April 21, 2004, concerning the public acquisition offers, anticipates the following as regards the companies whose shares are fully listed in an organized market:

«1. The member-states assure that the companies mentioned in article 1 paragraph 1 publish detailed information regarding:

a) their capital structure, including titles not listed for negotiation in an organized market of a member-state and, in certain cases, indication of the share categories with the relevant rights and obligations and the percentage of the total share capital that they represent;

- b) all limitations for share transfer, such as limitations in title possession or obligation to receive approval from the Company or other title owners, taking into account the article 46 of Directive 2001/34/EK,
- c) the important direct or indirect participations (including indirect participations through pyramidal structures or mutual participation) as conceived by article 85 of Directive 2001/34/EK,
- d) the owners of any kind of titles offering special control rights and description of the said rights,
- e) the control mechanism which may be anticipated in a system of employee participation, in cases where the control rights are not exercised directly by the employees,
- f) any kind of limitations in the voting right, such as limitations in voting rights to owners of a specific percentage or number of shares, the deadline for exerting voting rights, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership,
- g) the agreements among shareholders which are known to the Company and may lead to limitations in title transfer and/or voting rights, as conceived in directive 2001/34/EK,
- h) the rules pertaining to the appointment and replacement of BoD members as well as the ones concerning the modification of the Statutes,
- i) the authorities of BoD members, and mainly those linked to the issue or repurchase of shares,
- j) any important agreement in which the Company participates and which is valid, modified or expires in case of a change in the control of the Company following a public acquisition offer and the consequences of this agreement, unless its disclosure could cause significant damage to the Company. This exception is not valid when the Company is explicitly obliged to disclose such information based on other legal requirements,
- k) any agreement that the Company has made with BoD members or employees, which anticipates a compensation in case of a resignation or dismissal with no substantial reason or if their employment is terminated due to a public acquisition offer.»

Regarding points c, d, f, h and i of para. 1 of article 10, the Company declares the following:

regarding point c: the important direct or indirect participations of the Company are the following:

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99,98	Direct	The participation percentage
ELEMKA	MAROUSI, ATTIKIS	83,50	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity
RODAX ATEE	MAROUSI, ATTIKIS	100,00	Direct	The participation percentage
Drosco Holdings Limited	CYPROUS	83,50	Indirect	The participation percentage

Bridge Accessories & Construction Systems	MAROUSSI, ATTIKIS	62,625	Indirect	The participation percentage
METKA BRAZI SRL	BUCHAREST, ROMANIA	100,00	Direct	The participation percentage
RODAX ROMANIA SRL	BUCHAREST, ROMANIA	100,00	Indirect	The participation percentage
Joint Venture METKA – ETADE	ATHENS, ATTIKI	10,00	Direct	The participation percentage
POWER PROJECTS	Istanbul Turkey	100,00	Direct 99% Indirect 1%	The participation percentage
Joint Venture ATERMON -EKME –TMUCB-METKA SA	MAROUSSI, ATTIKIS	24,00	Direct 10% Indirect 14%	The participation percentage (Equity Method)
Joint Venture ATERMON – EKME	MAROUSSI, ATTIKIS	20,00	Indirect	The participation percentage (Equity Method)
MYTILINEOS FINANCIAL PARTNERS	Luxembourg	25,00	Direct	Equity method
METKA OVERSEAS LTD	Nicosia			The participation percentage
	Cyprus	100,00	Direct	

regarding point d: there are no titles of any kind, offering special control rights.

regarding point f: there are no known limitations to voting rights (such as voting right limitations to owners of a given percentage or number of votes, deadline for exerting voting right, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership). Regarding the voting rights during the General Assembly, there is a detailed description in Section 3 of this Corporate Governance Declaration.

regarding point h: there are no rules concerning the appointment and replacement of BoD members or the modification of the Company's Statutes, which deviate from the provisions of C.L. 2190/1920 as is valid today. The rules are detailed in Unit 3.II of this Corporate Governance Declaration.

regarding point i: there are no special authorities of the BoD members pertaining to the issue or repurchase of shares.

The present Declaration of Corporate Governance is an integral and special part of the Annual Administration Report of the Company's Board of Directors.

Athens, the 26th of March 2012

The President of the Board

Ioannis Mytilineos

D. Annual Financial Statements

The Annual Financial Statements presented both for the Group and the Parent Company, have been approved by the Board of Directors of "Metal Constructions of Greece S.A." on 26/03/2012 and are disclosed to the company's website www.metka.gr in addition to the Athens Exchange website. The Annual Financial Statements will remain available to the investors in the company's website for at least five years from the date of their approval and publication.

It is noted that the published on press Financial Figures and Information that summarize the financial statements aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries. Therefore the above Figures don't include the full presentation of the financial, investment and cash flow statements according to the International Financial Reporting Standards.

Income Statement

(Amounts in thousands €)		METKA		METKA SA	
		1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
	Note				
Sales	28	1.003.700	613.704	815.120	489.805
Cost of sales	29	(817.303)	(453.919)	(643.182)	(368.685)
Gross Profit		186.397	159.785	171.938	121.119
Other operating income	31	703	4.606	552	1.428
Distribution expenses	29	(1.804)	(1.239)	(845)	(493)
Administrative expenses	29	(19.635)	(16.085)	(15.501)	(10.795)
Other operating expenses	31	(9.188)	(18.112)	(7.070)	(14.743)
Operating Profit		156.473	128.955	149.074	96.518
Financial income	32	2.943	2.624	2.191	2.105
Financial expenses	32	(13.568)	(8.816)	(13.211)	(8.148)
Other financial results	33	276	2.121	841	7.567
Share of profit of associates		2.646	494	0	213
Profit before income tax		148.770	125.377	138.895	98.255
Income tax expense	34	(32.437)	(36.233)	(28.478)	(28.385)
Profit for the period		116.332	89.144	110.417	69.870
Profit for the period		116.332	89.144	110.417	69.870
Attributable to:					
<i>Equity holders of the parent</i>		115.039	87.044	110.417	69.870
<i>Non controlling interests</i>		1.293	2.100	-	-
<i>Basic earnings per share</i>		2,2144	1,6755	2,1254	1,3449

Statement of Comprehensive Income

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other comprehensive income:				
Net profit(loss) for the period	116,332	89,144	110,417	69,870
Exchange differences on translation of foreign operations	(1,528)	(350)	-	-
Total comprehensive income for the period	114,804	88,794	110,417	69,870
Total comprehensive income for the period attributable to:				
Equity attributable to parent's shareholders	113,511	86,694	110,417	69,870
Non controlling Interests	1,293	2,100	-	-

The attached notes to the accounts form an integral part of the annual financial statements.

Statement of Financial Position

(Amounts in thousands €)	Notes	METKA		METKA S.A.	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
Assets					
Non current assets					
Tangible Assets	6	59.374	58.634	37.337	38.821
Goodwill	7	1.831	1.831	-	-
Intangible Assets	8	52	77	22	-
Investments in Subsidiary Companies	9	-	-	16.303	35.399
Investments in Associate Companies	10	2.855	559	714	214
Deferred Tax Receivables	11	682	1.611	105	166
Financial Assets Available for Sale	12	32	373	23	123
Other Long-term Receivables	13	8.405	4.113	4.872	3.901
		73.232	67.199	59.376	78.623
Current assets					
Total Stock	14	45.541	11.253	44.432	10.049
Trade and other receivables	15	456.587	604.356	423.779	457.706
Other receivables	16	43.475	56.007	39.383	63.834
Financial assets at fair value through profit or loss	17	156	613	-	-
Cash and cash equivalents	18	167.948	68.271	131.165	28.470
		713.706	740.500	638.759	560.060
Assets		786.939	807.698	698.135	638.683
Liabilities & Equity					
EQUITY					
Share capital	20.1	16.624	16.624	16.624	16.624
Other reserves	20.2	28.293	28.049	23.656	23.656
Translation reserves		(1.870)	(342)	-	-
Retained earnings	20.3	278.814	188.955	249.879	170.232
Equity attributable to parent's shareholders		321.861	233.287	290.159	210.512
Non controlling Interests		17.215	17.121	-	-
EQUITY		339.076	250.408	290.159	210.512
Non-Current Liabilities					
Long-term debt	25	900	-	-	-
Deferred tax liability	11	26.055	10.067	17.398	2.509
Liabilities for pension plans	21	1.313	1.325	930	866
Other long-term liabilities	22	65.671	69.621	64.979	72.010
Provisions	27	1.430	950	1.180	600
Non-Current Liabilities		95.369	81.962	84.488	75.985
Current Liabilities					
Trade and other payables	23	330.953	418.138	308.032	307.649
Tax payable	24	2.952	40.746	972	33.754
Short-term debt	25	14.150	2.179	12.000	-
Other payables	26	4.432	14.256	2.484	10.780
Current portion of non-current provisions	27	7	10	-	2
Current Liabilities		352.494	475.328	323.488	352.185
LIABILITIES		447.863	557.291	407.976	428.170
Liabilities & Equity		786.939	807.698	698.135	638.683

The attached notes to the accounts form an integral part of the annual financial statements.

Consolidated Statement of Changes in Equity

	METKA						
	Share capital	Other reserves	Translation reserves	Retained earnings	Total	Non controlling Interests	Total
(Amounts in thousands €)							
Opening Balance 1st January 2010, according to IFRS -as published- <u>Change in equity</u>	16.624	27.865	8	112.485	156.983	16.287	173.269
Dividends paid	-	-	-	(10.390)	(10.390)	(1.265)	(11.655)
Transfer to reserves	-	184	-	(184)	-	-	-
Transactions with owners	-	184	-	(10.574)	(10.390)	(1.265)	(11.655)
Net profit(loss) for the period	-	-	-	87.044	87.044	2.100	89.144
Exchange differences on translation of foreign operations	-	-	(350)	-	(350)	-	(350)
Total comprehensive income for the period	-	0	(350)	87.044	86.694	2.100	88.794
Closing Balance 31/12/2010	16.624	28.049	(342)	188.955	233.286	17.121	250.408
Opening Balance 1st January 2011, according to IFRS -as published- <u>Change in equity</u>	16.624	28.049	(342)	188.955	233.287	17.121	250.408
Dividends paid	-	-	-	(24.936)	(24.936)	(1.200)	(26.136)
Transfer to reserves	-	244	-	(244)	-	-	-
Impact from merge through acquisition of subsidiary	-	-	-	-	-	-	-
Transactions with owners	-	244	-	(25.181)	(24.936)	(1.200)	(26.136)
Net profit(loss) for the period	-	-	-	115.039	115.039	1.293	116.332
Exchange differences on translation of foreign operations	-	-	(1.528)	-	(1.528)	-	(1.528)
Total comprehensive income for the period	-	-	(1.528)	115.039	113.511	1.293	114.804
Closing Balance 31/12/2011	16.624	28.293	(1.870)	278.814	321.861	17.215	339.076

The attached notes to the accounts form an integral part of the annual financial statements.

Company Statement of Changes in Equity

	METKA S.A.			
	Share capital	Other reserves	Retained earnings	Total
(Amounts in thousands €)				
Opening Balance 1st January 2010 ,according to IFRS -as published-	16,624	23,656	110,752	151,032
<i>Change in equity</i>				
Dividends paid	-	-	(10,390)	(10,390)
Transactions with owners	-	-	(10,390)	(10,390)
Net profit(loss) for the period	-	-	69,870	69,870
Total comprehensive income for the period	-	-	69,870	69,870
Closing Balance 31/12/2010	16,624	23,656	170,232	210,512
Opening Balance 1st January 2011 ,according to IFRS -as published-	16,624	23,656	170,232	210,512
Dividends paid	-	-	(24,936)	(24,936)
Impact from merge through acquisition of subsidiary	-	-	(5,833)	(5,833)
Transactions with owners	-	-	(30,770)	(30,770)
Net profit(loss) for the period	-	-	110,417	110,417
Total comprehensive income for the period	-	-	110,417	110,417
Closing Balance 31/12/2011	16,624	23,656	249,879	290,159

The attached notes to the accounts form an integral part of the annual financial statements.

Cash Flow Statement (Indirect method)

Amounts in thousands €	Note	METKA		METKA S.A.	
		12 months until 31 December 2011	12 months until 31 December 2010	12 months until 31 December 2011	12 months until 31 December 2010
Operating Activities					
Profit after Tax		148.770	125.377	138.895	98.255
Plus (Less) Adjustments:	(i)	2.158	2.825	2.766	(4.709)
		150.927	128.202	141.661	93.546
Working Capital changes					
Increase / (Decrease) in Inventories		(34.287)	839	(34.383)	816
Increase / (Decrease) in Trade and other Receivables		(18.920)	(278.802)	38.721	(198.395)
Increase / (Decrease) in other current assets		(8.304)	(2.060)	(2.221)	(1.473)
Increase / (Decrease) in Trade and other Payables		60.063	238.353	(12.517)	154.319
		(1.448)	(41.670)	(10.400)	(44.732)
Cash flow from Operating Activities		149.479	86.532	131.262	48.814
Cash flow from Operating Activities					
Cash flow from operating activities					
Less: Debit interest and similar expenses Paid		(1.771)	(1.123)	(1.553)	(556)
Less: Income Taxes Paid		(30.573)	(33.131)	(24.836)	(30.046)
Net cash flow from Operating Activities		117.136	52.278	104.873	18.211
Investing Activities					
Purchases of tangible assets		(6.667)	(4.215)	(1.780)	(2.096)
Purchases of intangible assets		(5)	(57)	-	-
Disposals from sale of tangible assets		60	45	47	20
Proceeds from dividends		-	337	800	4.537
Borrowings to affiliated companies		-	-	(12.600)	(14.320)
Acquisition of associates and other investments		(125)	(65)	(125)	-
Acquisition of subsidiaries (less the cash & cash equivalent of the Subsidiary)		(1)	-	(1)	(248)
Sales of subsidiaries (less the cash & cash equivalent of the Subsidiary)		-	(601)	-	-
Sales of financial assets available for sale		413	-	85	-
Sales of financial assets at fair value through profit and loss		345	-	-	-
Interest received		1.721	1.141	969	688
Cash from merge of subsidiary		-	-	489	-
Proceeds from borrowing of affiliated parties		-	-	22.932	9.000
Net cash flow from Investing Activities		(4.258)	(3.415)	10.815	(2.418)
Financing Activities					
Dividends Paid		(26.092)	(11.409)	(24.892)	(10.405)
Proceeds from Borrowings		22.472	27.547	21.500	27.000
Borrowings Paid		(9.614)	(27.691)	(9.500)	(27.000)
Payments of finance lease liabilities (capital)		-	(28)	-	-
Net cash flow from Financing Activities		(13.235)	(11.581)	(12.892)	(10.405)
Net increase / decrease in cash and cash equivalents					
		99.642	37.282	102.796	5.388
Cash and cash equivalents at the beginning of the period		68.271	31.290	28.470	23.082
Foreign currency differences in cash and cash equivalents		36	(302)	(101)	-
Cash and cash equivalents at the end of the period		167.949	68.271	131.165	28.470

The attached notes to the accounts form an integral part of the annual financial statements.

