METKA

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 2012

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 2012 to 31 December 2012, 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 2013

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, 2012, 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, 2012, 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 2013

The Certified Public Accountant - Auditor

Vassilis C. Kazas	Pavlos Stellakis
SOEL Reg. No 13281	SOEL Reg. No 24941

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Registry Number SOEL 127

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 2012

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 01/01/2012 to 31/12/2012, 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 (01/01/2012 to 31/12/2012), 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 2012 (01/01/2012 – 31/12/2012) 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 2012. 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.

A. Performance and Financial Position for 2012 – Quality Information and Estimation for 2013

Financial Information

In 2012 economic recession in Greece continued for a fifth consecutive year, adding up to a total GDP loss of nearly 20%. The conditions that prevailed during the first three quarters of the year caused a further deterioration of the economic climate, with a direct negative impact on business activity.

Uncertainty over the country's future in the euro zone remained high during the lengthy negotiations between the Greek government and the troika, escalating in the second quarter of 2012, when two successive elections were held in an extremely tense political and economic environment. Amid rising international distrust, the domestic banking system was left almost completely unable to fund the economy.

It is true that a series of positive developments during the last quarter of the year raised valid expectations for a climate turnaround, signaling the elimination of monetary risk and confirming the political will of both Greece and the EU to secure the country's place in the euro zone. Nevertheless, the road to recovery is still steep and long.

The completion of the Greek banks' recapitalization process is a fundamental step toward restoring stability in the economy. It is not, however, sufficient to restart growth. The improvement of the country's credibility and the return of Greek banks to the international capital markets are necessary prerequisites for the generation of enough liquidity to support the efforts of the private sector. This constitutes a major challenge for the country and its leaders, who will have to build on the favorable sentiment created in the past few months, in order to steer the Greek economy back to sustainable growth, from 2013 onwards.

Throughout the past year, METKA was affected by the consequences of an unstable economic background. The climate of widespread distrust in the country's prospects caused serious obstacles in its international activities, impeding new initiatives. METKA was also faced with serious external challenges, including the escalation of the conflict in Syria.

In spite of these setbacks, however, the Company maintained a consistently positive performance. It managed to overcome adversity, demonstrating a high level of professionalism and tapping into the reliability and reputation built in the previous years.

Adhering to a solid strategy, focused on extroversion and continuous enhancement of the company's international profile, METKA continued to generate the major part of its revenues from projects abroad, while further expanding its export portfolio.
METKA's resilience in a challenging domestic and international environment is clearly reflected in the economic results of 2012.

Prospects for 2013

For the Greek economy, 2013 is expected to be a pivotal year. Recession, having entered its sixth consecutive year, is expected to persist, albeit at a receding rate. However, after three years of continuous deterioration of the economic climate, a realistic prospect of recovery is now visible. The aim of bringing the national GDP growth rate back into a positive territory seems more attainable, provided that liquidity and credit facilities are restored to the economy and the necessary structural reforms for the improvement of the business environment are implemented.
For METKA 2013 will be another year of important challenges.
Based on its advanced expertise, experience and international competitiveness, METKA will remain strategically focused on strengthening its presence in developing markets abroad. At the same time, the company will pursue its positioning in new areas, characterized by a fast – growing demand for energy infrastructure projects.

The financial results for 2012 reflect both the impact of the adverse conditions and METKA's resistance.

More specifically, the Group's turnover for 2012 reached € 547,5 million compared to last year's € 1.003,7 million, while the Company's turnover for the same period mounted to € 327,9 compared to last year's € 815,1.

The circumstances in 2011 led to impressive results which however couldn't be retained given the situation in 2012, as the management had timely anticipated.

The main factors which contributed to the Group's above course 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 € 141,26 million.

b) The continuation of the project "CONSTRUCTION OF A POWER PLANT STATION OF 775 MW" in Denizli, Turkey, with a contractual value of € 479 million which in the period under review recorded a turnover of € 116,78 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 € 65,79 million.

and
d) The «Engineering, procurement, construction, and commissioning of an ALSTOM GT 13E2 gas-turbine, of 146 MW» in Jordan, with a contractual value of $ 100 million and 2 million JOD, which recorded a turnover of € 42,15 million.

The Group's and the company's gross profit margin reached 20,7 % and 23,5% respectively, while the EBITDA (earnings before interest, taxes depreciation and amortization) of the Group were € 92,7 million (16,93%). Accordingly the Company's EBITDA amounted € 56,1 million (17,11%).

The Group's net earnings after taxes and non-controlling stakes amounted to € 70,05 million, and Company's amounted to € 36,04 million.

The Group's net cash at hand at the end of FY 2012 reached € 48,89 million, which despite the negative economic climate was retained to a satisfactory level.

The financial position of the Group on December 31, 2012 continues to be satisfying and reflects its economic stability and its future perspectives. The total equity in December 31, 2012 amounted to € 370 million in comparison to the € 339 million of December 31 2011, demonstrating an increase by 9%.

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.

Index	2012	2011	2010
ROCE	20%	42%	50%
ROE	19%	34%	36%
EVA	76.130 th.	133.108 th.	100.327 th.

The mean yield values of the Greek State Bonds during December 2012 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 2,71%. If the Greek bond index (11,86%) had been used for the estimation of the EVA index, the result would be € 18.262 th. for FY 2012 and € 113.453 th. For FY 2011.

B. Significant events of the year 2012

I. Projects continued in year 2012

A) EPC Projects

1. Power Plant Station 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 75% 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 first half of 2014.

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 €479 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 90% of completion and commercial operation of the unit is anticipated for mid-2013.

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 96% completion and its commercial operation is anticipated for the first-half of 2013.

4. Combined cycle power project in Korinthos

The project was completed within the time schedule. Its commercial operation started in April 2012.

5. SES Aliveri, PPC project

Construction was completed within 2012 but commissioning was postponed due to lack of a natural gas supply. This was arranged in November 2012 and the works re-started. Completion is anticipated in the first half of 2013.

6. Combined cycle project in Brazi, Ρουμανία

Provisional acceptance by the client was effected in July 30, 2012.

7. Electrostatic Precipitators for SES Ag. Dimitrios

Final acceptance of the filters for units III and IV has been completed. A contractual supplement of value 1.350.000€ is was signed for the compensation of various issues, while the rest of the claims and backlogs of the final acceptance protocols were referred to a conciliation committee and were settled by offsetting the requirements of both parties.

8. 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 and PPC's reservoir filling program. The electromechanical erection has almost been completed. According to the new timetable, the works are expected to be completed in the first-half of 2014.

9. 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 € 687 million paid through a Letter of Credit which already has been opened in our company's name and confirmed in April 2012. Engineering and ordering works are in progress but works in site hasn't yet commenced due to significant tension in the area of Deir Azzour.

10. 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 which was effected in May 2012.

11. 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 in November 2011, 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 was executed rapidly (fast track) and was completed in 2012.

Summarizing

The participation of the EPC Projects in the 2012 sales turnover amounts to € 481 mill. which corresponds to a 87,9%.

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 March, 2013. Until December 2012, 47 semi-trailers & 37 Launcher mechanics have been delivered to the United Arab Emirates, as well as 15 semi-trailer & 6 Launcher mechanics for TAIWAN.

Summarizing

The contribution of Defense projects to the 2012 turnover amounted to € 13,2 million corresponding to 2,4% of the total turnover.

Other Projects

In addition to the aforementioned projects, during 2012 the Group completed various infrastructure projects and the corresponding turnover that has been acknowledged in the Income Statement for the financial year 2012 was € 52,8 million representing 9,7% of the total turnover.