1. General Information for the Company

The Company was founded in 1962 by the Industrial Development Organization and was involved in the manufacturing of metal constructions, while its plant in Volos started operating in 1964.

Following its privatization in 1971, the Company was rapidly developed.

METKA belongs to the Sector of Metallurgical Companies and specifically to the Sector of Industrial Production, Process and Conversion of Ferrous Metals. In January 1999, the Company was acquired by MYTILINEOS GROUP S.A. Today, the acquired company is the largest metal constructions complex in Greece, with an essential presence lasting for many decades in Greece and abroad.

In 1980, METKA S. A. acquired the strong and experienced erection company TECHNOM S. A.

During its 46-year course, the company continued to grow at a steady pace and acquired a higher technological level, by constructing innovative works of high-technological demand and of significant added value.

In 1973, the Company's shares were listed on the Athens Stock Exchange. The Company's headquarters are in Attika, Maroussi, 8 Artemidos street, 15125.

The annual financial statements of 2011 (which contain comparative data with FY 2010) were approved by the Board of Directors, on the 26th of March 2012. The above statements are to be approved by the General Shareholders Meeting.

It is noted that METKA S.A. is included in the consolidated financial statements of MYTILINEOS S.A., which domicile is in Greece, acquires the 56,193 % of METKA at 31/12/2011 and applies the full consolidation method on the its consolidated financial statements.

2. Nature of operations

The strategic sectors of the Company's successful activity today are listed below:

- Energy Projects (Deregulation/Renewable Energy Sources/Co-production)
- Infrastructure Projects (Petrochemicals – Refineries, Mining Equipment, Bridge Supporting Systems, Building Infrastructures and Sports Complexes, Cranes and other Harbour Equipment)
- Defence Projects

The company is especially competitive in the Energy sector (construction of Thermoelectric and Hydroelectric Power Stations as EPC Contractor), in the Infrastructure sector and the Co-manufacturing defence sector.

In the Energy sector the company operates dynamically, mainly because of her long-term experience.

In the defense sector, METKA is dynamically active in the co-manufacture of tanks, other vehicles, frigates, submarines, and PATRIOT missile systems. The Company is based on its fully-equipped plants (two factories in Volos, the industrial facilities of EKME in Thessaloniki, Kavala and Amfiklia, and its high experience).

METKA, as a member of "Mytilineos Group S.A", has achieved important synergies and economies of scale, both in the form of an International Sales Network and Contacts and cost reduction, especially for the supply of raw materials.

3. Basis for preparation of the financial statements

The consolidated financial statements of METKA S.A. for the year ended December 31, 2011 have been prepared based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS).

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary.

The consolidated financial statements are presented in Euro, unless is stated otherwise.

Any differences in totals are due to roundings.

4. Basic Accounting Principles

The accounting principles under which the attached financial statements have been prepared and the Group applies consistently, have not been altered compared to the previous fiscal years.

In some cases that was necessary, there have been adjustments in some of the accounts of the comparative years for comparison purposes.

The Group has adopted all new standards and interpretations which are mandatory starting January 1 2011. In paragraph 4.1.A the standards applying to the Group and adopted since January 1 2011 are presented, as well as the other mandatory standards which however do not apply to the Company's activities. Presented in paragraph 4.1.B are the standards, standard amendments and interpretations to already existing standards, which either are not yet valid or have not been endorsed by the E.U.

4.1 New and amended accounting standards and interpretations of IFRIC

A. New and amended standards and interpretations applicable to December 2011 year-ends

IFRIC 14 Payments of a Minimum Funding Requirement

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This amendment has no impact to the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation" (amendment) - Classification on Rights Issues

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment has no impact to the Group's financial statements.

• **Annual IFRS amendments May 2010**

In 2010, the IASB (International Accounting Standards Board) issued the annual IFRS improvements for 2011 – adjusting 11 Standards (IFRS 1, IFRS 7, IFRS 3, IAS 1, IAS 34, IAS 32, IAS 39, IAS 21, IAS 27, IAS 28 and IAS 31) and one Interpretation (IFRIC 13) – in accordance with the program for annual improvements to the Standards. IASB's annual improvement program aims to make necessary but not urgent adjustments to IFRS which are not going to be part of a larger review program. Most of the improvements are valid for the years 2011 and on, and earlier implementation is allowed.

The most important of those improvements relate to the following standards:

IFRS 3 "Business Combinations"

The amendments provide additional clarification concerning: (a) agreements of possible price arising from business combinations with acquisition dates earlier than the implementation of the IFRS 3 (2008), (b) measurement of a non-controlling stake, and (c) accounting of paying transactions based on share values which were not replaced or replaced voluntarily replaced.

IFRS 7 Financial Instruments: Disclosures

These amendments offer plenty clarifications concerning the disclosures of financial instruments.

IAS 1 Financial Statement Presentation

The amendment clarifies that financial entities can present the analysis of the other comprehensive income elements either in the equity changes statement or in the notes.

IAS 27 Consolidated and Separate Financial Statements

The amendment clarifies that IAS 21, IAS 28, and IAS 31 amendments resulting from the review of IAS 27 (2008) should be applied in future.

IAS 34 Interim Financial Reporting

The amendment stresses the disclosure principles that should be applied in relation to important events and transactions, including changes as regards to measurements at fair value, as well as the need to update the relevant information from the most recent annual report.

IAS 24 Related Party Disclosures (Revised)

The amendment attempts to lessen the transaction disclosures among government-related entities and clarify the meaning of related party. More specifically, it abolishes the obligation of government-related entities to disclose the details of all transactions with the government and other government-related parties, it clarifies and simplifies the definition of the related party and imposes the disclosure not only of the relations and the transactions of related parties but also on the commitments in the separate and the consolidated financial statements. The Group is in the process of assessing the impact of this standard to its financial statements.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments":

This interpretation examines the accounting of the cases when the terms of a financial liability are the object of a renegotiation and, as a result, the entity issues equity instruments to the creditor in order to settle all or part of the financial liability. Such transactions are sometimes mentioned as exchanges of "debit – equity instruments" or share exchange agreements and their frequency increases during an economic crisis. The implementation of this amendment has no impact in the Group's financial statements.

B. Standards, modifications, and translations to already existing standards which are not yet valid or not endorsed by the E.U.

Additionally, the IASB has issued new IFRSs, modifications, and translations which are not mandatory for the present financial statements and which, until their date of issue, hadn't yet been endorsed by the E.U.

IFRS 9 Financial Instruments - Classification and Measurement:

The new standard is effective for annual periods beginning on or after January 1, 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the Fair Value Option. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this standard in its financial statements.

IAS 12 Income Taxes (Amended) – Deferred Tax Recovery of Underlying Assets

The amendment is effective for annual periods beginning on or after January 1, 2012. IAS 12 requires from companies to measure the deferred tax that relates to a fixed asset depending on whether the company expects book value recovery from its usage or its sale. In cases of investment property and when a fixed asset is assessed at fair value, it may be difficult and subjective to estimate the recovery book value of the property. According to the present amendment, the future book value recovery of such property shall always be measured on a sales basis of the asset. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this standard to its financial statements.

IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition

The amendment is effective for annual periods beginning on or after July 1, 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The Group is in the process of assessing the impact of this standard to its financial statements.

IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities

The amendment is effective for annual periods beginning on or after January 1, 2013. The amendment introduces common disclosure requirements which will provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU.

IFRS 1 (Amendment) "First-time adoption" – Removal of fixed dates and non-recognition of earlier transactions

The amendment applies for financial periods starting on or after 01/07/2011. Earlier implementation is allowed. It annuls the fixed-date (1 January 2004) and replaces it with the real change date to IFRS. Also, it annuls the requirements for non-recognition of earlier transactions. The amendment has no impact on the Group's financial statements since the Group has already changed to IFRS.

IFRS 10 Consolidated Financial Statements

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 10 replaces the portion of IAS 27 "Consolidated and Separate Financial Statements" and the Interpretation 12 "Consolidation — Special Purpose Entities". The new standard changes the definition of control which is a critical factor to determine whether the financial entity shall be included to the consolidated financial statement of the parent company. The standard offers additional information to help determine the control in difficult cases. Also, the Group must make a series of disclosures concerning the companies that are consolidated as subsidiaries, as well as the non-consolidated affiliated companies. This standard is expected to lead in changes to the structures of conventional Groups and, in some cases, there may be significant impact. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

IFRS 11 Joint Arrangements

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and Interpretation 13 "Jointly-controlled Entities — Non-monetary Contributions by Venturers". IFRS 11

removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

IFRS 12 Disclosures of Involvement with Other Entities

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

IFRS 13 Fair Value Measurement

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

IAS 27 Separate Financial Statements (Revised)

The Standard is effective for annual periods beginning on or after January 1, 2013. As a consequence of the new IFRS 10, IAS 27 is limited to separate financial statements for which the requirements have not changed. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

IAS 28 Investments in Associates and Joint Ventures (Revised)

The Standard is effective for annual periods beginning on or after January 1, 2013. Its aim is to designate the accounting principles which must be applied as a consequence of the new IFRS 11. The revised standard continues to determine the accounting monitoring of the equity method. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

IAS 19 Employee Benefits (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism. Also, changes from the re-evaluation of assets and liabilities arising from defined benefit schemes, shall be presented in the statement of other comprehensive income. Additional disclosures shall be made for the defined benefit schemes and the risks to which entities participating to these schemes are exposed. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

IAS 1 (Amendment) "Presentation of Financial Statements" – Presentation of items in Other Comprehensive Income

Applicable to annual reporting periods beginning on or after 1 July 2012. Changes the way of grouping items in Other Comprehensive Income depending on whether they are potentially reclassifiable in the future or not. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities

The amendment is effective for annual periods beginning on or after January 1, 2014. It provides clarification concerning some requirements for offsetting financial assets and liabilities. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine

The interpretation is effective for annual periods beginning on or after January 1, 2013. This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (stripping activity asset). Where cost cannot be specifically allocated between the inventories produced during the period and the stripping activity asset, Interpretation 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early application is permitted. This interpretation has not yet been endorsed by the EU. The Group's consolidated financial statements shall not be affected by the implementation of this amendment.

The Group does not intend to apply earlier any Standard or Interpretation.

Based on the Group's existing structure and the accounting policies followed, the Group does not expect significant impact on its financial statements (unless otherwise noted) from the implementation of the above Standards and Interpretations.

4.2 Consolidation

Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say that subsidiaries are companies in which control is exercised by the parent. The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. Paragraph "4.6 Intangible Assets – Goodwill" describes the accounting aspect of goodwill. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Minority transactions: For the accounting of transactions with the minority, the Group applies the accounting principle which considers those transactions as transactions with non-Group third parties. Sales to minority create profit and loss for the Group and those are registered in the Profit and Loss Statement. Purchases from the minority create a goodwill which is the difference between the amount paid and the percentage of the net accounting value of the subsidiary acquired.

Associates: Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the Group imply that a holding of between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method.

At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

As regards the acquisition goodwill, it reduces the stake value affecting the income statement when its value is reduced.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is greater than or equal to its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized profits are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

4.3 Segment information

The Group of METKA is active in the sector of complicated electromechanical constructions. Every contract that is executed has its own characteristics according to the customer's need (custom made products). The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.

The geographical segment is a geographical area in which products and services are sold and which is subject to different risks and returns compared to other areas. Geographically, the Group is active in the Greek domain, in countries of the European Union (Romania), in Turkey, and other third countries (Syria, Turkey, etc.)

Despite the fact that the adoption of the new standard has not affected the way that the Group identifies its operating segments for the purpose of providing information, the Group now presents the results of each segment based on the data used by the Administration for internal use. The basic principles are summarized as follows:

1. The Group is active in the construction of complex electromechanical metal constructions. Each contract realized by the Group has its own special technical characteristics which differ to a greater or lesser extent from the other contracts. The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.
2. The results of each segment are based on the operating results of each individual country in which the company is active (geographical segment). Not included in the segment results are the results of possible discontinued

- operations. There are asymmetric distributions to the presented segments since the depreciations of the geographic segment are separated based on the direct work-hours of the fixed assets used in each project. It should be noted that the tangible fixed assets of each segment include the fixed assets installed in each segment.
3. The additions of the non-current assets include fixed asset and intangibles, as well as stakes to affiliates and joint-ventures.

If the total income from external sources presented by geographical segments comprises less than the 75% of the Group's income, then more geographical segments are selected for presentation in order to reach the 75% of the Group's income. Operating segments which have not achieved any of the quantitative limits defined by IFRS 8, are not considered eligible for presentation and are not disclosed separately since the Administration believes that this wouldn't be of any use to the users of its financial statements.

Each one of the geographical segments is separately managed. Inter-segment transactions are effected with the same terms as transactions at arm's length basis.

The accounting principles used by the Group for the segment presentation according to IFRS 8 are the same used for the preparation of its financial statements.

There are no changes compared to the previous period as regards the valuation methods used to designate the profit/loss of the geographic segment.

4.4 Foreign currency conversion

a) Operating currency and presentation currency

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

b) Transactions and account balances

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date, are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including goodwill and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

c) Affiliated Companies

Profit from operating activities and equity of the shareholder's of each firm of the Group (apart from the ones that operate in economies with excessive inflation), in the cases when the functional currency differs from the presentation currency of the Group, are converted to the currency of the Group as follows:

- (i) The Assets and the Liabilities of the Balance Sheets are presented and converted to euro using the exchange rates that are in effect as at the balance sheet date.
- (ii) Incomes and expenses of the income statement of each company are translated at the closing rate at the date of the balance sheet.
- (iii) All exchange differences, are recognized as a "Foreign currency translation reserve" in Equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity, are treated as assets and liabilities of the foreign entity and are converted to euro using the exchange rates that are in effect as at the balance sheet date.

4.5 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

Land	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

The Group applies the IFRS 23 "Cost of Borrowings", by registering the cost of borrowings as cost of the period, without taking into consideration the purpose of the borrowings. The adjustment of this IFRS is not expected to affect the Group.