II. New projects assigned to the Company in 2012

Power Plant Construction of 143 MW in Jordan

With the 16/12/2012 contract, METKA undertook on behalf of Samra Electric Power Co. (SEPCO) the expansion of an existing power station in Jordan, following a successful completion of the relevant tender.

The project in Zarqa, near the capital Amman, concerns the engineering, procurement, construction and commissioning of a 143MW expansion to an existing power plant, by the addition of a combined cycle plant, of Alstom technology, to the existing open cycle gas turbines.
The total contract value is US $143 million and Jordanian Dinars 11 million. The project will be carried out within 28 months after the contract is signed and credit is opened.

Engineering, procurement, construction, and commissioning of an Alstom GT13E2 gas turbine and related auxiliaries, with output of 146MW in Jordan

In a consortium with its 100% subsidiary Power Projects Ltd, which is based in Turkey, METKA also undertook a second project in Jordan. The contract was signed on the 18th of October 2012 with Samra Electric Power Co. (SEPCO) and concerns the engineering, procurement, construction and commissioning of an Alstom GT13E2 gas turbine and related auxiliaries, with output of 146MW at site conditions, in Zarqa.
The total contract value is US $ 101 million and JOD 2 million. The project will be carried out on a fast-track basis in order to provide electricity to the network until the end of June 2013.

This second project enables the company to further strengthen its presence in Jordan which thus becomes a market of strategic importance.

Patriot defense systems construction

It is the third contract for defense systems' export which METKA undertakes. The systems are destined for the government of TAIWAN.

The contracting party is INTRACOM Defence Electronics under the agreement with the Raytheon Company and the project's main features are the manufacture of 42 semi-trailers and 39 launcher mechanics.

The total contract price is $36,5 million and is expected to be completed until July 2014.
With this new contract for Patriot semi-trailers and launcher mechanics, METKA proves again the capability and know-how of the Volos factory, which produces high-value products for technologically demanding, international markets. Over 95% of the products produced in the company's industrial facilities in Volos are destined for export.

Construction of 24 gas turbines for power production totaling 481,7 MW in Algeria

METKA's 100% subsidiary Power Projects Sanayi İnşaat Ticaret Limited Şirketi (Power Projects Limited), in a consortium with General Electric, signed on 20/12/2012 a contract with Société Algérienne de Production de l'Electricité (SPE Spa). SPE belongs to Sonelgaz Group, the biggest electric power supplier in Algeria.

The project concerns engineering, procurement, construction, and commissioning of 24 gas turbines for electric power, totaling 481,7 MW in local conditions. METKA's part includes engineering, procurement, construction and commissioning of 24 mobile Balance of Plant systems, to be installed in 2 sites in Algeria.

The total contract value for Power Projects Limited is $211 million and DZD 72 million.

The project shall proceed on a fast-track basis, aiming to start its commercial operation in the first half of 2013.

It is the second big project which METKA undertakes in Algeria, through 100% subsidiary Power Projects ,proving the company's commitment to further enter in one of the most important and developing markets of the region.

III. Other important events in 2012

- **Decisions of the Regular General Assembly of 08/5/2012**

The annual Regular General Assembly of the company's shareholders took place on May 8 2012, and the following decisions, among others, were taken:

a) Approval of the separate and consolidated financial statements for the period 01/01-31/12/2011.

b) Distribution of a dividend € 0,7500 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.

C. Important events after 2012

There are no important events from the end of 2012 until today.

D. Perspectives for the year 2013

2013 is expected to be a turning point for the Greek economy. Although milder, recession shall persist for a sixth year. However, after three years of continuous aggravation of the economy, today one can discern a realistic recovery perspective. The aim of returning to positive GNP changes seems more attainable, provided that funding from the banking system shall return to normal and brave policies shall be applied so as to form a more favorable business environment.

For METKA, 2013 shall be one more year of significant challenges.

Apart from a smooth execution of the existing contracts, METKA's priority is to strengthen its presence in the international market.

Armed with high specialization, experience, and international competitiveness, the company shall continue to apply consistently its strategy for further strengthening its presence to the growing markets abroad. At the same time, METKA shall attempt to penetrate into new regions with a dynamic increase in demand for energy projects (North Africa, Turkey, Middle East).

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 exposed to exchange rate risk due to transactions with customers and suppliers in foreign currency, the majority of which are in USD. Contracts in USD are the Iraq project as well as the new projects in Jordan and Algeria.

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

	2012								2011				
Amounts in thousands €													
Nominal Amounts	**USD**	**SYP**	**GBP**	**RON**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**RON**	**TRL**
Financial Assets	63.803	4.307	16	1.073	872	104	30	0	1.630	1.599	1	1.871	3.635
Financilal Liabilities	(61.754)	(430)	(73)	0	(3.724)	0	0	-40	(14.623)	(1.246)	(76)	-	(52)
Total	**2.048**	**3.878**	**(57)**	**1.073**	**(2.852)**	**104**	**30**	**(40)**	**(12.993)**	**353**	**(75)**	**1.871**	**3.583**
Short-term exposure	2.048	3.878	(57)	1.073	(2.852)	104	30	(40)	(12.993)	353	(75)	1.871	3.583

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, EUR/DZD , EUR/JOD end EUR/IQD. The table was prepared based on the scenario that there is a fluctuation at 31 December 2012 of the above exchange rates by 5% (2011: 5%). The effect on result and equity is as follows:

	2012								2011				
Amounts in thousands €													
	USD	**SYP**	**GBP**	**RON**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**RON**	**TRL**
Earnings before tax	102	194	(3)	54	(143)	5	2	-2	(650)	18	(4)	94	179
Equity	82	155	(2)	45	(114)	4	1	(2)	(520)	14	(3)	75	143

	2012								2011				
Amounts in thousands €													
Earnings before tax	**USD**	**SYP**	**GBP**	**RON**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**RON**	**TRL**
Equity	(102)	(194)	3	(54)	143	(5)	(2)	2	650	18	4	(94)	(179)
	(82)	(155)	2	(45)	114	(4)	(1)	2	520	14	3	(75)	(143)

In order control the exchange rate risk resulting from transactions with non-EU countries (mainly in US $), the department of fund management signs currency pre-purchase contracts on behalf of the separate Group companies when this is deemed necessary.

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. 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 2012 the total borrowing of the Group relates to short-term borrowing in Euros. (Analytical table of short-term borrowing is in paragraph 25). 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 €	**31/12/2012**		**31/12/2011**	
	3%	**-3%**	**3%**	**-3%**
Earnings before tax	(1.187)	1.187	(346)	346
Equity	(950)	950	(277)	277

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 €) 2012	METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	1,086	1,629	2,716
Short Term Loans	2,307	46,129	-	-	48,436
Leasing liabilities	-	-	-	-	-
Trade and other payables	92,111	115,600	76,812	-	284,523
Other payables	6,134	4,221	189	-	10,544
Total	100,552	165,949	78,087	1,629	346,218

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 €) 2012	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	-	45,970	-	-	45,970
Leasing liabilities	-	-	-	-	-
Trade and other payables	74,605	110,747	76,812	-	262,165
Other payables	3,258	9,594	-	-	12,852
Total	77,863	166,312	76,812	-	320,987

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

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 with assured funding and confirmed credit. Nevertheless, the postponement of works for a certain period, the necessity for extremely high safety measures, our extended presence in the Project, the increased freight and insurance charges, and the extraordinary, in general, conditions under which the Project continues today, have increased significantly the cost although not to a degree which hinders its continuation, expecting of course a compensation from the client for all proven over-expenses which are imposed to us for reasons outside our responsibility.