4.6 Intangible assets

The intangible assets include the Goodwill, the rights of use of Property, plant and equipment, as well as software licenses.

Goodwill: is the difference between the acquisition cost and the asset/liabilities fair value of the subsidiary/affiliated company on the date of acquisition. The company considers the acquisition goodwill as asset and presents it in the cost. This cost is equal to the amount that the consolidation cost surpasses the company stake in the assets, liabilities and contingent liabilities of the acquired company.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer tests goodwill for impairment annually, according to IAS 36, if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organize and present each activities and results in its internal reporting. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reserved in future periods. The Group performs its annual impairment test of goodwill as at 31 December each year.

In case the fair value of the Group's interest in the fair value of the acquired entity exceeds the cost of acquisition, the company proceeds to the Group proceeds to a revaluation of the cost of acquisition, the acquired assets, liabilities and contingent liabilities and any remaining difference after the revaluation is recognized directly to the income statement as profit.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of construction contracts (compensative profits) they are valued at fair value at their date of concession less accumulated depreciation. Depreciation is calculated on the basis of the units of production method.

Software: The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years.

4.7 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

4.8 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

4.8.1 Judgments

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the management that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

- **classification of investments**

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through income statement, or available for sale. For those deemed to be held to maturity management ensures that the requirements of IAS 39 are met and in particular the Group has the intention and ability to hold these to maturity. The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit. Classification of investments as fair value through income statement depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through income statement. All other investments are classified as available for sale.

- **recoverability of accounts receivable**

Trade receivables initially, are recognized at fair value and subsequently are measured at amortized cost, using the method of effective interest method less provision for impairment. When the Company has the objective evidence that the Group will not be able to collect all of the due amounts, according to the terms of each agreement, makes provision for impairment of trade receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in other expenses in the Income Statement.

- **obsolescence in inventory**

Appropriate provisions are made for damage, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

- **whether a lease entered into with an external lessor is a financial lease or an operational lease.**

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement over the period of the lease. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases.

4.8.2 Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A "critical accounting estimate" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.

- **estimated impairment of goodwill**

The Group test goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 4.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

- **Budget of construction contracts**

The handling of the earnings and the expenses of a construction contract, depends whether the final result, at the completion of contractual project can be estimated with credibility (and is expected to bring gain or loss). When the result of a contractual project can be estimated with credibility, then the earnings and the expenses of the contract are recognised, through the duration of the project, correspondingly as earning and expense. The Group uses the method of percentage of completion, to determine the appropriate amount of income and expense that will be recognised in a specific period. The percentage of completion is measured, according to the contractual expenses that have been realised until the date of the financial statements of the total expected contractual cost of every project.

As a result, the management is required to estimate the gross profit of every construction contract (estimated cost of completion).

- **Income taxes**

The Group and the Company are subjects to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Provisions**

Doubtful accounts are reported at the amounts likely to be recoverable. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible.

- **Contingencies**

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2010. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

4.9 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another. The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise of assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

- a) Receivables from down payments for the purchase of goods or services,
- b) receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is further than 12 months from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity. The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired. During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in the net book value based on the real interest rate method.

The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows.

The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

4.10 Inventories

The cost of the inventories comprises direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes financial expenses.

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses.

4.11 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. In the event that the net book value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

4.13 Non current segment assets held for sale

The segment assets held for sale include the other segment assets (including the capital gains) and the tangible assets that the Group intends to sell within a year after their registration date as "held for sale".

The segment assets registered as "held for sale" are priced at the minimum value between the book value just before their registration as held for sale, and their fair value minus the cost of sale. The segment assets that are registered as "held for sale" are not subject to amortization. The profit or damage from the sale and reevaluation of the "held for sale" segment assets are included in the "other revenue" and "other expenditure", respectively, at the list of the use results

The Group has not registered non-current segment assets as held for sale.

4.14 Share capital

Expenses incurred for the issuance of shares, reduce after deducting the relevant income tax the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

When acquiring own shares, the paid amount, including the relevant expenses, is shown as a reduction of share capital (premium reserves).

The shares of the Group's subsidiaries (excluding shares of the parent company) are considered as assets available for sale.

4.15 Income tax & deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

4.16 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits include pensions or other benefits (insurances and medical care) which the company offers after the termination of employment to the employees as acknowledgement of their services. Thus, they include both defined contribution schemes as well as defined benefits schemes. The accrued cost of the defined contributions scheme is registered as an expense in the relative period.

- **Defined contribution scheme**

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.

The payable contribution from the company to a defined contribution scheme, is recognized either as liability, after deduction of the paid contribution, or as an expense.

- **Defined benefits scheme**

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

The actuarial gains and losses are components of the company's liability, as well as of the expense which shall be registered in the income statement. Those arising from adjustments based on historical data and are over or less 10% of the cumulated liability are registered in the income statement within the expected mean insurance time of the participants in the scheme. The past-experience cost is directly acknowledged, except in the case when the scheme's changes depend on the remaining service time of the employees. In this case, the past-experience cost is registered in the income with a fixed method within the maturity period.

Employment termination benefits: Benefits due to a termination of the employment are paid when the employees leave earlier than the retirement date. The Group registers those benefits either at the termination of the employment, according to a detailed scheme with no possibility of withdrawal, or when it offers those benefits as a motive for a voluntary leave. When those benefits are payable in periods over twelve months from the Balance Sheet date, then they should be pre-paid based on the returns of high-quality company or state bonds.

In case of an offer made as an initiative for voluntary leave, the valuation of the employment termination benefits should be based on the number of the employees expected to accept the offer. If there is no way to estimate the employees who are going to accept the benefit, the expense is not booked but is disclosed as a possible liability.

4.17 Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

- a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

4.18 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

4.19 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage (§ 4.21).
- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Rendering of services:** Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Income from exploitation rights of tangible assets (compensative profits):** The fair value of the exploitation rights is recognized as accrued income and is depreciated in the profit and loss account in proportion to the execution stage of the contracts to which it serves as a compensative profit.
- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

4.20 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved.

The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Group Company as lessor: Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease. The Group does not act as a lessor through financial leasing.

4.21 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when such are realized.

In the case where the result of one construction contract may not be reliably valued, and especially in the case where the project is at a premature stage, then the income must be recognized only to the extent that the contractual cost may be recovered, and the contractual cost must be recognized in the expenses of the period in which it was undertaken. Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valued reliably, the contract's income and expenses are recognized throughout the contract's duration, respectively as income and expense. The Group uses the percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoicing until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoicing exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

4.22 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the Shareholders.

4.23 Reporting according to Geographical segments

METKA Group is active in the construction of complex electromechanical metal constructions. Each contract realized by the Group has its own special technical characteristics which differ to a greater or lesser extent from the other contracts. The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.

The geographical segment is a geographical area in which products and services are sold and which is subject to different risks and returns compared to other areas. Geographically, the Group is active in the Greek domain, in countries of the European Union (Romania), in Turkey, and other third countries (Syria, Turkey, etc.)

In 2011, the Group's income from its activity in countries outside Greece (European Union, Turkey, and Syria) comprised an 82,85% of its total income and came mainly from Turkey and Syria. Income from European Union in the period 1/1-31/12/2011 comes mainly from Romania (same as in the respective period of 2010). Based on those facts, the Group's

geographical segments are Greece, European Union, Turkey, and Syria. The financial results of 31st December 2011 and 31st December 2010 for the above mentioned geographical segments are presented below:

Amounts in '000 €	Greece	EE countries	Turkey	Syrian Arab Republic	Total
01/01- 31/12/2011					
Revenues from external customers	172.243	52.792	434.498	344.167	1.003.700
Intersegment revenues	31.899	6.814	35	19.063	57.811
Total Sales	204.141	59.606	434.533	363.231	1.061.511
Gross Profit	28.988	(2.090)	91.477	68.022	186.397
Interest revenues	2.884	199	216	-	3.299
Interest expenses	(6.259)	(109)	(3.996)	(3.285)	(13.649)
Net Financial profit / loss	(3.374)	89,62	(3.780)	(3.285)	(10.349)
Entity's Interest in the Profit of Joint Ventures	2.646	-	-	-	2.646
Profit before tax	23.136	(1.668)	73.011	54.290	148.770
Income Tax	(7.244)	266,90	(14.602)	(10.858)	(32.437)
Profit after tax	15.892	(1.401)	58.409	43.432	116.332
Depreciation / Amortization	4.760	100	65	-	4.925
31/12/2011					
Tangible assets	58.941	301	132	-	59.374
Other non- current assets	10.402	39	3.417	-	13.858
Other assets (less tangible assets)	472.994	14.933	87.806	137.974	713.706
Total assets	542.337	15.272	91.356	137.974	786.939
Total liabilities	159.925	12.383	91.711	183.844	447.863
Additions to non-current assets	6.631	5	31	-	6.667
01/01 - 31/12/2010					
01/01- 31/12/2010					
Revenues from external customers	254.098	127.414	213.642	18.550	613.704
Intersegment revenues	96	-	-	-	96
Total Sales	254.193	127.414	213.642	18.550	613.800
Gross Profit	85.112	28.482	42.560	3.631	159.785
Interest revenues	4.592	240	66	-	4.898
Interest expenses	(4.361)	(810)	(2.351)	(1.446)	(8.969)
Net Financial profit / loss	231	(570)	(2.285)	(1.446)	(4.071)
Entity's Interest in the Profit of Joint Ventures	494	-	-	-	494
Profit before tax	66.784	22.348	33.395	2.849	125.377
Income Tax	(25.280)	(3.576)	(6.679)	(699)	(36.233)
Profit after tax	41.505	18.773	26.716	2.150	89.144
Depreciation / Amortization	4.412	79	266	-	4.757
31/12/2010					
Tangible assets	57.814	435	384	-	58.634
Other non- current assets	8.363	202	-	-	8.565
Other assets (less tangible assets)	400.492	112.391	169.794	57.823	740.500
Total assets	466.669	113.028	170.178	57.823	807.698
Total liabilities	149.121	127.982	184.460	95.728	557.291
Additions to non-current assets	3.599	32	640	-	4.272

The revenues from three of the Group's external clients for fiscal years 2011 and 2010 respectively, surpassing 10% of total income of the Group, are as follows:

01/01 - 31/12/2011

Customers	Sector	Revenue
Customer 1	Syria	343.788
Customer 2	Turkey	296.881
Customer 3	Turkey	137.617

01/01 - 31/12/2010

Customers	Sector	Revenue
Customer 3	Turkey	202.216
Customer 2	Romania	126.991
Customer 3	Greece	106.170

5. Group Structure and consolidation method

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

Company	Headquarters	Participatio Percentage	Participation	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99,98	Direct	The participation percentage
ELEMKA	MAROUSI, ATTIKIS	83,50	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity
RODAX ATEE	MAROUSI, ATTIKIS	100,00	Direct	The participation percentage
Drosco Holdings Limited	CYPROUS	83,50	Indirect	The participation percentage
Bridge Accessories & Construction Systems	MAROUSI, ATTIKIS	62,625	Indirect	The participation percentage
METKA BRAZI SRL	BUCHAREST, ROMANIA	100,00	Direct	The participation percentage
RODAX ROMANIA SRL	BUCHAREST, ROMANIA	100,00	Indirect	The participation percentage
Joint Venture METKA – ETADE	N.IRAKLION, ATTIKIS	10,00	Direct	The participation percentage
POWER PROJECTS	Istanbul Turkey	100,00	Direct 99% Indirect 1%	The participation percentage
Joint Venture ATERMON -EKME –TMUCB- METKA SA	MAROUSI, ATTIKIS	24,00	Direct 10% Indirect 14%	The participation percentage (Equity Method)
Joint Venture ATERMON –EKME	MAROUSI, ATTIKIS	20,00	Indirect	The participation percentage (Equity Method)
MYTILINEOS FINANCIAL PARTNERS SA	Luxembourg	25,00	Direct	The participation percentage (Equity method)

METKA OVERSEAS LTD	Nicosia	100,00	Direct	The participation percentage
	Cyprus			

The financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 56,193% of METKA Group.

Changes of the Group structure during the year 2011

The Company's Board of Directors decided on its 28.06.2011 session a merger through absorption of its 100% joint-stock subsidiary «RODAX TECHNICAL AND COMMERCIAL COMPANY» (hereafter «RODAX») by the Company, in line with the provisions of the commercial legislation and particularly of article 78 of C.L. 2190/1920 and additionally of the provisions of law 2166/1993, in order to take advantage of the tax initiatives provided.

During the aforementioned BoD session, it was decided to start the merger procedure through absorption of RODAX by the Company with a Transformation Balance Sheet dated 30.06.2011 and an auditor was appointed to assess the accounting value of the absorbed company's assets.

The company concluded the merger through absorption of subsidiary RODAX S.A. (100% stake) on 29/12/2011. The merger was effected in line with the provisions of CL.2190/1920 and law 2166/1993 with a Transformation Balance Sheet date 30.06.2011 and approval date by the Ministry of Development 29/12/2011 further to a relevant decision nr K2-10314/29-12-2011.

The company METAL CONSTRUCTIONS OF GREECE S.A. founded on July 22 2011, jointly with MYTILINEOS S.A. and its subsidiaries PROTERGIA S.A. and ALUMINIUM S.A. the company MYTILINEOS FINANCIAL PARTNERS SA with a share capital of € 2 million. METKA S.A. participates with a 25% and was integrated for the first time in the financial statements on 30/9/2011.

On 21/11/2011 the company acquired METKA OVERSEAS LTD based on Nicosia of Cyprus. The acquisition price was € 1 thou. No goodwill arose from the acquisition. The integration of the above companies to the consolidated financial statements of METKA Group resulted to a change of no more than 25% on the turnover, the profits after taxes and minority interests, and the shareholders' equity.

For the period 21/11-31/12/2011, the impact on the consolidated results and the Group's Equity was a loss of € 4 thou.

6. Property, plant & equipment

Land, buildings and machinery were valued as at the transition date to IFRS (01/01/2004) at deemed cost, according to the provisions of IFRS 1. The "deemed cost" cost is considered as the fair value of the fixed assets as at the transition date to IFRS, which was defined after a study by an independent evaluator.