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 2013, proposes the distribution of a dividend equal to € 0,25 share, as against € 0,75/share in 2011. 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	MAROUSSI, ATTIKIS	83,50	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity
Drosco Holdings Limited	CYPRUS	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	Direct	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 2012. 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 2012 are as follows:

Amounts of closing period 2012

Amounts in thousands euro

	Sales of goods and services	Purchases of goods and services	Receivables	Payables
Subsidiary				
POWER PROJECT	-	-	-	8.909
ELEMKA S.A.	-	8.273	-	1.270
AFFILIATED				
PROTERGIA S.A.	14.466	-	97.886	-
MYTILINEOΣ HOLDINGS	-	6.008	-	-
KORINTHOΣ POWER	3.188	-	27.796	-
MYTILINEOS FINANCIAL PARTNERS	3.332	-	33.345	-
TATOI CLUB T.C. LIMITED	3.670	-	4.404	-
AMIOXA S.A.	-	2.450	-	-

Clarifications concerning the above transactions:
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 2013. 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, 2012, are presented in the table below.

Name	Percentage
ΜΥΤΙΛΗΝΑΙΟΣ ΑΕ – ΟΜΙΛΟ Σ ΕΠΙΧΕΙΡΗΣΕΩΝ	**56,193%**

KAS DEPOSITORY TRUST COMPANY (NETHERLANDS)	**5,91%**

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) and c) 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 lease 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 € 916.290 on 31.12.2012 for the company (and € 1.207.519 at Group level). From the above amount, € 62.662 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. 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.

iii. 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.

iv. 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.

v. The Remuneration Committee hasn't yet been established since it is not considered necessary given the company's structure and operation. Our intention is, however, to establish such a committee in order to conform with article 1.6 part C of the SEV code.

vi. The head of the Auditing Committee is not an independent non-executive member but simply a non-executive member. Given that the composition of the Auditing Committee does not violate the provisions of law 3693/25.08.2008, our company does not intend to reform the Auditing Committee before the end of its mandate.

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 o 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 (1/5) 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 2012 fifty-four (54) 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)	54	54	-
George Pallas, son of Nikolaos (Vice-president)	54	54	-
George Economou, son of Alexandros (Executive member)	54	54	-
Filippos Zotos, son of Evangelos (Executive member)	54	54	-
Panayiotis Gardelinos, son of Antonios (Executive member)	54	54	

			-
Nikolaos Bakirtzoglou, son of Haralambos (Non-executive independent member)	54	54	-
Iosif Avagianos, son of Andreas (Non-executive independent member)	54	54	-

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 2012:

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.

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 2012 are shown in the following table:

MEETING DATE	AGENDA
21/02/2012	Briefing and filing the report for the audits during the fourth trimester of 2011
19/04/2012	Briefing and filing the report for the audits during the first trimester of 2012
10/07/2012	Briefing and filing the report for the audits during the second trimester of 2012
8/11/2012	Briefing and filing the report for audits during the third trimester of 2012

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 8.05.12, its service lasts for four years, and may be extended until the first General Assembly following its termination. It consists of four executive, three non-executive members, two of which are independent non-executive members.

3.7 The executive members of the BoD apart from their work in the Company may all be professionally active in their specific areas of expertise provided that this does not create an interest conflict with the company. Otherwise, an approval is needed by the General Assembly of the shareholders.

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 2011 and 2012, 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 1.1.2012 -31.12.2012 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 Helenic Technical Chamber. Works in the company sicne 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 BAKIRTZOGLOU, 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	MAROUSSI, ATTIKIS	83,50	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity

Drosco Holdings Limited	CYPRUS	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	Direct	The participation percentage
Joint Venture METKA – TERNA	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

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 2013

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 26/03/2013 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 €)	Note	METKA 1/1-31/12/2012	METKA 1/1-31/12/2011	METKA S.A. 1/1-31/12/2012	METKA S.A. 1/1-31/12/2011
Sales	28	547,549	1,003,700	327,915	815,120
Cost of sales	29	(434,210)	(817,303)	(250,773)	(643,182)
Gross profit		**113,339**	**186,397**	**77,143**	**171,938**
Other operating income	31	4,670	703	2,071	552
Distribution expenses	29	(1,862)	(1,804)	(1,301)	(845)
Administrative expenses	29	(19,934)	(19,635)	(17,037)	(15,501)
Other operating expenses	31	(8,201)	(9,188)	(7,971)	(7,070)
Operating Profit		**88,013**	**156,473**	**52,904**	**149,074**
Financial income	32	5,291	2,943	4,120	2,191
Financial expenses	32	(12,617)	(13,568)	(11,033)	(13,211)
Other financial results	33	2,894	276	520	841
Share of profit of associates		835	2,646	-	-
Profit before income tax		**84,415**	**148,770**	**46,511**	**138,895**
Income tax expense	34	(13,529)	(32,437)	(10,472)	(28,478)
Profit for the period		**70,887**	**116,332**	**36,039**	**110,417**
Profit for the period		**70,887**	**116,332**	**36,039**	**110,417**
Attributable to:					
Equity holders of the parent		*70,053*	*115,039*	*36,039*	*110,417*
Non controlling Interests		*834*	*1,293*	-	-
Basic earnings per share		*1.3485*	*2.2144*	*0.6937*	*2.1254*

Statement of Comprehensive Income

(Amounts in thousands €)	METKA 31/12/2012	METKA 31/12/2011	METKA S.A. 31/12/2012	METKA S.A. 31/12/2011
Other comprehensive income:				
Net profit(loss) for the period	70,887	116,332	36,039	110,417
Exchange differences on translation of foreign operations	(237)	(1,528)	-	-
Total comprehensive income for the period	**70,650**	**114,804**	**36,039**	**110,417**
Total comprehensive income for the period attributable to:				
Equity attributable to parent's shareholders	69,816	113,511	36,039	110,417
Non controlling Interests	834	1,293	-	-

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

Statement of Financial Position

(Amounts in thousands €)	Notes	METKA 31/12/2012	METKA 31/12/2011	METKA S.A. 31/12/2012	METKA S.A. 31/12/2011
Assets					
Non current assets					
Tangible Assets	6	57,541	59,374	36,519	37,337
Goodwill	7	1,831	1,831	-	-
Intangible Assets	8	30	52	13	22
Investments in Subsidiary Companies	9	-	-	16,303	16,303
Investments in Associate Companies	10	2,157	2,855	714	714
Deferred Tax Receivables	11	6,476	682	5,207	105
Financial Assets Available for Sale	12	32	32	23	23
Other Long-term Receivables	13	11,576	8,405	5,195	4,872
		79,644	**73,232**	**63,974**	**59,376**
Current assets					
Total Stock	14	37,358	45,541	36,404	44,432
Trade and other receivables	15	451,996	456,587	394,147	423,779
Other receivables	16	92,227	43,475	73,120	39,383
Financial assets at fair value through profit or loss	17	1,967	156	-	-
Cash and cash equivalents	18	100,045	167,948	75,526	131,165
		683,593	**713,706**	**579,196**	**638,759**
Assets		**763,237**	**786,939**	**643,170**	**698,135**
Liabilities & Equity					
EQUITY					
Share capital	20.1	16,624	16,624	16,624	16,624
Other reserves	20.2	28,485	28,293	23,656	23,656
Translation reserves		(2,107)	(1,870)	-	-
Retained earnings	20.3	309,827	278,814	246,955	249,879
Equity attributable to parent's shareholders		**352,829**	**321,861**	**287,235**	**290,159**
Non controlling Interests		17,154	17,215	-	-
EQUITY		**369,983**	**339,076**	**287,235**	**290,159**
Non-Current Liabilities					
Long-term debt	25	2,716	900	-	-
Deferred tax liability	11	43,949	26,055	32,452	17,398
Liabilities for pension plans	21	1,208	1,313	916	930
Other long-term liabilities	22	77,001	65,671	76,812	64,979
Provisions	27	1,880	1,430	1,580	1,180
Non-Current Liabilities		**126,753**	**95,369**	**111,761**	**84,488**
Current Liabilities					
Trade and other payables	23	207,710	330,953	185,352	308,032
Tax payable	24	4,745	2,952	1,178	972
Short-term debt	25	48,436	14,150	45,970	12,000
Other payables	26	5,604	4,432	11,674	2,484
Current portion of non-current provisions	27	7	7	-	-
Current Liabilities		**266,501**	**352,494**	**244,175**	**323,488**
LIABILITIES		**393,254**	**447,863**	**355,935**	**407,976**
Liabilities & Equity		**763,237**	**786,939**	**643,170**	**698,135**