The Group's tangible fixed assets are analyzed as follows:

(Amounts in thousands €)	METKA				Total
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	
Gross Book Value	44.949	45.672	7.768	417	98.805
Accumulated depreciation and/or impairment	(5.761)	(24.460)	(6.156)	0	(36.377)
Net Book value as at 01/01/2010	39.188	21.212	1.612	417	62.428
Gross Book Value	42.176	44.257	8.999	914	96.347
Accumulated depreciation and/or impairment	(5.768)	(25.551)	(6.394)	0	(37.713)
Net Book value as at 31/12/2010	36.408	18.706	2.605	914	58.634
Gross Book Value	42.235	44.887	8.546	4.579	100.247
Accumulated depreciation and/or impairment	(6.589)	(28.136)	(6.148)	0	(40.873)
Net Book value as at 31/12/2011	35.646	16.751	2.398	4.579	59.374

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2010	39.188	21.212	1.612	417	62.428
Additions	214	1.334	1.912	765	4.225
Sales-Reductions	-	(32)	(12)	-	(44)
Depreciation	(813)	(3.032)	(883)	-	(4.728)
Reclassifications	(625)	625	-	-	-
Net foreign exchange differences	-	(3)	-	-	(3)
Tangible assets from acquisition / (sale) of subsidiary	(1.556)	(1.398)	(23)	(267)	(3.244)
Merge through acquisition of subsidiary	-	-	-	-	0
Net Book value as at 31/12/2010	36.408	18.706	2.605	914	58.634
Additions	80	1.220	1.001	4.365	6.666
Sales-Reductions	(16)	(39)	(70)	(642)	(767)
Depreciation	(826)	(3.171)	(1.097)	-	(5.094)
Reclassifications	-	40	18	(58)	-
Net foreign exchange differences	-	(6)	(59)	-	(65)
Tangible assets from acquisition / (sale) of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2011	35.646	16.750	2.398	4.579	59.374

The Company's tangible fixed assets are analyzed as follows:

(Amounts in thousands €)	METKA S.A.				
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	26,361	34,192	5,287	-	65,841
Accumulated depreciation and/or impairment	(3,132)	(18,754)	(4,011)	-	(25,897)
Net Book value as at 01/01/2010	23,229	15,438	1,276	-	39,943
Gross Book Value	26,436	35,105	6,162	186	67,889
Accumulated depreciation and/or impairment	(3,610)	(21,038)	(4,420)	-	(29,068)
Net Book value as at 31/12/2010	22,826	14,067	1,741	186	38,821
Gross Book Value	26,635	36,039	7,308	-	69,983
Accumulated depreciation and/or impairment	(4,138)	(23,392)	(5,116)	-	(32,645)
Net Book value as at 31/12/2011	22,498	12,647	2,192	-	37,337

(Amounts in thousands €)	METKA S.A.				
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2010	23,229	15,438	1,276	-	39,943
Additions	75	955	889	186	2,105
Sales-Reductions	-	(23)	(4)	-	(27)
Depreciation	(478)	(2,304)	(419)	-	(3,200)
Merge through acquisition of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2010	22,826	14,067	1,741	186	38,821
Additions	9	975	796	-	1,780
Sales-Reductions	(12)	(124)	(4)	(186)	(326)
Depreciation	(492)	(2,295)	(508)	-	(3,294)
Merge through acquisition of subsidiary	166	24	167	-	357
Net Book value as at 31/12/2011	22,498	12,647	2,192	-	37,337

There are no mortgages or collateral on the fixed assets on 31/12/2011 both for the Group and the Company.

The Group holds intangible assets under finance lease. Leased assets analysed as follows:

(Amounts in thousands €)	Vehicles & mechanical equipment	Furniture and other equipment	Total
Gross Book Value	417	3	420
Accumulated depreciation and/or impairment	(206)	(3)	(208)
Net Book value as at 01/01/2010	211	-	211
Depreciation	(46)	-	(46)
Gross Book Value	417	3	420
Accumulated depreciation and/or impairment	(252)	(3)	(254)
Net Book value as at 31/12/2010	165	-	165
Sales-Reductions	0	-	0
Depreciation	(43)	-	(43)
Gross Book Value	362	-	362
Accumulated depreciation and/or impairment	(240)	-	(240)
Net Book value as at 31/12/2011	122	-	122

7. Goodwill

Amounts in thousands €

Gross carrying amount at 1st January 2010
 Accumulated Impairment losses
Net Book Value at 1st January 2010
 Sale of subsidiary
 Gross carrying amount at 31st December 2010
Net Book Value at 31st December 2010
 Additions from current periods acquisitions
 Gross carrying amount at 31st December 2011
Net Book Value at 31st December 2011

	ELEMKA SA	DROSCO HOLDINGS LTD	ETADE	Total
Gross carrying amount at 1st January 2010	1.830	2	6.127	7.959
Accumulated Impairment losses	-	-	-	-
Net Book Value at 1st January 2010	1.830	2	6.127	7.959
Sale of subsidiary	-	-	(6.127)	(6.127)
Gross carrying amount at 31st December 2010	1.830	2	-	1.831
Net Book Value at 31st December 2010	1.830	2	-	1.831
Additions from current periods acquisitions	-	-	-	-
Gross carrying amount at 31st December 2011	1.830	2	-	1.831
Net Book Value at 31st December 2011	1.830	2	-	1.831

There is no impairment on goodwill on 31/12/2011.

8. Intangible assets

The intangible assets (Group / Company) are analyzed as follows:

(Amounts in thousands €)	METKA		Total
	Software	Other intangible assets	
Gross Book Value	241	9.980	10.221
Accumulated depreciation and/or impairment	(182)	(9.980)	(10.162)
Net Book value as at 01/01/2010	58	-	58
Gross Book Value	248	9.980	10.228
Accumulated depreciation and/or impairment	(172)	(9.980)	(10.152)
Net Book value as at 31/12/2010	77	-	77
Gross Book Value	255	9.980	10.235
Accumulated depreciation and/or impairment	(203)	(9.980)	(10.183)
Net Book value as at 31/12/2011	52	-	52

(Amounts in thousands €)	METKA		Total
	Software	Other intangible assets	
Net Book value as at 01/01/2010	58	-	58
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	40	(6)	34
Sales-Reductions	-	-	-
Sale of subsidiary	(10)	-	(10)
Depreciation	(11)	6	(5)
Merge through acquisition of subsidiary	-	-	-
Net Book value as at 31/12/2010	77	-	77
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	7	-	7
Sales-Reductions	-	-	-
Depreciation	(31)	-	(31)
Reclassifications	-	-	-
Merge through acquisition of subsidiary	-	-	-
Net Book value as at 31/12/2011	52	-	52

(Amounts in thousands €)	METKA S.A.		
	Software	Other intangible assets	Total
Gross Book Value	-	9,980	9,980
Accumulated depreciation and/or impairment	-	(9,980)	(9,980)
Net Book value as at 01/01/2010	-	-	-
Gross Book Value	-	9,980	9,980
Accumulated depreciation and/or impairment	-	(9,980)	(9,980)
Net Book value as at 31/12/2010	-	-	-
Gross Book Value	108	9,980	10,088
Accumulated depreciation and/or impairment	(86)	(9,980)	(10,066)
Net Book value as at 31/12/2011	22	-	22

(Amounts in thousands €)	METKA S.A.		
	Software	Other intangible assets	Total
Net Book value as at 01/01/2010	-	-	-
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	-	-	-
Sales-Reductions	-	-	-
Sale of subsidiary	-	-	-
Depreciation	-	-	-
Reclassifications	-	-	-
Net foreign exchange differences	-	-	-
Merge through acquisition of subsidiary	-	-	-
Net Book value as at 31/12/2010	-	-	-
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	-	-	-
Sales-Reductions	-	-	-
Sale of subsidiary	-	-	-
Depreciation	(5)	-	(5)
Reclassifications	-	0	0
Net foreign exchange differences	-	-	-
Merge through acquisition of subsidiary	26	0	26
Net Book value as at 31/12/2011	22	-	22

The intangible assets comprise of software (SAP) which has been fully depreciated.

9. Investment in subsidiaries

Investments in subsidiaries were valued at acquisition cost, in the company's financial statements. Investments in subsidiaries have as follows:

Amounts in thousands €	31/12/2011	31/12/2010
Opening carrying amount	35.398	43.150
Acquisition of Companies	1	248
Increase of share capital	1	0
Sale of companies	0	(8.000)
Decrease of Share Capital	(19.098)	0
Closing carrying amount	16.302	35.398

The company concluded the merger through absorption of subsidiary RODAX S.A. (100% stake) on 29/12/2011. The merger was effected in line with the provisions of CL.2190/1920 and law 2166/1993 with a Transformation Balance Sheet date 30/06/2011 and approval date by the Ministry of Development 29/12/2011 further to a relevant decision nr K2-10314/29-12-2011.

In order to show the merger, the company used in the Individual & Consolidated Financial Statements the paragraphs 10-12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Mistakes" thus taking into account the financial essence of the events, adopting an accounting policy of showing the merger which serves the need for financial decisions of the users, offering essential information concerning the financial yield and the Group's/Company's financial position, in the context of the rules required by the IFRS.

Based on the above, the pooling of interest method was not applied. The company's administration chose the method that shows better the essence of the transaction.

Also, since the merged company is a 100% of METKA S.A., fully consolidated in the previous financial statements, the pooling of interest method wouldn't have any impact on the Group's consolidated amounts.

Taking into account the aforementioned, and in the context of the directives of paragraphs 10-12 of IAS 8, the company used the requirements of paragraphs 30 and 31 of the revised IAS 27 "Consolidated and Individual Financial Statements". According to those, any changes in the ownership of a subsidiary which do not result in losing control, are accounted as equity transactions (that is, transactions with owners acting as owners). In those cases, the accounting values of equities attributed to shareholders of the parent company and shareholders of the minority shall be adjusted in order to show the changes to their respective stakes in the subsidiary. Any difference between the amount by which the minority rights are adjusted and the fair value of the amount paid or received should be directly noted in the equity and accounted to the parent company owners.

According to the above:

- Included in the parent company's results are the results of the above subsidiary, starting from 1/7/2011.
- Included in the parent company are the assets, liabilities and the net position of the above company, on the date of the merger approval.
- Acknowledged in the parent company's Equity is the difference which resulted from the deletion of the absorbed company's Equity and the parent company's stake in it.

Further to all the above, and in order to better compare and understand the merger's impact in METKA's financial statements, we include the following informal financial information.

Financial Information concerning the merger

- *RODAX S.A. financial position on 30/6/2011*

	30/6/2011
Assets	
Non current assets	
Tangible Assets	609
Intangible Assets	26
Investments in Subsidiary Companies	4
Deferred Tax Receivables	105
Other Long-term Receivables	117
	<u>861</u>
Current assets	
Trade and other receivables	29.671
Other receivables	1.469
Financial assets at fair value through profit or loss	36
Cash and cash equivalents	489
	<u>31.665</u>
	<u>32.526</u>
Assets	<u>32.526</u>
Liabilities & Equity	
EQUITY	
Share capital	1.029
Share in premium	4.618
Other reserves	1.462
Retained earnings	6.156
Equity attributable to parent's shareholders	<u>13.264</u>
Liabilities	
Non-Current Liabilities	
Deferred tax liability	128
Other long-term liabilities	219
Non-Current Liabilities	<u>347</u>
Current Liabilities	
Trade and other payables	17.345
Tax payable	1.449
Other payables	120
Current Liabilities	<u>18.914</u>
	<u>19.261</u>
LIABILITIES	<u>19.261</u>
Liabilities & Equity	<u>32.526</u>

The receivables of the merged company are almost exclusively from the parent company METKA S.A.

- *RODAX S.A. Other Comprehensive Income for the period 1/1/2011-30/6/2011*

	01/01-30/06/2011
Sales	28.135
Cost of Sales	-24.418
Gross Profit	3.717
Other Income	2
Distribution expenses	-29
Administrative expenses	-1.793
Other operating expenses	-44
Earnings before interest and income tax	1.853
Financial income	3
Financial expenses	-6
Other financial results	0
Profit before income tax	1.850
Income tax expense	-433
Profit for the period	1.417
Other comprehensive income	
Other comprehensive income	0
Other comprehensive income after tax	0
Total other comprehensive income for the period	1.417
Profit for the period Attributable to:	
Equity holders of the parent	1.417
Non controlling Interests	0
Other comprehensive income	
Equity holders of the parent	1.417
Non controlling Interests	0

The completion of the merger did not have any impact on the Group's total results due to the fact that the merged company was a 100% subsidiary.
 98,7% of the company's turnover results from sales to the parent company METKA S.A.

- *Merger Impact on Equity*

Due to the merger, the company's Equity changed as follows:

Amounts in thousands €	Amount
Rodax's Equity 30/06/2011	13.264
Metka Book value Investment	19.098
Change in Metka equity	(5.833)

The completion of the merger did not have any impact on the Group's total results due to the fact that the merged company was a 100% subsidiary.

There are no significant limitations in the above companies' ability to transfer capital in the company in the form of cash dividends or loan repayments or advance payments.

10. Investments in Associate Companies

The investments in Associate Companies of Metka and Metka's subsidiaries are as follows:

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
Joint Venture METKA – ETADE	N.IRAKLION, ATTIKIS	10,00	Direct	The participation percentage
Joint Venture ATERMON -EKME –TMUCB-METKA SA	MAROUSI, ATTIKIS	24,00	Direct 10% Indirect 14%	The participation percentage (Equity Method)
Joint Venture ATERMON –EKME	MAROUSI, ATTIKIS	20,00	Indirect	The participation percentage (Equity Method)
MYTILINEOS FINANCIAL PARTNERS SA	Luxembourg	25,00	Direct	The participation percentage (Equity method)

The company METAL CONSTRUCTIONS OF GREECE S.A. founded on July 22 2011, jointly with MYTILINEOS S.A. and its subsidiaries PROTERGIA S.A. and ALUMINIUM S.A. the company MYTILINEOS FINANCIAL PARTNERS SA (See note 6, for further information).

The above mentioned Consortia were incorporated in the consolidated Financial Statements of METKA Group with equity method. The impact on the consolidated Financial Statements amounted to €2.646 th. and is depicted in the "Profit / Loss from subsidiaries".

11. Deferred tax

The deferred tax receivables and liabilities are offset if there Group has the applicable legal right to offset current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle.

The amounts offset are the following:

(Amounts in thousands €)	METKA				METKA S.A.			
	31/12/2011		31/12/2010		31/12/2011		31/12/2010	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non Current Assets								
Intangible Assets	558	-	191	-	544	-	191	-
Tangible Assets	-	5,899	44	6,181	-	4,485	-	4,686
Long-term Receivables	-	546	-	546	-	-	-	-
Current Assets								
Construction Contracts	47,602	6,272	9,755	10,521	46,769	-	8,474	6,038
Receivables	-	232	-	122	-	25	-	122
Reserves								
Reserves' defer tax liability	-	59,661	-	1,130	-	59,061	-	402
Long-term Liabilities								
Employee Benefits	112	629	119	15	-	629	-	15
Other Long-term Liabilities	-	-	-	306	-	-	-	-
Short-term Liabilities								
Provisions	2	415	2	-	-	415	-	-
Other Short-term Liabilities	-	(9)	253	-	-	(9)	253	-
Total	48,273	73,646	10,365	18,821	47,313	64,607	8,919	11,263
Offsetting	(47,591)	(47,591)	(8,753)	(8,753)	(47,209)	(47,209)	(8,753)	(8,753)
Deferred Tax Liability/Receivables	682	26,055	1,611	10,067	105	17,398	166	2,509

The movement in deferred tax assets and liabilities after the offsetting balances is as follows:

METKA				
	1/1/2011	Exchange Differences from subsidiaries	Recognised in Profit & Loss Statement	31/12/2011
Amounts in thousands euros				
Intangible Assets	191	-	452	643
Tangible Assets	(6.137)	-	161	(5.976)
Investments and other long receivables	(546)	-	-	(546)
Construction contracts	(766)	278	40.006	39.518
Other Receivables	(122)	-	1.987	1.865
De-taxation of reserves	(1.130)	-	(58.672)	(59.802)
Employee Benefits	104	-	(469)	(365)
Other Long-term Liabilities	(306)	-	-	(306)
Provisions	2	-	(416)	(414)
Other short term liabilities	253	-	(244)	9
Total	(8.456)	278	(17.196)	(25.373)
Deferred tax Assets	1.611			682
Deferred tax liabilities	(10.067)			(26.055)

METKA SA				
	1/1/2011	Deferred tax asset from the subsidiary merge	Recognised in Profit & Loss Statement	31/12/2011
Amounts in thousands euros				
Intangible Assets	191	-	440	631
Tangible Assets	(4.686)	7	10	(4.669)
Investments and other long receivables	-	-	-	-
Construction contracts	2.436	70	44.332	46.838
Other Receivables	(122)	-	97	(25)
De-taxation of reserves	(402)	(50)	(58.659)	(59.111)
Employee Benefits	(15)	6	(485)	(494)
Other Long-term Liabilities	-	(57)	-	(57)
Provisions	-	-	(416)	(415)
Other short term liabilities	253	-	(244)	9
Total	(2.344)	(24)	(14.926)	(17.293)
Deferred tax Assets	166			105
Deferred tax liabilities	(2.509)			(17.398)

METKA				
Amounts in thousands euros	1/1/2010	Reduction of deferred taxation from subsidiary's	Recognised in Profit & Loss Statement	31/12/2010
Intangible Assets	4	0	187	191
Tangible Assets	(7.008)	60	812	(6.137)
Investments and other long receivables	-	-	(546)	(546)
Construction contracts	1.822	(114)	(2.475)	(766)
Other Receivables	(1.475)	(520)	1.873	(122)
De-taxation of reserves	(1.147)	4	13	(1.130)
Employee Benefits	572	(2)	(466)	104
Other Long-term Liabilities	5	(5)	-	-
Other Long-term Liabilities	(57)	-	(249)	(306)
Provisions	-	-	2	2
Liabilities from financing leases	7	-	(7)	-
Other short term liabilities	76	(21)	198	253
Total	(7.201)	(599)	(657)	(8.456)
Deferred tax Assets	4.500			1.611
Deferred tax liabilities	(11.701)			(10.067)

METKA SA				
Amounts in thousands euros	1/1/2010	Recognised in Profit & Loss Statement	31/12/2010	
Intangible Assets	3	188	191	
Tangible Assets	(5.360)	674	(4.686)	
Investments and other long receivables	-	-	-	
Construction contracts	916	1.520	2.436	
Other Receivables	-	(122)	(122)	
De-taxation of reserves	(402)	-	(402)	
Employee Benefits	454	(469)	(15)	
Other Long-term Liabilities	-	-	-	
Other Long-term Liabilities	-	-	-	
Provisions	-	-	-	
Liabilities from financing leases	-	253	253	
Other short term liabilities	-	-	-	
Total	(4.388)	2.044	(2.344)	
Deferred tax Assets	454			166
Deferred tax liabilities	(4.842)			(2.509)

According to the tax legislation, some kind of income is not taxed when recognized but when distributed to the shareholders. The accounting principle followed by the Group suggests to recognize deferred income tax liability when this income is initially recognized and not when distributed.

According to the Greek law 3943/2011, the tax rate for calculating the income tax expense should be 20% for year 2011.

The deferred tax is calculated based on the tax rate applied by the time the tax demand/obligation is matured.

Deferred tax receivables are recognized as tax losses when the liquidation of the tax benefit through future tax profits is possible.

The company recognized deferred tax liability amounted to € 58.659 th. for the tax-free reserve of law 4171/61. (See note 20.3, for further information).

12. Financial assets available for sale

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Total Opening	373	373	123	123
Sale of Investment	(342)	-	(100)	-
Closing Balance	32	373	23	123

The above financial instruments refer to investments in non-listed companies. There is no case of impairment of these investments and their fair value does not exceed substantially their acquisition cost. The depiction of their goodwill would have no effect in the Group financial statements.

On 15/09/2011, the company sold its participation of 4,71% to STALKO S.A., valued at €100 th., for €141 th. From this sale, a profit of € 41th. Resulted which is shown in the profit/loss statement as "Other Financial Results".

On 15/09/2011, the subsidiary SERVISTEEL S.A. sold its participation of 18,26% to STALKO S.A., valued at €242 th., for the amount of €548 th. From the above sale a profit of €306 th. resulted which is shown in the profit/loss statement as "Other Financial Results".

13. Other long-term receivables

The Group's and Company's other long-term receivables are analyzed in the following table:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Customers - Withholding quarantees falling due after one year	4,362	3,682	4,362	3,682
Given Guarantees	627	422	510	219
Other long term receivables	3,416	9	-	-
Other Long-term Receivables	8,405	4,113	4,872	3,901

These receivables are to be recovered after the end of next period.

14. Inventories

The Group's and Company's inventories are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Raw materials	41,799	7,484	41,505	7,181
Finished products	31	61	31	31
Work in Progress	2,119	2,070	2,056	2,049
Merchandise	679	809	-	-
Others	2,081	1,998	1,841	1,788
Total	46,709	12,421	45,432	11,049
(Less)Provisions for scrap,slow moving and/or destroyed inventories:	(1,168)	(1,168)	(1,000)	(1,000)
Total Stock	45,541	11,253	44,432	10,049

The value of the Inventories that were acknowledged as expense in the income statement of the Group and the Company € 520.123 and € 478.295 accordingly (2010: € 287.780 and € 242.217 accordingly).

The Group had no pledged inventories on 31/12/2011.

15. Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Customers	421,344	404,303	398,575	264,413
Notes receivable	4	4	-	-
Checks receivable	2,746	45,109	-	42,000
Less:Impairment Provisions	(2,005)	(1,834)	-	-
Net trade Receivables	422,089	447,582	398,575	306,413
Advances to trade creditors	34,498	156,774	25,204	151,293
Total	456,587	604,356	423,779	457,706

In customers, there is an amount still not invoiced (€ 19,262 th. for the Group and € 19,990 th. for the company) that is included in receivables since it is recognized as revenue according to IAS11.

All of the above receivables are concerned as short term. The fair value of that short term financial assets is not determined independently because the book value is considered to be equal to the fair value.

In addition some of the receivables are past due nor impaired. The aging of above mentioned receivables according to IFRS 7, are presented in the following table.

**Liquidity Risk Analysis - Trade Receivables
 (Amounts in thousands €)**

METKA				
Past due but not impaired				
0-3 months	3-6 months	6-12 months	> 1 year	

2011	47,435	13,830	48,108	32,781
2010	22,689	27,856	34,057	915

**Liquidity Risk Analysis - Trade Receivables
 (Amounts in thousands €)**

METKA S.A.				
Past due but not impaired				
0-3 months	3-6 months	6-12 months	> 1 year	

2011	46,026	13,573	47,923	31,946
2010	21,898	26,791	32,448	266

Provision for receivables from customers

(amounts in thousands €)	METKA Provisions for impairment lossers
Balance at 1 January 2010	1.092
Additional provisions for the period 01/01/2010 - 31/12/2010	763
Unused provisions that have been reversed	0
Provisions used during the year	(22)
Balance at 31 December 2010	1.833
Additional provisions for the period 01/01/2010 - 31/12/2011	304
Unused provisions that have been reversed	0
Provisions used during the year	(132)
Balance at 31 December 2011	2.005

16. Other receivables – other current assets

The Group's and Company's other receivables are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other Debtors	16,188	17,782	11,041	16,421
Receivables from the State	20,817	34,224	18,749	29,172
Receivables from Subsidiaries	-	-	3,030	3,030
Loans given to Subsidiaries	-	-	500	10,832
Accrued income - Prepaid expenses	7,007	4,538	6,600	4,379
Less: Provision for Bad Debts	(537)	(537)	(537)	-
Total	43,475	56,007	39,383	63,834

As of 31/12/2011 no provisions were made for doubtful debtors.

Deposits amounting to € 8.716 th., which are pledged for issuing letters of guarantee for the project in Syria, are included in the sundry debtors.

17. Financial assets at fair value through profit and loss

The analysis of the investments in financial assets is analyzed as follows:

Amounts in €	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Bank bonds	143	564	-	-
Mutual funds	-	36	-	-
Shares	13	13	-	-
Total Financial assets	156	613	-	-

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Total Opening	613	766	-	-
Sales	(376)	-	7	-
Fair value adjustments	(81)	(153)	(7)	-
Closing Balance	156	613	-	-

The total value of the above financial instruments is available for sale.

The change in fair value of the above financial assets is included in the account "Other Financial results" of the income statement.

18. Cash and cash equivalents

Group and company cash and cash equivalents are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash	143	136	97	80
Bank deposits	17,401	14,531	6,362	786
Time deposits & Repos	150,404	53,604	124,706	27,604
Total	167,948	68,271	131,165	28,470

Cash equivalents represent cash balances in Group and Company and time deposits available at first demand.

There were no overdrafts in the bank accounts on the above mentioned dates.

The increase in cash balances in current year, is due to receipt of advance from customer for the execution of a major project.

The effective interest rate of short term investments is 2,0%- 2,5%(2010: 2,5%-3,0%).

19. Construction contracts

The construction contracts concern properties' construction especially for clients, according to terms provided in the contracts, whose execution usually extends more than one fiscal year.

Construction Contracts	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Realised Contractual Revenues	979,315	608,835	804,631	488,339
Realised Contractual Cost & Profits (minus realised losses)	2,730,326	1,802,772	2,382,234	1,610,044
Advances received	(36,294)	(278,110)	(25,750)	(174,086)
Clients holdings for good performance	143,445	15,147	141,550	13,547
Receivables for construction contracts according to the percentage of completion	19,262	206,865	19,990	86,832
Liabilities related to construction contracts according to percent. of completio	(240,337)	(57,235)	(242,086)	(56,640)

The above mentioned amounts represent the management's best possible estimation according to the results, and to the percentage of completion of the construction contracts.

20. Total equity

20.1 Share capital

The Company's share capital consists of 51.950.600 nominal shares, of a nominal value of €0,32 per share. The total share capital amounts to €16.624.192. The company's shares are listed in the Athens Stock Exchange.

Amounts in thousands €

Balance at 01/1/2010

Increase of Share Capital

Balance at 31/12/2010

Increase of Share Capital

Balance at 31/12/2011

Number of shares	Ordinary Shares	Share Capital	Total
51.950.600	51.950.600	16.624	16.624
51.950.600	51.950.600	16.624	16.624
51.950.600	51.950.600	16.624	16.624

There are no shares of the company owned by the company itself or any other subsidiary or affiliate company.

20.2 Other reserves

Other reserves for the Group are as follows:

(Amounts in thousands €)	METKA			
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Total
Opening Balance 1st January 2010, according to IFRS -as published-	6,372	4,387	17,107	27,865
Transfer to reserves	135	(273)	322	184
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2010	6,507	4,114	17,428	28,049

(Amounts in thousands €)	METKA			
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Total
Opening Balance 1st January 2011, according to IFRS -as published-	6,507	4,114	17,428	28,049
Dividends paid	0	-	-	0
Transfer to reserves	244	-	-	244
Impact from merge through acquisition of subsidiar	-	-	0	0
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2011	6,751	4,114	17,428	28,293

Other reserves for the Company are as follows:

(Amounts in thousands €)	METKA S.A.			
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Total
Opening Balance 1st January 2010, according to IFRS -as published-	5,542	827	17,287	23,656
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2010	5,542	827	17,287	23,656

(Amounts in thousands €)	METKA S.A.			
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Total
Opening Balance 1st January 2011, according to IFRS -as published-	5,542	827	17,287	23,656
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2011	5,542	827	17,287	23,656

The ordinary reserve was formed according to the L.2190/1920.

In the "tax exempt and other reserves under special law provisions", tax-free discounts and other special law reserves are included, which the Group does not intend to distribute in the near future.

20.3 Retained earnings

Amounts in thousands €	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Intended Dividend	38.963	24.936	38.963	24.936
Remaining Earnings	239.851	164.019	210.916	145.296
Total	278.814	188.955	249.879	170.232

The General Shareholders Meeting unanimously approved at 10/05/2011 the appropriation account for the fiscal year 2010 and the distribution of €24.936.288 out of the profit for the year 2010, which represents a dividend of €0,4800 per share. It is noted that according to the tax law, a 21% withholding tax is applicable to the distributed dividend. Therefore, the net dividend shall be €0,3792 per share.

It is suggested to distribute € 38.962.950 as a dividend (€0,7500 per share), out of the net profit € 110.416.772 of the year 2011. The Management is also going to propose in the Annual Regular General Assembly the formation of a tax-free reserve of €293.297 th, utilizing article 9 of law 4171/61.

The distribution of dividend and the formation of the reserve have to be approved by the General Shareholders Meeting.

21. Liabilities for pension plans

Under the L.2112/1920, a lump sum compensation is paid to the employees upon retirement. The Company and the Group recognizes as post-employment employee benefit liability, the present value of its legal commitment to pay a lump sum compensation to the employees due to retirement. This liability was calculated through an actuarial study.