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

Consolidated Statement of Changes in Equity

(Amounts in thousands €)	Share capital	Other reserves	Translation reserves	METKA Retained earnings	Total	Non controlling Interests	Total
Opening Balance 1st January 2011 according to IFRS -as published-	**16,624**	**28,049**	**(342)**	**188,955**	**233,287**	**17,121**	**250,408**
Change in equity							
Dividends paid	-	-	-	(24,936)	(24,936)	(1,200)	(26,136)
Transfer to reserves	-	244	-	(244)	-	-	-
Transactions with owners	**-**	**244**	**-**	**(25,180)**	**(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**
Opening Balance 1st January 2012 according to IFRS -as published-	**16,624**	**28,293**	**(1,870)**	**278,814**	**321,861**	**17,215**	**339,076**
Change in equity							
Dividends paid	-	-	-	(38,963)	(38,963)	(780)	(39,743)
Transfer to reserves	-	191	-	(77)	114	(114)	-
Transactions with owners	**-**	**191**	**-**	**(39,040)**	**(38,849)**	**(894)**	**(39,743)**
Net profit(loss) for the period	-	-	-	70,053	70,053	834	70,887
Exchange differences on translation of foreign operations	-	-	(237)	-	(237)	-	(237)
Total comprehensive income for the period	**-**	**-**	**(237)**	**70,053**	**69,816**	**834**	**70,650**
Closing Balance 31/12/2012	**16,624**	**28,485**	**(2,107)**	**309,827**	**352,829**	**17,154**	**369,983**

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

Company Statement of Changes in Equity

(Amounts in thousands €)	METKA S.A.			
	Share capital	Other reserves	Retained earnings	Total
Opening Balance 1st January 2011 ,according to IFRS -as published-	**16,624**	**23,656**	**170,232**	**210,512**
Change in equity				
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**
Opening Balance 1st January 2012 ,according to IFRS -as published-	**16,624**	**23,656**	**249,879**	**290,159**
Dividends paid	-	-	(38,963)	(38,963)
Transactions with owners	**-**	**-**	**(38,963)**	**(38,963)**
Net profit(loss) for the period	-	-	36,039	36,039
Total comprehensive income for the period	**-**	**-**	**36,039**	**36,039**
Closing Balance 31/12/2012	**16,624**	**23,656**	**246,955**	**287,235**

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

Cash Flow Statement (Indirect method)

Amounts in thousands €	METKA 12 months until 31 December 2012	METKA 12 months until 31 December 2011	METKA S.A. 12 months until 31 December 2012	METKA S.A. 12 months until 31 December 2011
Operating Activities				
Profit after Tax	**84,415**	**148,770**	**46,511**	**138,895**
Plus (Less) Adjustments:	893	2,157	989	2,766
	85,308	**150,927**	**47,500**	**141,661**
Working Capital changes				
Increase / (Decrease) in Inventories	17,793	(34,287)	17,639	(34,383)
Increase / (Decrease) in Trade and other Receivables	(13,558)	(18,920)	25,184	38,721
Increase / (Decrease) in other current assets	(4,342)	(8,304)	(4,495)	(2,221)
Increase / (Decrease) in Trade and other Payables	(104,666)	60,063	(100,974)	(12,517)
	(104,773)	**(1,448)**	**(62,646)**	**(10,400)**
Cash flow from Operating Activities	**(19,465)**	**149,479**	**(15,145)**	**131,261**
Cash flow from Operating Activities				
Cash flow from operating activities				
Less: Debit interest and similar expenses Paid	(2,252)	(1,771)	(1,851)	(1,553)
Less: Income Taxes Paid	(2,496)	(30,573)	(1,169)	(24,836)
Net cash flow from Operating Activities	**(24,213)**	**117,135**	**(18,166)**	**104,873**
Investing Activities				
Purchases of tangible assets	(2,947)	(6,667)	(2,437)	(1,780)
Purchases of intagible assets	(6)	(5)	-	-
Disposals from sale of tangible assets	141	60	72	47
Proceeds from dividends	-	-	-	800
Borrowings to affiliated companies			(2,900)	(12,600)
Purchase of bonds	(65,300)	-	(54,600)	-
Purchase of finanacial assets at fair value through profit and loss	(6,477)	-	-	-
Acquisition of associates and other invenstments	-	(125)	-	(125)
Acquisition of subsidiaries (less the cash & cash equivalend of the Subsidiary)	-	(1)	-	(1)
Sales of financial assets available for sale	52	413	28	85
Proceeds from bonds	24,079	-	21,255	-
Sales of financial assets at fair value through profit and loss	5,095	345	-	-
Interest received	4,066	1,721	2,989	969
Cash from merge of subsidiary	-	-	-	489
Proceeds from borrowing of affiliated parties	-	-	3,400	22,932
Net cash flow from Invensting Activities	**(41,296)**	**(4,258)**	**(32,193)**	**10,815**
Financing Activities				
Dividends Paid	(39,000)	(26,092)	(38,935)	(24,892)
Proceeds from Borrowings	41,099	22,472	38,970	21,500
Borrowings Paid	(5,000)	(9,614)	(5,000)	(9,500)
Net cash flow from Financing Activities	**(2,901)**	**(13,235)**	**(4,965)**	**(12,892)**
Net increase / decrease in cash and cash equivalents	**(68,411)**	**99,642**	**(55,324)**	**102,796**
Cash and cash equivalents at the beginning of the period	167,948	68,271	131,165	28,470
Foreign currency differences in cash and cash equivelants	508	36	(315)	(101)
Cash and cash equivalents at the end of the period	**100,045**	**167,948**	**75,526**	**131,165**

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 50-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 2012 (which contain comparative data with FY 2011) were approved by the Board of Directors, on the 26th of March 2013. 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., the domicile of which is in Greece, possessed a 56,193 % of METKA on 31/12/2012 and applies the full consolidation method on 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 and Kavala, 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, 2012 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 rounding.

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 2012. In paragraph 4.1.A the standards applying to the Group and adopted since January 1 2012 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 Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2012. The most significant Standards and Interpretations are as follows:

- **Amendments to IFRS 7 "Financial Instruments: Disclosures - Transfer of Financial Assets" (effective for annual periods beginning on or after 01/07/2011)**

The amendment will allow users of Financial Statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. This amendment was approved by the European Union in November 2011.

- **Amendment to IAS 12 "Deferred tax – Recovery of Underlying Assets" (effective for annual periods beginning on or after 01/01/2012)**

The current amendment to IAS 12 "Income Tax" was issued in December 2010. The amendment introduces a practical guidance on the recovery of the carrying amount of assets held at fair value or adjusted in accordance with the requirements of IAS 40 "Investment Property" recovered or acquired within the year. The amendment is effective for annual periods beginning on or after 01/01/2012. Earlier application is permitted. The above amendment has been adopted by the European Union in December 2012.