This liability is analyzed as follows:

	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Amounts in thousands €				
Opening carrying amount	1.325	1.888	866	1.271
Pension benefits	566	187	291	132
Pension benefits of the acquired Subsidiary company	0	0	0	0
Period payments	(577)	(711)	(261)	(538)
	0	0	35	0
Minus: reduction of liability due to the selling of a subsidiary	0	(39)	0	0
Balance at 31/12/2011	1.313	1.325	930	866

The analysis of Pension benefits has as follows

	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Amounts in thousands €				
Analysis of Pension benefits				
Cost of current period employment	113	89	66	69
Interest cost	69	92	47	64
(Profit)/loss from the Pension plan	383	6	179	0
Total cost of pension benefits	566	187	291	132

The main actuarial assumption used for accounting purposes are the following:

	31/12/2011	31/12/2010
Discount Rate	5,2%	5,2%
Future wage increases	3,0%	3,5%
Percentage of retirement	2,6%	2,0%
Inflation	2,0%	2,5%

22. Other long-term liabilities

The analysis of the Group's and Company's other long-term liabilities is as follows:

	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(Amounts in thousands €)				
Received guarantees - Grants-Leasing				
Total Opening	-	90	-	-
Discont. operations / Sales of subsidiary	-	(90)	-	-
Closing Balance	-	-	-	-
Advances of customers				
Total Opening	69,083	4,045	69,083	4,045
Additions	239,941	402,821	239,941	402,821
Transfer from / (to) Short term	148,539	(49,603)	148,539	(49,603)
Depreciation for the period	(455,336)	(288,180)	(455,336)	(288,180)
Closing Balance	2,227	69,083	2,227	69,083
Other				
Total Opening	189	-	1	-
Additions	62,752	709	62,752	520
Depreciation for the period	-	(520)	-	(520)
Closing Balance	62,941	189	62,753	1
Suppliers holdings for good performance				
Total Opening	348	-	2,927	2,947
Additions	20,314	4,560	17,232	4,192
Transfer from / (to) Short term	32	3,825	32	3,825
Depreciation for the period	(20,191)	(8,037)	(20,191)	(8,037)
Exchange rate differences	-	-	-	-
Closing Balance	503	348	-	2,927
Total	65,671	69,621	64,979	72,010

The "Other" account includes long-term liabilities to customers from project execution based on IAS 11.

23. Trade and other Payables

The analysis of the balance for the Group's and Company's trade and other liabilities is as follows:

	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(Amounts in thousands €)				
Suppliers	116,492	82,216	102,948	76,923
Cheques Payable	582	577	-	-
Customers' Advances	36,294	278,110	25,750	174,086
Liabilities to customers for project implementation	177,585	57,235	179,334	56,640
Total	330,953	418,138	308,032	307,649

All trade transactions have no interest and regularly settled.

24. Tax Payable

Tax payable of the Group and the Company are divided in current income tax liabilities and previous years' tax liabilities and are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Tax expense for the period	1,328	28,225	-	23,997
Tax liabilities	1,624	12,521	972	9,757
Total	2,952	40,746	972	33,754

For the unaudited fiscal years of the companies of the Group, please revert to Note 39.2 Contingent Liabilities – Receivables”.

The tax expense of the respective period amounts to €12,8mio for the company and has been offset with the tax advance of the fiscal year 2010.

25. Debt

The Group and the Company's debt are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long-term debt				
Bank loans	900	-	-	-
Total	900	-	-	-
Short-term debt				
Bank loans	14,150	2,179	12,000	-
Total	14,150	2,179	12,000	-
	15,050	2,179	12,000	-

The company liabilities refer to short term debt denominated in euros. The weighted average interest rate at the end of year amounts to 6,84% (in 2010: 4,28%). There are no mortgages relating to the group's fixed assets as of 31/12/2011.

26. Other short-term liabilities

The other short-term liabilities are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Accrued expense	546	8,780	343	8,019
Social security insurance	1,018	919	561	421
Dividends payable	882	1,022	282	423
Deferred income-Grants	44	1,266	44	1,266
Others Liabilities	1,943	2,268	1,253	651
Total	4,432	14,256	2,484	10,780

27. Provisions

(Amounts in thousands €)	METKA		
	Tax liabilities	Other	Total
01/01/2010	645	23	668
Subsidiary Sale	-	(23)	(23)
Additional provisions for the period	465	10	475
Realised provisions for the period	(160)	-	(160)
31/12/2010	950	10	960
Long Term	950	-	950
Short Term	-	10	10
Merge through acquisition of subsidiary	30	-	30
Additional provisions for the period	450	(3)	447
31/12/2011	1.430	7	1.437
Long Term	1.430	-	1.430
Short Term	-	7	7

(Amounts in thousands €)	METKA S.A.		
	Tax liabilities	Other	Total
01/01/2010	300	-	300
Additional provisions for the period	300	2	302
Realised provisions for the period	0	-	0
31/12/2010	600	2	602
Long Term	600	-	600
Short Term	0	2	2
Merge through acquisition of subsidiary	180	-	180
Additional provisions for the period	400	(2)	398
Realised provisions for the period	-	-	-
31/12/2011	1.180	0	1.180
Long Term	1.180	-	1.180
Short Term	-	-	-

Other provisions represent estimated losses from construction contracts.

The provision for tax unaudited fiscal years relates to future obligations that may result from tax audits.

28. Sales turnover

The sales turnover analysis for the Company and the Group is as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	Operations			
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Sale of commodities	13,595	3,277	-	-
Sales of other inventory	1,679	263	1,437	234
Services	9,111	287	9,051	189
Sale of Property	1	1,042	1	1,042
Constructions	979,315	608,835	804,631	488,339
Sales	1,003,700	613,704	815,120	489,805

29. Analysis of expenses by their nature

The expenses analysis by the nature of expense of the year 2011 and 2010 are as follows:

Cost of sales

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Retirement benefits	261	408	261	401
Other employee benefits	18,367	15,245	7,554	6,491
Cost of materials & inventories	520,123	287,780	478,295	242,217
Third party expenses	218,253	129,247	106,118	104,870
Third party benefits	7,663	5,416	5,223	2,851
Assets repair and maintenance cost	283	345	107	122
Operating leases rent	866	756	292	250
Taxes & Duties	249	211	115	124
Advertisement	3	4	3	4
Other expenses	47,324	10,525	42,524	8,646
Depreciation - Tangible Assets	3,913	3,981	2,691	2,710
Total	817,303	453,919	643,182	368,685

The increase in "other expenses" is due to contractual expenses for new projects abroad.

(Amounts in thousands €)

Distribution expenses

	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Retirement benefits	-	10	-	10
Other employee benefits	425	321	142	115
Inventory cost	1	1	1	1
Third party expenses	743	189	389	75
Third party benefits	87	79	27	7
Assets repair and maintenance cost	16	30	1	-
Operating leases rent	81	63	22	11
Taxes & Duties	10	8	1	1
Other expenses	384	508	258	268
Depreciation - Tangible Assets	51	25	4	4
Depreciation - Intangible Assets	6	5	-	-
Total	1,804	1,239	845	493

(Amounts in thousands €)

Administrative expenses

	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Retirement benefits	35	465	35	465
Other employee benefits	4,095	3,960	2,995	2,628
Inventory cost	-	2	-	-
Third party expenses	6,011	5,296	4,961	3,788
Third party benefits	2,333	723	2,207	358
Assets repair and maintenance cost	208	254	184	234
Operating leases rent	1,619	1,341	1,199	532
Taxes & Duties	195	159	121	34
Advertisement	166	346	166	336
Other expenses	3,812	2,783	3,028	1,933
Depreciation - Tangible Assets	1,138	734	604	486
Depreciation - Intangible Assets	21	23	-	-
Total	19,635	16,085	15,501	10,795

30. Employee benefits

The number of employees is analyzed in the following table:

	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Full time employees	397	328	261	179
Part time employees	179	209	55	57
Total	576	537	316	236

The employee benefits for the Group and the Company are as follows:

Amounts in thousands €	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Employee wages	16.862	14.971	8.178	7.127
Social Security Expenses	4.551	3.953	2.198	1.784
Retirement Benefits	537	978	261	876
Pension benefits	135	83	66	63
Other benefits	1.098	507	285	323
Total	23.183	20.492	10.988	10.173

Amount that was used to the Income statement	22.981	20.435	10.809	10.150
Amount that was used for the under construction tangible assets	202	57	179	23
Total	23.183	20.492	10.988	10.173

31. Other ordinary income and expense

The ordinary income and expense of the Group is analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other operating income				
Income from Subsidies	38	56	32	34
Compensations	8	64	8	64
Profit from foreign exchange differences	525	3,879	430	875
Rent income	26	100	26	99
Operating income from services	-	1	-	-
Income from reversal of unrealized provisions	7	22	-	-
Profit from sale of fixed assets	11	15	4	3
Other	89	470	53	353
Total	703	4,606	552	1,428
Other operating expenses				
Losses from foreign exchange differences	2,366	3,250	788	923
Provision for bad debts	304	763	-	-
Loss from sale of fixed assets	140	14	97	10
Operating expenses from services	6,176	14,023	5,993	13,763
Other taxes	202	28	193	12
Compensations	-	35	-	35
Total	9,188	18,112	7,070	14,743

32. Financial income / expenses

The financial income and expenses of the Group and the Company is analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Financial income				
Bank deposits	1,721	1,187	969	688
Revaluation of currency derivatives	392	174	392	174
Customers	-	508	-	508
Other	830	754	830	734
Total	2,943	2,624	2,191	2,105
Financial expenses				
Discounts of Employees' benefits liability due to service termination	70	92	47	64
Bank Loans	1,713	896	1,553	476
Interest charges due to customer downpayments	-	80	-	80
Letter of Credit commissions	10,868	7,476	10,835	7,448
Financial Leases	-	1	-	-
Other Banking Expenses	917	271	777	80
Total	13,568	8,816	13,211	8,148

33. Other financial results

The financial results of the Group and the Company is analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other financial results				
Profit / (loss) from fair value of other financial instrument through profit/los	(80)	(153)	(7)	-
Gain from disposal	-	2,274	-	-
Profit / (loss) from the sale of financial instruments	356	-	47	-
Income from dividends	-	-	800	7,567
Total	276	2,121	841	7,567

34. Income tax expense

The Income tax expense for the Group and the Company is analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Income Tax	14,388	28,234	12,885	23,997
Income Tax provision	-	138	-	-
Tax Audit differences	450	-	400	-
Deferred taxation	17,196	657	14,926	(2,044)
Extraordinary Income Tax	-	6,646	-	6,088
Other Taxes	404	557	267	343
Total	32,437	36,233	28,478	28,385
Earnings before tax	148,770	125,377	138,895	98,255
Presumed Tax on Income	29,754	30,091	27,779	23,581
Adjustments for Nominal Tax Rate changes	-	(152)	-	(59)
Nominal Tax Rate Difference in foreign Subsidiary Companies	882	(1,413)	-	-
Non taxable income	(37)	-	(27)	-
Dividends	(149)	-	(160)	(1,867)
Non tax deductible expenses	376	384	219	293
Supplementary Income tax from land - plot & buildings	1	5	1	5
Income tax from land - plot & buildings	91	92	42	43
Other taxes	450	465	400	300
Income tax coming from previous years	539	138	225	-
Extraordinary Income Tax	-	6,646	-	6,088
Other	530	(23)	-	-
Realized Tax on Income	32,437	36,233	28,478	28,385

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies.

The company followed article 9 of law 4171/61 and formed a tax-free reserve amount of € 293.297 th. The above tax-free reserve is subject to the approval of the Regular General Assembly.

The average tax rate for the Group for the year 2011 amounts to 21,80% (2010: 28,90%). For the company the equivalent rate for the year 2011 is 20,50% (2010: 28,89%).

35. Earnings per share

Basic earnings per share (in euro / share) of the Group/Company are as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Equity holders of the parent	115,039	87,044	110,417	69,870
Weighted average number of shares	51,951	51,951	51,951	51,951
Basic earnings per share	2.2144	1.6755	2.1254	1.3449

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

36. Analysis of Cash Flow Adjustments

Analysis of Cash Flow Adjustments for the Group and the Company is analysed as follows:

	METKA		METKA SA	
	12 months until 31 December 2011	12 months until 31 December 2010	12 months until 31 December 2011	12 months until 31 December 2010
Adjustments to Profit after Tax for:				
Depreciation of tangible assets	4.895	4.729	3.095	3.191
Depreciation of intangible assets	31	28	5	-
Provisions	378	944	66	134
Income from reverse of provisions	(274)	(653)	(86)	(538)
Profit / Loss from the Disposal of tangible assets	130	(1)	92	7
Profit / Loss from the fair value of embedded derivatives	(392)	(174)	(392)	(174)
Losses from the fair value recognition of financial assets through profit and loss	71	153	-	-
Gains from sale of financial assets available for sale	(264)	-	42	-
Credit interest and similar income	(1.721)	(1.141)	(969)	(688)
Debit interest and similar expenses	1.798	1.123	1.553	556
Proceeds from dividends	-	-	(800)	(7.567)
Gains from sale of subsidiaries	-	(2.274)	-	-
Share in net (profit) loss of subsidiaries	(2.655)	(494)	-	(213)
Unrealised foreign currency gains / (losses)	162	583	162	583
Total Adjustments to Profit after Tax	2.158	2.825	2.766	(4.709)

37. Related party transactions

Transactions with affiliated companies are carried out on an arm's length basis. The Group was not party to any transaction of an unusual nature or structure that was material to it or to companies or persons closely associated with it, nor does it intend to be party to such transactions in the future. None of the transactions incorporate special terms and conditions and no guarantee was given or received.

	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Income from execution of projects and other income				
Subsidiaries	-	-	38	100
Other Parent company's subsidiaries	77.943	123.765	65.379	122.354
Total	77.943	123.765	65.418	122.455
Other income	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other Parent company's subsidiaries	-	15	-	2
Total	-	15	-	2
Other income	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	-	-	800	7.567
Total	-	-	800	7.567
Purchases and compensations from the supply of services	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	-	-	51.342	66.401
Other Parent company's subsidiaries	29.304	14.001	28.752	13.926
Directors and key management of the Company	4.255	4.315	3.147	2.878
Total	33.559	18.317	83.241	83.204
Demands from customers and project under progress	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	-	-	1.182	1.594
Other Parent company's subsidiaries	136.603	142.426	136.518	140.787
Directors and key management of the Company	17	28	-	28
Total	136.620	142.454	137.700	142.410
Other Demands	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other Parent company's subsidiaries	914	129	853	106
Total	914	129	4.389	10.944
Obligation to suppliers and other liabilities	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	-	-	4.497	27.011
Other Parent company's subsidiaries	472	7.966	380	7.931
Directors and key management of the Company	94	22	40	9
Total	566	7.989	4.918	34.951
Obligation to customers and project under progress	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other Parent company's subsidiaries	21.699	20.709	21.699	20.410
Total	21.699	20.709	21.699	20.410

Transactions with other associated companies (income, receivables, and liabilities) mostly concern the construction of a power station on behalf of PROTERGIA S.A. and KORINTHOS POWER (subsidiaries of MYTILINEOS S.A). There are no conditions or terms in the contract which are out of the ordinary trade practice.