- **Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 01/07/2011)**

The relevant amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" were issued in December 2010. The amendments replace references to fixed dates for first time adopters of IFRS by defining "IFRS transition date". The amendment removes the use of fixed transition date (01 January 2004) and replaces it with the actual date of transition to IFRS. At the same time, it removes the requirements for derecognition of transactions that had taken place before the scheduled transition date. The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are effective from 01/07/2011. Earlier application is permitted. This amendment has been approved by the European Union in December 2012.

B. New Standards, Interpretations and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income (effective for annual periods starting on or after 01/07/2012)**

In June 2011, the IASB issued the amendment to IAS 1 "Presentation of Financial Statements". The amendments pertain to the way of other comprehensive income items presentation. The Group/Company will assess the impact of the amendment on its consolidated and separate financial statements. The aforementioned amendments are effective for annual periods starting on or after 01/07/2012. The above amendment has been adopted by the European Union in June 2012.

- **IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 01/01/2015)**

On 12/11/2009 IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition and Measurement" which is the first step in IASB project to replace IAS 39. In October 2010, IASB expanded IFRS 9 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Subsequent measurement of financial assets is made either at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 generally prohibits reclassification between categories, however, when an entity changes its business model in a way that is significant to its operations, a re-assessment is required of whether the initial determination remains appropriate. The standard requires all investments in equity instruments to be measured at fair value. However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. Fair value profit and loss is not subsequently carried forward to income statement while dividend income shall still be recognized in the income statement. IFRS 9 abolishes "cost exception" for unquoted equities and derivatives in unquoted shares, while providing guidance on when cost represents fair value estimation. The Group will assess the impact of the amendment on its financial statements. The current Standard has not been adopted by the European Union yet.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2013)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The new standards are effective for annual periods beginning on or after 01/01/2013, while earlier application is permitted. The Group will assess the impact of the amendment on its financial statements. The Standards have been adopted by the European Union in December 2012.

- **IFRS 13 "Fair Value Measurement" (effective for annual periods starting on or after 01/01/2013)**

In May 2011, IASB issued IFRS 13 "Fair Value Measurement". IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. The new Standard is effective for annual periods

starting on or after 01/01/2013, while earlier application is permitted. The Group will assess the impact of the amendment on its financial statements. The above Standard has been adopted by the European Union in December 2012.

- **Amendments to IAS 19 "Employee Benefits" (effective for annual periods starting on or after 01/01/2013)**

In June 2011, the IASB issued the amendment to IAS 19 "Employee Benefits". The amendments aim to improve the issues related to defined benefit plans. The new amendments are effective for annual periods starting on or after 01/01/2013 while earlier application is permitted. The Group will assess the impact of the amendment on its financial statements. The above amendment has been adopted by the European Union in June 2012.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods starting on or after 01/01/2013)**

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The interpretation is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The Group will assess the impact of the amendment on its financial statements. This interpretation has been adopted by the European Union in December 2012.

- **Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods starting on or after 01/01/2014)**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendment is effective for annual periods beginning on or after 01/01/2014 and earlier application is permitted. The Group will assess the impact of the amendment on its financial statements. This amendment has been adopted by the European Union in December 2012.

- **Amendments to IFRS 7 "Financial Instruments: Disclosures" - Offsetting Financial Asserts and Financial Liabilities (effective for annual periods starting on or after 01/01/2013)**

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The amendment is effective for annual periods beginning on or after 01/01/2013. The Group will assess the impact of the amendment on its financial statements. This amendment has been adopted by the European Union in December 2012.

- **Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Government loans (effective for annual periods starting on or after 01/01/2013)**

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan by loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. The Group will assess the impact of the amendment on its financial statements. This amendment has not been adopted by the European Union yet.

- **Annual Improvements 2009–2011 Cycle (issued in May 2012 – the amendments are effective for annual periods starting on or after 01/01/2013)**

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), as its latest set of annual improvements. The Group will assess the impact of the amendment on its financial statements. These amendments have not been adopted by the European Union yet.

- ***Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12)*** **(effective for annual periods starting on or after 01/01/2013)**

In June 2012 IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Group will assess the impact of the amendment on its financial statements. This amendment has not been adopted by the European Union yet.

- *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods starting on or after 01/01/2014)*

  In October 2012 IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective from 1 January 2014 with early adoption permitted. The Group will assess the impact of the amendment on its financial statements. This amendment has not been adopted by the European Union yet.

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), and other third countries (Syria, Turkey, Jordan, 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 own equity of each firm of the Group (apart from the ones that operate in hyper-inflating economies), 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, 2011. 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 compromises 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 by reliably valuated, 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 valuated 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, Syria, Jordan , etc.

In 2012, the Group's income from its activity in countries outside Greece (European Union, Turkey, Syria, Jordan and Other Countries) comprised an 76,52% of its total income and came mainly from Turkey and Syria. Income from European Union in the period 1/1-31/12/ 2012 comes mainly from Romania (same as in the respective period of 2011). Based on those facts, the Group's geographical segments are Greece, European Union, Turkey, Syria ,Jordan and Other Countries. The financial results of 31st December 2012 and 31st December 2011 for the above mentioned geographical segments are presented below:

Amounts in thousands €	Greece	EE countries	Turkey	Syrian Arab Republic	Other Countries	Jordan	Total
01/01 - 31/12/2012							
Revenues from external customers	**128,567**	**15,058**	**183,017**	**146,861**	**31,073**	**42,974**	**547,549**
Intersegment revenues	1,313	420	144	10,113	964	258	**13,211**
Total Sales	**129,879**	**15,478**	**183,161**	**156,974**	**32,037**	**43,231**	**560,760**
Gross Profit	17,886	6,609	39,091	29,316	9,818	10,620	**113,339**
Interest revenues	4,424	25	3,736	-	-		**8,185**
Interest expenses	(4,813)	(548)	(4,084)	(2,150)	(500)	(521)	**(12,617)**
Net Financial profit / loss	(389)	(524)	-348	-2,150	-500	-521	**(4,432)**
Entity's Interest in the Profit of Joint Venture	835	-	-	-			**835**
Profit before tax	13,321	4,922	29,115	21,835	7,312	7,910	**84,415**
Income Tax	(2,135)	(789)	(4,666)	(3,499)	(1,172)	(1,268)	**(13,529)**
Profit after tax	11,187	4,133	24,449	18,335	6,141	6,642	**70,887**
Depreciation / Amortization	4,501	64	115	-	-	-	**4,680**
31/12/2012							
Tangible assets	57,132	186	222	-	-	-	**57,541**
Other non- current assets	15,820	7	6,276	-	-	-	**22,104**
Other assets (less tangible assets)	353,724	11,591	139,742	112,709	31,558	34,270	**683,593**
Total assets	426,676	11,784	146,241	112,709	31,558	34,270	**763,237**
Total liabilities	189,419	4,797	11,376	149,416	34,983	3,264	**393,254**
Additions to non-current assets	2,751	-	202	-	-	-	**2,952**

Amounts in thousands €	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	2,804	199	216	-	**3,219**
Interest expenses	(6,178)	(109)	(3,996)	(3,285)	**(13,568)**
Net Financial profit / loss	**(3,374)**	**90**	**(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)	267	(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**

The revenues from three of the Group's external clients for fiscal years 2012 and 2011 respectively, surpassing 10% of total income of the Group, are as follows:

01/01 - 31/12/2012

Customers	Sector	Revenue
Customer 1	Syria	146,861
Customer 3	Turkey	116,781
Customer 2	Turkey	65,788

01/01 - 31/12/2011

Customers	Sector	Revenue
Customer 1	Syria	343,788
Customer 3	Turkey	296,881
Customer 2	Turkey	137,617

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	Participati Percentag	Participatio n	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
Drosco Holdings Limited	CYPRUS	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	Direct	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 Cyprus	100,00	Direct	The participation percentage

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.

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:

	METKA				
(Amounts in thousands €)	**Land & Buildings**	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Gross Book Value	42,176	44,257	8,999	914	96,346
Accumulated depreciation and/or impairment	(5,768)	(25,551)	(6,394)	-	(37,713)
Net Book value as at 01/01/2011	**36,408**	**18,706**	**2,605**	**914**	**58,633**
Gross Book Value	42,235	44,887	8,546	4,579	100,247
Accumulated depreciation and/or impairment	(6,589)	(28,136)	(6,148)	-	(40,873)
Net Book value as at 31/12/2011	**35,646**	**16,751**	**2,398**	**4,579**	**59,374**
Gross Book Value	42,164	49,679	8,974	1,727	102,544
Accumulated depreciation and/or impairment	(6,976)	(31,257)	(6,771)	-	(45,004)
Net Book value as at 31/12/2012	**35,188**	**18,422**	**2,203**	**1,727**	**57,540**

(Amounts in thousands €)	**Land & Buildings**	**Vehicles & mechanical**	**Furniture and other equipment**	**Tangible assets under**	**Total**
Net Book value as at 01/01/2011	**36,408**	**18,706**	**2,605**	**914**	**58,633**
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)
Merge through acquisition of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2011	**35,646**	**16,751**	**2,398**	**4,579**	**59,373**
Additions	359	621	494	1,528	3,002
Sales-Reductions	-	(91)	(34)	-	(125)
Depreciation	(817)	(3,231)	(659)	-	(4,707)
Reclassifications	-	4,380	-	(4,380)	-
Net foreign exchange differences	-	(7)	4	-	(3)
Tangible assets from acquisition / (sale) of subsidiary	-	-	-	-	-
Merge through acquisition of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2012	**35,188**	**18,422**	**2,203**	**1,727**	**57,540**

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

	METKA S.A.				
(Amounts in thousands €)	**Land & Buildings**	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
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 01/01/2011	**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**
Gross Book Value	26,514	36,382	7,504	1,508	71,907
Accumulated depreciation and/or impairment	(4,187)	(25,619)	(5,582)	-	(35,388)
Net Book value as at 31/12/2012	**22,327**	**10,763**	**1,922**	**1,508**	**36,519**

(Amounts in thousands €)	**Land & Buildings**	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Net Book value as at 01/01/2011	**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**
Additions	309	409	267	1,508	2,492
Sales-Reductions	-	(35)	(30)	-	(65)
Depreciation	(480)	(2,258)	(506)	-	(3,245)
Merge through acquisition of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2012	**22,327**	**10,763**	**1,922**	**1,508**	**36,519**

There are no mortgages or collateral on the fixed assets on 31/12/2012 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	(252)	(3)	(254)
Net Book value as at 01/01/2011	**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**
Depreciation	(40)	-	(40)
Gross Book Value	362	-	362
Accumulated depreciation and/or impairment	(279)	-	(279)
Net Book value as at 31/12/2012	**83**	**-**	**83**

7. Goodwill

Amounts in thousands €	ELEMKA SA	DROSCO HOLDINGS LTD	Total
Gross carrying amount at 1st January 2011	**1,830**	**2**	**1,831**
Accumulated Impairment losses	-	-	-
Net Book Value at 1st January 2011	**1,830**	**2**	**1,831**
Sale of subsidiary	-	-	**-**
Gross carrying amount at 31st December 2011	**1,830**	**2**	**1,831**
Net Book Value at 31st December 2011	**1,830**	**2**	**1,831**
Additions from current periods acquisitions	-	-	**-**
Gross carrying amount at 31st December 2012	**1,830**	**2**	**1,831**
Net Book Value at 31st December 2012	**1,830**	**2**	**1,831**

There is no impairment on goodwill on 31/12/2012.

8. Intangible assets

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

(Amounts in thousands €)	METKA		
	Software	Other intangible assets	Total
Gross Book Value	248	9,980	10,228
Accumulated depreciation and/or impairment	(172)	(9,980)	(10,152)
Net Book value as at 01/01/2011	**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**
Gross Book Value	262	9,980	10,242
Accumulated depreciation and/or impairment	(232)	(9,980)	(10,212)
Net Book value as at 31/12/2012	**30**	**-**	**30**

(Amounts in thousands €)	METKA		
	Software	Other intangible assets	Total
Net Book value as at 01/01/2011	**77**	**-**	**77**
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	7	-	7
Sale of subsidiary	-	-	-
Depreciation	(31)	-	(31)
Reclassifications	-	0	0
Merge through acquisition of subsidiary	0	0	0
Net Book value as at 31/12/2011	**52**	**-**	**52**
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	7	-	7
Sales-Reductions	-	-	-
Depreciation	(29)	-	(29)
Net foreign exchange differences	0	-	0
Merge through acquisition of subsidiary	-	-	-
Net Book value as at 31/12/2012	**30**	**-**	**30**

(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 01/01/2011	**-**	**-**	**-**
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**
Gross Book Value	108	9,980	10,088
Accumulated depreciation and/or impairment	(95)	(9,980)	(10,075)
Net Book value as at 31/12/2012	**13**	**-**	**13**

(Amounts in thousands €)	METKA S.A. Software	Other intangible assets	Total
Net Book value as at 01/01/2011	**-**	**-**	**-**
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**
Additions from acquisition/consolidation of subsidiaries	-	-	-
Additions	-	-	-
Sales-Reductions	-	-	-
Sale of subsidiary	-	-	-
Depreciation	(9)	-	(9)
Reclassifications	-	-	-
Net foreign exchange differences	-	-	-
Merge through acquisition of subsidiary	-	-	-
Net Book value as at 31/12/2012	**13**	**-**	**13**

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 €	31/12/2012	31/12/2011
Opening carrying amount	**16,302**	**35,398**
Acquisition of Companies	-	1
Increase of share capital	-	1
Sale of companies	-	-
Due to subsidiary absorption	-	(19,098)
Closing carrying amount	**16,302**	**16,302**

There are no significant restrictions for capital transfer from the above businesses to the company in the form of cash dividends or loan payments 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 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 €835 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:

	METKA				METKA S.A.			
	31/12/2012		31/12/2011		31/12/2012		31/12/2011	
(Amounts in thousands €)	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non Current Assets								
Intangible Assets	410	-	558	-	399	-	544	-
Tangible Assets	-	5,220	-	5,899	-	4,088	-	4,485
Long-term Receivables	-	546	-	546	-	-	-	-
Current Assets						-		
Construction Contracts	32,133	8,479	47,602	6,272	31,640	-	46,769	-
Receivables	5,130	87	-	232	5,102	-	-	25
Reserves	-		-		-		-	
Reserves' defer tax liability	-	59,661	-	59,661	-	59,061	-	59,061
Long-term Liabilities					-		-	
Employee Benefits	58	639	112	629	-	639	-	629
Other Long-term Liabilities	26	-	-	-	-	-	-	-
Short-term Liabilities	-				-		-	
Provisions	-	599	2	415	-	599	-	415
Other Short-term Liabilities	-	-	-	(9)	-	-	-	(9)
Total	**37,757**	**75,230**	**48,273**	**73,646**	**37,141**	**64,386**	**47,313**	**64,607**
Offsetting	**(31,281)**	**(31,281)**	**(47,591)**	**(47,591)**	**(31,935)**	**(31,935)**	**(47,209)**	**(47,209)**
Deferred Tax Liability/Receivables	**6,476**	**43,949**	**682**	**26,055**	**5,207**	**32,452**	**105**	**17,398**