37.1 Transactions with key management personnel

The remuneration of the individual members of Management for 2011 was as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Short term employee benefits				
- Wages and Salaries and BOD Fees	4,112	4,236	3,017	2,813
- Insurance service cost	23	25	10	10
- Bonus	-	55	-	55
- Other remunerations	120	-	120	-
Total	4,255	4,315	3,147	2,878

No loans have been granted to BoD members or other managerial staff of the Group (and their families).

38. Commitments

Group's commitments are as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Commitments from construction contracts				
Value of pending construction contracts	1,728,260	2,220,479	1,550,123	1,919,071
Granted guarantees of good performance	439,051	499,922	421,891	498,167
Total	2,167,312	2,720,402	1,972,015	2,417,238

Operating Lease Commitments (Group as lessor)

The Group leases motor vehicles, properties and other equipment under non-cancelable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. At 31/12/2011 the remaining duration of the leases was less than 6 years and is as follows:

Amounts in '000 €	METKA		METKA SA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Expected time of money received				
Less than 3 months	1.362	1.240	1.207	917
From 3 to 6 months	4.107	3.604	3.711	2.988
From 6 months to 1 year	5.100	5.084	4.492	4.305
Total	10.570	9.928	9.410	8.210

39. Contingent Assets & Contingent Liabilities

39.1 Information about Contingent Liabilities

There are no substantial disputes in Courts or in Arbitration that can influence the operation and the financial results of the company

39.2 Unaudited fiscal years

For the Group of companies, the unaudited fiscal years are as follows:

- METKA SA	: 2009-2011
- SERVISTEEL	: 2010-2011
- RODAX	: 2010-2011
- E.K.M.E. SA	: 2009-2011
- ELEMKA SA.	: 2007-2011
- DROSCO HOLDINGS LIMITED	: 2003-2011
- BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS	: 2010-2011
- METKA BRAZI SRL	: 2008-2011
- RODAX ROMANIA SRL	: 2009-2011
- POWER PROJECTS	: 2010-2011

The Group has made adequate provisions (§ 27), for any cost that might arise from differences of the tax audit for the tax unaudited fiscal years.

Based on § 5 of article 82 of law 2238/1994 and Circ.nr.1159/2011, the legal auditors and auditing firms which conduct mandatory audits to joint-stock and limited responsibility companies, are obliged to issue an annual certificate. This certificate is issued further to the audit and pertains to the application of tax regulations in specific tax items. Detailed in this certificate are tax offenses as well as non-payments or inaccurate tax payments discovered during the auditing of the company's books and records. Joint-stock and limited responsibility companies are subjected to tax audit by Legal Auditors for the annual financial statements closing on 30/6/2011 and beyond.

Tax audit for the Group's companies in Greece is conducted by Grant Thornton. The Group's administration believes that upon completion of the audit no significant tax obligations, apart from those shown in the financial statements, are going to be revealed.

39.3 Information regarding contingent receivables

There is a legal claim at issue by the Parent Company against one of its suppliers for the amount of € 46,7 which concerns a compensation. The defendant company has filed a declaratory action stating that it has no obligation to pay the aforementioned amount. The Company shall book the above claim further to a positive outcome and receipt of the amount.

For the above case, the opposite party has filed an arbitration against the absorbed company RODAX S.A. whose affairs are now carried on ex officio by METKA.

Apart from the above there are no other contingent receivables from third parties on December 31st 2011.

40. Risk management objectives and policies.

The risk management policy is being applied by the Treasury Department. The steps followed are the following:

- evaluating the risks related to the Group's activities and operations,
- design the methodology and choose the appropriate financial products to mitigate the risks and,
- execute/implement, according to the approved procedure by the management, the risk management strategy.

40.1 Financial Risk Factors

Based on its activities, our Group is exposed to a limited range of financial risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks, liquidity risks and cash flow risks.

The Group's general risk management primary deals with the good execution of works, the credibility and the good execution of procurement and afterwards comes the credit risk and the market risk.

The risks exposure is managed through the Group's two main Divisions: Financial & Administrative Division, and Projects Division.

Prior to their commitment, such transactions are approved by the executives entitled to do so.

40.2 Market Risk

Foreign Currency Risk

The foreign currency risk comes from both transactions with customers and suppliers in Foreign Currency and short-term borrowings in Foreign Currency (\$).

This risk does not remarkably affect Group's operation due to the insignificance of the above transactions which take place in US Dollars

Foreign Currency financial assets and liabilities are translated into Euros, at the closing rate, as follows:

Amounts in thousands €	2011					2010			
	USD	SYP	GBP	RON	TRL	USD	GBP	RON	TRL
Nominal Amounts									
Financial Assets	1.630	1.599	1	1.871	3.635	2.348	-	92	139
Financial Liabilities	(14.623)	(1.246)	(76)	-	(52)	(19.636)	(46)	-	-
Total	(12.992)	353	(75)	1.871	3.583	(17.288)	(46)	92	139
Short-term exposure	(12.992)	353	(75)	1.871	3.583	(17.288)	(46)	92	139

The table below represents the sensitivity of the result and equity in relation to assets and liabilities at the exchange rate €/ \$, €/SYP, €/GBP, €/RON as well as €/TRL.

Assuming that the said exchange rates deviate by 5% (in 2010:5%), the effect in result and equity is as follows:

Increase by 5% :

Amounts in thousands €	2011					2010			
	USD	SYP	GBP	RON	TRL	USD	GBP	RON	TRL
Earnings before tax	(650)	18	(4)	94	179	(747)	(2)	4	7
Equity	(520)	14	(3)	75	143	(568)	(2)	3	5

Decrease by 5% :

<i>Amounts in thousands €</i>	2011					2010			
	USD	SYP	GBP	RON	TRL	USD	GBP	RON	TRL
Earnings before tax									
Equity	650	(18)	4	(94)	(179)	747	2	(4)	(7)
	520	(14)	3	(75)	(143)	568	2	(3)	(5)

In order to minimize the exchange currency risk that occurs mainly by trading with countries outside the European union (mostly US \$), the treasury department of the Group enters into currency swaps on the behalf of each company, when is necessary.

Price Risk

The Group is exposed to the price fluctuation of raw materials and the stocks belonging to its portfolio as a financial instrument available for sale.

Price risk regarding financial instruments available for sale is considered limited since the stocks represent a minimal part of the total Group Assets.

40.3 Credit Risk

The credit risk of the Group mainly consists from the customer's inability to pay in time partially or in total his liabilities. The Group's turnover mainly comes from transactions with public institutions and also with foreign companies of low risk rating. As a result, the credit risk is minimal. According to the above the Credit risk of the Group is estimated to be minimum.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group. Group policy is to deal only with creditworthy counterparties.

Group management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality. None of Group's financial assets are secured by collateral or other credit enhancements.

It is also mentioned that the company is exposed to credit risk, through security for debts provided to third parties.

There is a concentration of credit risk from clients, since a significant percentage of the consolidated turnover is formed by only a few clients. This credit risk is counterbalanced by the high credit ratings of those clients.

40.4 Liquidity Risk

The liquidity risk is kept at a low level, having sufficient cash equivalents and negotiable securities. In addition to this, there exist unused credit lines from financial institutions.

The Group is managing its cash requirements, due to close overview of its borrowings and daily payments.

A potential cash flow risk lies with the good execution and procurement of the projects, since there might be a cash elimination due to non-conformity to the terms and conditions of the contracts.

Good execution and procurement risk

The Group, due to its long term experience, its severe selection of collaborators and suppliers and their close surveillance by the Quality Assurance Division, is not exposed to great risks concerning the projects' good execution and procurement. In addition, there is extra guarantee against co-suppliers in the form of bank assurance (performance, supply materials, etc.).The maturity of the financial liabilities as of 31/12/2011, for the Group and Company, are as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2011	METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	900	-	900
Short Term Loans	2,150	12,000	-	-	14,150
Leasing liabilities	-	-	-	-	-
Trade and other payables	215,488	115,465	65,482	-	396,435
Other payables	5,485	1,899	189	-	7,573
Total	223,124	129,364	66,571	-	419,058

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2010	METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	2,179	-	-	-	2,179
Leasing liabilities	-	-	-	-	-
Trade and other payables	279,060	81,843	69,432	-	430,334
Other payables	29,564	25,438	189	-	55,190
Total	310,802	107,281	69,621	-	487,704

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2011	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	12,000	-	-	12,000
Leasing liabilities	-	-	-	-	-
Trade and other payables	197,756	110,276	64,979	-	373,012
Other payables	2,156	1,300	-	-	3,456
Total	199,912	123,576	64,979	-	388,468

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2010	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	175,836	75,172	72,010	-	323,019
Other payables	21,269	23,265	-	-	44,534
Total	197,106	98,437	72,010	-	367,553

It should be noted that the above table does not include liabilities to clients arising from the execution of technical projects, since the maturity of this amount cannot be calculated.

40.5 Cash Flow Risk and fair value risk due to changes in Interest Rate

The operating income and cash flow of Group is essentially independent from changes at prices of interest rate. The Group does not possess short-term and long term debt, nor significant interest investment.

Group's borrowing in 31 December 2011 is € 14.150 th. and concerns short-term borrowing. (See note 25, for further information).

The following table illustrates the sensitivity of net result for the year and Group's equity to a reasonable possible change in interest rate by + 3% or – 3% (2010: +/- 3%). These changes are considered to be reasonably possible based on observation of current market conditions.

Amounts in thousands €	31/12/2011		31/12/2010	
	3%	-3%	3%	-3%
Earnings before tax	(346)	346	(514)	514
Equity	(277)	277	(391)	391

The Group's risk from changes in Group securities is considered immaterial.

40.6 Summary of financial assets and liabilities by category

The analysis of financial assets and liabilities by category is as follows:

	METKA		METKA S.A.	
	2011	2010	2011	2010
(Amounts in thousands €)				
Non current assets				
Financial Assets Available for Sale	32	373	23	123
Other Long-term Receivables	8,405	4,113	4,872	3,901
Total	8,437	4,486	4,896	4,024
Current assets				
Financial assets at fair value through profit or loss	156	613	-	-
Trade and other receivables	493,054	655,825	456,562	517,161
Cash and cash equivalents	167,948	68,271	131,165	28,470
Total	661,158	724,709	587,727	545,632
Non-Current Liabilities				
Long-term debt	900	-	-	-
Other long-term liabilities	65,671	69,621	64,979	72,010
Total	66,571	69,621	64,979	72,010
Current Liabilities				
Short-term debt	14,150	2,179	12,000	-
Trade and other payables	335,385	432,393	310,516	318,429
Total	349,535	434,572	322,516	318,429

Fair Value Chain

The Group adapted the amended IFRS 7 "Financial instruments: Disclosures". The reviewed text requires further disclosures concerning the fair value of the financial instruments and the liquidity risk. Specifically, in accordance with this amendment, the funds of each type of financial instruments of the balance sheet, valued at the fair value, for disclosure reasons, should be registered at the following three levels, depending on their data quality used for the evaluation of the fair value:

- Level 1: the active market prices (without adjustments)

- Level 2: the data that are directly or indirectly observable and concern the evaluated figures (at this category are not included the figures of the level 1)
 - Level 3: data that arouse from the evaluations of the company as there are no observable data in the market
- The financial instruments of the Group and the Company, valued at the fair value, are registered at the following three levels:

(Amounts in thousands €)	METKA			
	Total	Level 1	Level 2	Level 3
	31/12/ 2011			
Financial assets at fair value				
Financial Assets Available for Sale	32	-	32	-
Financial assets at fair value through profit or loss	143	143	-	-

(Amounts in thousands €)	METKA S.A.			
	Total	Level 1	Level 2	Level 3
	31/12/ 2011			
Financial assets at fair value				
Financial Assets Available for Sale	23	-	23	-

40.7 Capital management policies and procedures

Group's capital management objectives are to ensure its ability to continue as a going –concern. This is achieved through the assuring of preserving borrowing ability. Furthermore, other objective is to provide an adequate return to the shareholders and the achievement of its contractual obligations.

The Group monitors capital on a basis of net debt to equity. The ratio for the years 2010 and 2009 is as follows:

amounts in thousands €	METKA		METKA SA	
	2011	2010	2011	2010
Total Equity	339.076	250.408	290.159	210.512
Minus : Cash and cash equivelants	-167.948	-68.271	-131.165	-28.470
Net Debt	171.128	182.137	158.994	182.042
Total Equity	339.076	250.408	290.159	210.512
Plus : Bank Dept	15.050	2.179	12.000	0
Total Occupied Capital	354.126	252.587	302.159	210.512
Net Debt over Total Equity	5/10	7/10	5/10	9/10

Group policy is to keep borrowing at a low level. Furthermore, Group policy is to borrow only when it is necessary and for short-term.

The above ratio analysis shows the achievement of management goals as far as the capital management is concerned.

41. Subsequent events

Apart from the events mentioned above, there are no other significant events taking place after 2011.

Athens, the 26th of March 2012

CHAIRMAN AND MANAGING
DIRECTOR of the Board of
Directors

THE MEMBER OF THE
BOARD

THE FINANCIAL
DIRECTOR

THE CHIEF
ACCOUNTANT

IOANNIS G.
MYTILINEOS

FILIPPOS E.
ZOTOS

SPYRIDON S.
PETRATOS

STYLIANOS A.
PALIKARAS

I.D. No AE044243/2007

I.D. No Π065848/1991

I.D. No AB263393/2006

I.D. No P013869/1992

E. Figures and Information

METKA
METAL CONSTRUCTIONS OF GREECE S.A.

Company's number in the register of Societes Anonymes: 10357/06/B/86/113
8 Artemidos Str., 151 25 Maroussi
www.metka.gr
Financial data and information for the period from 1st January 2011 until 31st December 2011
(Conforming to CL 2190, article 135, for companies issuing annual financial statements, consolidated or not, according to the IAS)

The financial data and information presented below aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries. We advise the reader, before making any investment decision or other transaction concerning the company, to visit the company's web site where the financial statements together with the Auditor's Report, are presented.

GENERAL INFORMATION FOR THE COMPANY

Relevant Authority - Prefecture:
Company's web address:
Board of Directors:

Ministry of Finance, Competitiveness & Shipping, General Secretariat of Commerce, Directorate of Joint-stock companies & Credit

IOANNIS MYTILINEOS - PRESIDENT & MANAGING DIRECTOR, GEORGE PALLAS - VICE PRESIDENT NON-EXECUTIVE MEMBER,
GEORGIOS ECONOMOU, FILIPPOS ZOTOS, PANAYIOTIS GARDELINOS, NIKOLAOS BAKIRTZOULOU-INDEPENDENT NON-EXECUTIVE MEMBER,
IOSIF AVAGIANOS-INDEPENDENT NON-EXECUTIVE MEMBER

Date of approval of the Financial Statements:
Name of the auditor:
Auditing firm:
Audit Report Type:

MARCH 26, 2012
Basilis Kazas (A.M. SOEL : 13281) - Pavlos L. Stelakis (A.M. SOEL:24941)
GRANT THORNTON (A.M. SOEL 127)
Unqualified

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/11	31/12/10	31/12/11	31/12/10
ASSETS				
Self used fixed assets	59.374	58.634	37.337	38.821
Intangible assets	52	77	22	22
Other non current assets	13.806	8.488	22.017	39.802
Inventories	45.541	11.253	44.432	10.049
Trade receivables	456.587	604.356	423.779	457.706
Other current assets	211.573	124.391	173.548	92.205
TOTAL ASSETS	788.859	807.898	688.135	688.683
EQUITY & LIABILITIES				
Share Capital	16.624	16.624	16.624	16.624
Other Shareholders' Equity	305.237	216.662	273.535	193.886
Total Shareholders' Equity (a)	321.861	233.287	290.159	210.512
Minority interests (b)	17.215	17.121	—	—
Total Equity (c)=(a)+(b)	339.076	250.408	290.159	210.512
Provisions and other long-term liabilities	95.369	81.962	84.488	75.985
Short-term borrowings	14.150	2.179	12.000	—
Other short-term liabilities	338.344	473.150	311.488	352.185
Total liabilities (d)	447.863	557.291	407.876	428.170
TOTAL EQUITY AND LIABILITIES (c)+(d)	788.859	807.898	688.135	688.683

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/11	31/12/10	31/12/11	31/12/10
Equity at the beginning of the period (01/01/2011 & 01/01/2010 respectively)	250.408	173.269	210.512	151.032
Total comprehensive income for the period after taxes	114.804	88.794	110.417	69.870
Dividends paid	(26.136)	(11.655)	(24.936)	(10.390)
Change due to absorption of subsidiary	—	—	(5.833)	—
Equity at the end of the period (31.12.2011 and 31.12.2010 respectively)	339.076	250.408	290.159	210.512

ADDITIONAL DATA AND INFORMATION

- Group companies that are included in the consolidated financial statements with their respective domicile and percentage of ownership as well as the consolidation method in the consolidated financial statements of 2011 are presented in note 5 of the interim financial statements. The company concluded the merger through absorption of subsidiary RODAX S.A. (100% stake) on 29/12/2011. The merger was effected in line with the provisions of CL 2190/1500 and law 2166/1993 with a Transformation Balance Sheet dated 30.06.2011 and approval date by the Ministry of Development 29/12/2011 further to a relevant decision nr K2-10314/29-12-2011. The company METAL CONSTRUCTIONS OF GREECE S.A. founded on July 22 2011, jointly with MYTILINEOS S.A. and its subsidiaries PROTERRIA S.A. and ALUMINIUM S.A. the company MYTILINEOS FINANCIAL PARTNERS SA with a share capital of € 2 million. METKA S.A. participates with a 25% stake and was integrated for the first time in the financial statements on 30/9/2011. On 21/11/2011 the company acquired METKA OVERSEAS LTD based on Nicosia of Cyprus. The acquisition price was € 1 th. The integration of the above companies to the consolidated financial statements of METKA Group resulted to a change of no more than 25% in the turnover, the profits after taxes and minority interests, and the shareholders' equity.
- The consolidated financial statements of METKA Group are incorporated in the consolidated financial statements of MYTILINEOS Group S.A., that is based in Greece and owns 56,193% of METKA (method of full consolidation).
- In the above Financial Statements, the Group adopted the basic accounting principles, which were applied for issuing the financial statements of FY 2010. There are no adjustments in the accounting principles and forecasts compared to the previous year.
- There are no encumbrances to the company's and Group's assets.
- There are no outstanding litigation or any court or arbitration decision, which could have a significant impact on the financial standing or operation of the Company and the Group. The litigation provision balance as of 31.12.2011 amount to € 1.429 th. for the Group and € 537 th. for the Company. Other provisions balance as of 31.12.2011 amount to € 3.596 th. for the Group and € 1.530 th. for the Company. The tax provision balance for fiscal years unaudited by tax authorities as of 31.12.2011 amounts to € 1.430 th. for the Group € 1.180 th. for the Company.
- The tax unaudited fiscal years of the Company and the Group are presented in detail in note 39.2 of the annual financial statements of the Group.
- The number of employees at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31/12/11	31/12/10	31/12/11	31/12/10
FULL TIME EMPLOYEES	397	328	261	179
DAILY - WAGE EMPLOYEES	129	209	55	57
	526	537	316	236

- Investments in tangible and intangible fixed assets for the financial year 2011 amounted to € 6.672 th. for the Group and € 1.780 th. for the Company.
- The earnings per share were calculated according to the earnings after tax and minorities on the weighted average number of shares of the parent company.
- Intercompany transactions for the period from January 1, 2011 to December 31, 2011 according to I.A.S. 24 are as follows:

Amounts in 000's Euro	THE GROUP		THE COMPANY	
	31/12/11	31/12/10	31/12/11	31/12/10
a) Income	77.943	66.218	—	—
b) Expenses	29.304	80.094	—	—
c) Receivables	137.517	142.090	—	—
d) Liabilities	22.170	26.577	—	—
e) Transaction and remuneration with top management and BoD members	4.255	3.147	—	—
f) Payables to top management and BoD members	94	40	—	—
g) Receivables from top management and BoD members	17	—	—	—
11. Consolidated total income after taxes is related to foreign exchange differences (€ 1.528 th.) from the consolidation of foreign entities.				
12. At the end of the current year the mother company or subsidiaries entities do not possess shares of the mother company.				
13. There has been no discontinuance of operations of the Company or of the Group.				
14. Any differences in totals are due to roundings.				

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/11	1/1-31/12/10	1/1-31/12/11	1/1-31/12/10
Sales Turnover	1.003.700	613.704	815.120	489.805
Gross Profit / (loss)	186.397	159.785	171.938	121.119
Profit (loss) before taxes, borrowings and investments results	156.601	128.954	149.167	96.524
Profit before taxes	148.770	125.377	138.895	98.255
Less: taxes	32.437	38.233	28.478	28.385
Profit after taxes (A)	116.332	89.144	110.417	69.870
Owners of the parent	115.039	87.044	110.417	69.870
Minority interests	1.293	2.100	—	—
Other comprehensive income after taxes (B)	(1.528)	(350)	—	—
Total comprehensive income for the period after taxes (A) + (B)	114.804	88.794	110.417	69.870
Owners of the parent	113.511	86.694	110.417	69.870
Minority interests	1.293	2.100	—	—
Earnings after taxes per share-basic (in €)	2.2144	1.6755	2.1254	1.3449
Proposed dividend	—	—	0.7500	0.4800
Profit before taxes, borrowings, investments and total depreciation	161.527	133.712	152.266	99.715

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/11	1/1-31/12/10	1/1-31/12/11	1/1-31/12/10
Operating Activities				
Profit (loss) before Taxes	148.770	125.377	138.895	98.255
Plus (less) adjustments for:				
Depreciations	4.925	4.757	3.100	3.191
Provisions	105	292	(21)	(404)
Exchange differences	162	583	162	583
Results (reversals, expenses, profit, loss) from Investment Activities	(4.833)	(3.930)	(2.027)	(8.636)
Debit Interest and similar expenses	(1.798)	(1.122)	(1.553)	(556)
Operating profit before changes in working capital	150.927	128.202	141.061	93.546
Plus/less adjustments for changes in working capital or operating activities:				
Decrease / (increase) in Inventories	(34.287)	839	(34.383)	816
Decrease / (increase) in receivables	(18.520)	(278.801)	38.721	(198.395)
Decrease / (increase) in other current assets	(8.304)	(2.060)	(2.221)	(1.473)
Decrease / (increase) in liabilities (excluding loans)	60.063	238.353	(12.517)	154.319
Less:				
Debit Interest and similar expenses	(1.771)	(1.123)	(1.553)	(556)
Tax paid	(30.573)	(33.131)	(24.836)	(30.046)
Net cash flows from operating activities (a)	117.135	52.279	104.873	18.211

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/11	1/1-31/12/10	1/1-31/12/11	1/1-31/12/10
Investing Activities				
Acquisition of subsidiary, associates and other investments, (Less: subsidiary's cash)	(1)	—	(1)	(248)
Sale of investments to subsidiaries (Less: subsidiary's cash)	—	(601)	—	—
Proceeds from the sale of tangible and intangible assets	60	45	47	20
Purchase of tangible and intangible assets	(6.672)	(4.272)	(1.780)	(2.096)
Purchase of affiliates, participation in joint ventures	(125)	(65)	(125)	—
Sale of financial assets available for sale	414	—	85	—
Proceeds from Borrowings to affiliated parties	—	—	22.932	9.000
Proceeds from sale of financial assets at fair value with changes in net results	345	—	—	—
Interest received	1.721	1.141	969	688
Borrowings to/from affiliated parties	—	—	(12.600)	(14.320)
Proceeds from dividends	—	337	800	4.537
Cash from subsidiary absorption	—	—	489	—
Net cash flows from investing activities (b)	(4.258)	(3.415)	10.815	(2.418)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/11	1/1-31/12/10	1/1-31/12/11	1/1-31/12/10
Financing Activities				
Proceeds from Borrowings	22.471	27.547	21.500	27.000
Payments of borrowings	(9.614)	(27.691)	(9.500)	(27.000)
Payments of finance lease Liabilities (capital)	—	(28)	—	—
Dividends paid	(26.092)	(11.409)	(24.892)	(10.405)
Net cash flows from financing activities (c)	(13.235)	(11.581)	(12.892)	(10.405)
Net increase in cash and cash equivalents (a) + (b) + (c)	99.642	37.283	102.796	5.388
Cash and cash equivalents at the beginning of the year	68.271	31.290	28.470	23.082
Effects of exchange rate changes	36	(302)	(101)	—
Cash and cash equivalents at the end of the year	167.948	68.271	131.165	28.470

Maroussi, the 26th of March 2012

THE PRESIDENT OF THE BOARD & MANAGING DIRECTOR
IOANNIS MYTILINEOS
I.D. No: AE04243/2007

THE MEMBER OF THE BOARD
FILIPPOS ZOTOS
I.D. No: Γ 065848/1991

THE FINANCIAL DIRECTOR
SPYRIDON PETRATOS
I.D. No: AB263393/2006

THE CHIEF ACCOUNTANT
STYLIANOS PALIKARAS
I.D. No: P013869/1992

F. Information of the article 10 of the Law 3401/2005

The following Announcements/Disclosures have been sent to the Daily Price Bulletin and are uploaded both in the official web site of Athens Stock Exchange (ASE) www.ase.gr and the company's web site www.metka.gr.

28-12-2011 ANNOUNCEMENT OF TRANSFORMATION
24-11-2011 ANNOUNCEMENT
16-11-2011 Press Release – SALES RECORD FOR FIRST NINE MONTHS OF 2011 ALREADY SURPASSED PREVIOUS YEAR
07-11-2011 Compliance with formalities of article 73 of C.L.2190/1920
07-11-2011 ANNOUNCEMENT OF OTHER IMPORTANT EVENTS (NOT ANTICIPATED IN OTHER CATEGORIES)
04-11-2011 "SUMMARY MERGER AGREEMENT ANNOUNCEMENT FOR A MERGER THROUGH ABSORPTION OF JOINT-STOCK COMPANY RODAX BY JOINT-STOCK COMPANY METKA"
05-10-2011 PRESS RELEASE – METKA ENTERS IRAQ MARKET – Iraq assigns METKA the construction of a power plant
12-09-2011 ANNOUNCEMENT
03-08-2011 PRESS RELEASE – RESULTS FOR THE 1st HALF OF 2011
26-07-2011 ANNOUNCEMENT OF OTHER IMPORTANT EVENTS (NOT ANTICIPATED IN OTHER CATEGORIES)
11-07-2011 METKA S.A.- Announcement: Briefing on the decisions of the Extraordinary General Assembly on July 11 2011
29-06-2011 METKA S.A. – Presentation to the Union of Institutional Investors
28-06-2011 Disclosure of decisions for participation to procedures of merging, division, purchase, acquisition, concession of shares
20-06-2011 Pre-announcement of General Assembly
20-06-2011 Pre-announcement of General Assembly
20-06-2011 Pre-announcement of General Assembly
15-06-2011 METKA S.A. – Announcement of change of annual analyst presentation date in the Union of Institutional Investors
18-05-2011 METKA S.A. – PRESS RELEASE – 62% TURNOVER INCREASE Exports are the workhorse
12-05-2011 General Assembly Decisions
12-05-2011 General Assembly Decisions
27-04-2011 Correction of final date of minority right exertion
19-04-2011 METKA S.A. – Disclosure of Regulated Information
18-04-2011 METKA S.A. – CALL OF THE SHAREHOLDERS TO A REGULAR GENERAL ASSEMBLY
23-03-2011 METKA S.A. – PRESENTATION OF ANNUAL FINANCIAL RESULTS 2010 TO ANALYSTS
22-03-2011 METKA S.A. – PRESS RELEASE – RESULTS OF FY 2010 – STRONG FIGURE GROWTH – Turnover of €1 billion for MYTILINEOS and €614 million for METKA
01-02-2011 METKA S.A. – FINANCIAL CALENDAR FOR 2011 (*)
21-01-2011 General Assembly Decisions
21-01-2011 General Assembly Decisions
14-01-2011 DISCLOSURE OF TRANSACTIONS
13-01-2011 METKA S.A. – Announcement of Regulated Information L.3556/2007
11-01-2011 DISCLOSURE OF TRANSACTIONS
11-01-2011 METKA S.A. - Announcement of Regulated Information L.3556/2007
05-01-2011 Pre-announcement of General Assembly
05-01-2011 Pre-announcement of General Assembly

G. Availability of Financial Statements (WEBSITE)

The Annual Financial Statements of the Group and the Company as well as the financial statements of the companies that are consolidated, the auditor's report and the report of the Board of Directors for the year ending December 31st 2011 have been posted on the web site of the company www.metka.gr.