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

Amounts in thousands €	METKA			
Deffered Tax Assets (liabilities)	**1/1/2012**	**Exchange Differences**	**Recognised at Profit & Loss Statement**	**31/12/2012**
Intangible Assets	643	-	(233)	410
Tangible Assets	(5,976)	-	757	(5,220)
Investments and other long receivables	(546)	-	-	(546)
Construction contracts	39,518	(215)	(15,650)	23,654
Other Receivables	1,865	-	(1,951)	(87)
Tax Results of the year	-	-	5,130	5,130
De-taxation of reserves	(59,802)	-	141	(59,661)
Employee Benefits	(365)	-	(216)	(581)
Other Long-term Liabilities	-	-	26	26
Other Long-term Liabilities	(306)	-	306	-
Provisions	(414)	-	(186)	(600)
Liabilities from financing leases	-	-	-	-
Other short term liabilities	9	-	(9)	-
Total	**(25,373)**	**(215)**	**(11,885)**	**(37,473)**
Recognised as:				
Deffered Tax Asset	**682**			**6,476**
Deffered Tax Liabilities	**(26,055)**			**(43,949)**

Amounts in thousands euros	METKA			
	1/1/2011	**Exchange Differences from subsidiaries**	**Recognised in Profit & Loss Statement**	**31/12/2011**
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)**

Amounts in thousands €	METKA SA		
Deffered Tax Assets (liabilities)	**1/1/2012**	**Recognised at Profit & Loss Statement**	**31/12/2012**
Intangible Assets	631	(232)	399
Tangible Assets	(4,669)	582	(4,087)
	-	-	-
Investments and other long receivables			
Construction contracts	46,838	(15,199)	31,640
Other Receivables	(25)	25	-
Tax Results of the year	-	5,102	5,102
De-taxation of reserves	(59,111)	50	(59,061)
Employee Benefits	(494)	(145)	(639)
Other Long-term Liabilities	-	-	-
Other Long-term Liabilities	(57)	57	-
Provisions	(415)	(184)	(599)
Liabilities from financing leases	-	-	-
Other short term liabilities	9	(9)	-
Total	**(17,293)**	**(9,952)**	**(27,245)**
Recognised as:			
Deffered Tax Asset	**105**		**5,207**
Deffered Tax Liabilities	**(17,398)**		**(32,452)**

	METKA SA			
Amounts in thousands euros	**1/1/2011**	**Deferred tax asset from the subsidiary merge**	**Recognised in Profit & Loss Statement**	**31/12/2011**
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)**

According to the Greek 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 law 3943/2011, the tax rate for calculating the income tax expense should be 20% for year 2012, and according to law 4110/2013 the tax rate shall be 26% for the subsequent fiscal years.

The deferred tax on 31/12/2012 for the Group's companies activated in Greece is calculated based on current tax rate (20%). The new tax rate (26%) shall be applied to the Group's financial statements for FY 2013. The impact of the new tax rate to the deferred tax on 31/12/2012 for the Group and the Company is estimated to a tax expense of € 8,509 th. and € 8,016 th. respectively.

Tax losses are recognized as deferred tax receivables if there is a possibility to regain a relevant tax benefit through future tax profit.

12. Financial assets available for sale

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Total Opening	**32**	**373**	**23**	**123**
Sale of Investment	-	(342)	-	(100)
Closing Balance	**32**	**32**	**23**	**23**

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.

13. Other long-term receivables

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Customers - Withholding quarantees falling due after one year	4,696	4,362	4,696	4,362
Given Guarantees	606	627	498	510
Other long term receivables	6,273	3,416	-	-
Other Long-term Receivables	**11,576**	**8,405**	**5,195**	**4,872**

Other long-term receivables for the Group concern retained tax for subsidiary POWER PROJECTS which shall be offset with the income tax statement to be submitted when the works in Turkey are completed and invoiced.

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 31/12/2012	METKA 31/12/2011	METKA S.A. 31/12/2012	METKA S.A. 31/12/2011
Raw materials	34,464	41,799	34,186	41,505
Finished products	31	31	31	31
Work in Progress	1,485	2,119	1,451	2,056
Merchandise	566	679	-	-
Others	1,980	2,081	1,735	1,841
Total	**38,526**	**46,709**	**37,404**	**45,432**
(Less)Provisions for scrap,slow moving and/or destroyed inventories:	(1,168)	(1,168)	(1,000)	(1,000)
Total Stock	**37,358**	**45,541**	**36,404**	**44,432**

The value of the Inventories that were acknowledged as expense in the income statement of the Group and the Company € 190.802 and € 120.974 accordingly (2011: € 520.123 and € 478.295 accordingly).
The Group had no pledged inventories on 31/12/2012.

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 31/12/2012	METKA 31/12/2011	METKA S.A. 31/12/2012	METKA S.A. 31/12/2011
Customers	369,256	421,344	335,363	398,575
Notes receivable	4	4	-	-
Checks receivable	1,883	2,746	-	-
Less:Impairment Provisions	(1,969)	(2,005)	-	-
Net trade Receivables	**369,174**	**422,089**	**335,363**	**398,575**
Advances to trade creditors	82,822	34,498	58,784	25,204
Total	**451,996**	**456,587**	**394,147**	**423,779**

In customers, there is an amount still not invoiced (€ 25,884 th. for the Group and € 26,279 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 is presented in the following table:

	METKA			
	Past due but not impaired			
Liquidity Risk Analysis - Trade Receivables (Amounts in thousands €)	**0-3 months**	**3-6 months**	**6-12 months**	**> 1 year**
2012	10,512	2,406	28,294	82,107
2011	47,435	13,830	48,108	32,781

	METKA S.A.			
	Past due but not impaired			
Liquidity Risk Analysis - Trade Receivables (Amounts in thousands €)	**0-3 months**	**3-6 months**	**6-12 months**	**> 1 year**
2012	5,160	403	28,049	80,784
2011	46,026	13,573	47,923	31,946

Provision for receivables from customers

(amounts in thousands €)	METKA GROUP Provisions for impairment losses
Balance at 1 January 2011	**1,834**
Additional provisions for the period 01/01/ - 31/12/2011	304
Unused provisions that have been reversed	-
Provisions used during the year	(132)
Balance at 31 December 2011	**2,005**
Additional provisions for the period 01/01/ - 31/12/2012	82
Unused provisions that have been reversed	(118)
Provisions used during the year	-
Balance at 31 December 2012	**1,969**

16. Other receivables – other current assets

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Other Debtors	22,853	16,188	10,673	11,041
Receivables from the State	25,639	20,817	23,647	18,749
Receivables from Subsidiaries	41,337	-	36,765	3,030
Loans given to Subsidiaries	-	-	-	500
Accrued income - Prepaid expenses	2,935	7,007	2,572	6,600
Less:Provision for Bad Debts	(537)	(537)	(537)	(537)
Total	**92,227**	**43,475**	**73,120**	**39,383**

The receivables from connected parties concern investments through the affiliate MYTILINEOS FINANCIAL PARTNERS SA: an amount of € 33,3 million in bonds with ending date 31/03/2013 and a three-month Euribor yield plus a margin of 6,15%, and an amount of € 7,9 million in bonds ending 23/07/2013 with a 4,5% yield.

As of 31/12/2012 no provisions were made for doubtful debtors.

17. Financial assets at fair value through profit and loss

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

	METKA		METKA SA	
Amounts in thousands €	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Bank bonds	162	143	-	-
Mutual funds	-	-	-	-
Shares	1,805	13	-	-
Total Financial assets	**1,967**	**156**	**-**	**-**

	METKA		METKA S.A.	
(Amounts in thousands €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Total Opening	**156**	**613**	**-**	**-**
Additions	6,363	-	-	-
Sales	(5,005)	(376)	-	7
Fair value adjustments	453	(81)	-	(7)
Closing Balance	**1,967**	**156**	**-**	**-**

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:

	METKA		METKA S.A.	
(Amounts in thousands €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cash	156	143	31	97
Bank deposits	23,971	17,401	18,293	6,362
Time deposits & Repos	75,919	150,404	57,202	124,706
Total	**100,045**	**167,948**	**75,526**	**131,165**

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 effective interest rate of short term investments is 3,0%- 3,5% (2011: 2,0%-2,5%).

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.	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Realised Contractual Revenues	516,778	979,315	300,943	804,631
Realised Contractual Cost & Profits (minus realised losses)	2,750,168	2,730,326	2,212,397	2,382,234
Advances received	(33,497)	(36,294)	(33,475)	(25,750)
Clients holdings for good performance	152,682	143,445	150,600	141,550
Receivables for construction contracts according to the percentage of completion	25,884	19,262	26,279	19,990
Liabilities related to construction contracts according to percent. of completio	(164,567)	(240,337)	(166,787)	(242,086)

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 on the balance-sheet date.

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 €	Number of shares	Ordinary Shares	Share Premium	Total
Balance at 01/1/2011	**51,950,600**	**51,950,600**	**16,624**	**16,624**
Increase of Share Capital				
Balance at 31/12/2011	**51,950,600**	**51,950,600**	**16,624**	**16,624**
Increase of Share Capital				
Balance at 31/12/2012	**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.

MYTILINEOS S.A. possessed a 56,193 % of METKA on 31/12/2012 and applies the full consolidation method on its consolidated financial statements.

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 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 subsidiary	-	-	0	0
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2011	**6,751**	**4,114**	**17,428**	**28,293**

(Amounts in thousands €)	METKA			
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Total
Opening Balance 1st January 2012,according to IFRS -as published-	**6,751**	**4,114**	**17,428**	**28,293**
Transfer to reserves	**191**	**-**	**-**	**191**
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2012	**6,943**	**4,114**	**17,428**	**28,485**

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 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**

(Amounts in thousands €)	METKA S.A.			
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Total
Opening Balance 1st January 2012,according to IFRS -as published-	**5,542**	**827**	**17,287**	**23,656**
Share of other comprehensive income of associates	-	-	-	-
Closing Balance 31/12/2012	**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

	METKA		METKA SA	
Amounts in thousands €	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Intended Divident	12,988	38,963	12,988	38,963
Remaining Earnings	296,839	239,851	233,967	210,916
Total	**309,827**	**278,814**	**246,955**	**249,879**

The General Shareholders Meeting unanimously approved at 08/05/2012 the appropriation account for the fiscal year 2011 and the distribution of €38.962.950 out of the profit for the year 2011, which represents a dividend of €0,7500 per share. It is noted that according to the tax law, a 25% withholding tax is applicable to the distributed dividend. Therefore, the net dividend shall be €0,5625 per share.

It is suggested to distribute € 12.987.650 as a dividend (€0,2500 gross dividend per share), out of the net profit € 36.038.546 of the year 2012.
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	
Amounts in thousands €	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Opening carrying amount	1.313	1.325	930	866
Pension benefits	313	566	68	291
Pension benefits of the acquired Subsidiary company	-	-	-	-
Period payments	(419)	(577)	(82)	(261)
	-	-	-	35
Minus: reduction of liability due to the selling of a subsidiary	-	-	-	-
Balance at 31/12/2012	**1.208**	**1.313**	**916**	**930**

The analysis of Pension benefits has as follows

	METKA		METKA SA	
Amounts in thousands €				
Analysis of Pension benefits	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cost of current period employment	120	114	77	66
Interest cost	68	69	48	47
(Profit)/loss from the Pension plan	125	383	(58)	179
Total cost of pension benefits	**313**	**566**	**68**	**291**

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

	31/12/2012	31/12/2011
Discount Rate	3.8%	5.2%
Future wage increases	3.0%	3.0%
Percentage of retirement	2.0%	2.6%
Inflation	2.0%	2.0%

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.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Advances of customers				
Total Opening	**2,227**	**69,083**	**2,227**	**69,083**
Additions	41,732	239,941	41,732	239,941
Transfer from / (to) Short term	(8,788)	148,539	(8,788)	148,539
Depreciation for the period	(35,026)	(455,336)	(35,026)	(455,336)
Closing Balance	**146**	**2,227**	**146**	**2,227**
Other				
Total Opening	**62,941**	**189**	**62,753**	**1**
Additions	13,915	62,752	13,915	62,752
Depreciation for the period	(1)	-	(1)	-
Closing Balance	**76,856**	**62,941**	**76,667**	**62,753**
Suppliers holdings for good performance				
Total Opening	**503**	**348**	**-**	**2,927**
Additions	2,621	20,314	2,621	17,232
Transfer from / (to) Short term	1,724	32	2,213	32
Depreciation for the period	(4,834)	(20,191)	(4,834)	(20,191)
Exchange rate differences	(14)	-	-	-
Closing Balance	**-**	**503**	**-**	**-**
Total	**77,001**	**65,671**	**76,812**	**64,979**

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.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Suppliers	85,737	116,492	61,757	102,948
Cheques Payable	577	582	-	-
Customers' Advances	33,497	36,294	33,475	25,750
Liabilities to customers for project implementation	87,900	177,585	90,120	179,334
Total	**207,710**	**330,953**	**185,352**	**308,032**

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:

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Tax expense for the period	967	1,328	-	-
Tax liabilities	3,778	1,624	1,178	972
Total	**4,745**	**2,952**	**1,178**	**972**

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

25. Debt

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Long-term debt				
Bank loans	2,716	900	-	-
Total	**2,716**	**900**	**-**	**-**
Short-term debt				
Bank loans	48,436	14,150	45,970	12,000
Total	**48,436**	**14,150**	**45,970**	**12,000**
	51,151	**15,050**	**45,970**	**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 6,20% (in 2011: 6,84%).There are no mortgages relating to the group's fixed assets as of 31/12/2012.

26. Other short-term liabilities

The other short-term liabilities are analyzed as follows:

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Liabilities to Related Parties	-	-	8,909	-
Accrued expense	827	546	805	343
Social security insurance	686	1,018	419	561
Dividends payable	1,430	882	311	282
Deferred income-Grants	-	44	-	44
Others Liabilities	2,661	1,943	1,231	1,253
Total	**5,604**	**4,432**	**11,674**	**2,484**

27. Provisions

(Amounts in thousands €)	METKA		
	Tax liabilities	Other	Total
01/01/2011	**950**	**10**	**960**
Merge through acquisition of subsidiary	30	-	30
Additional provisions for the period	450	(3)	447
Realised provisions for the period	-	-	-
31/12/2011	**1,430**	**7**	**1,437**
Long Term	1,430	-	1,430
Short Term	-	7	7
Additional provisions for the period	450	0	450
31/12/2012	**1,880**	**7**	**1,886**
Long Term	1,880	0	1,880
Short Term	-	7	7

(Amounts in thousands €)	METKA S.A.		
	Tax liabilities	Other	Total
01/01/2011	**600**	**2**	**602**
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**	**-**	**1,180**
Long Term	1,180	-	1,180
Short Term	-	-	-
Additional provisions for the period	400	-	400
Realised provisions for the period	-	-	-
31/12/2012	**1,580**	**-**	**1,580**
Long Term	1,580	-	1,580
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:

	METKA		METKA S.A.	
	Operations			
(Amounts in thousands €)	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Sale of commodities	1,760	13,595	-	-
Sales of goods produced	1,484	-	-	-
Sales of other inventory	16,817	1,679	16,732	1,437
Services	10,280	9,111	9,810	9,051
Sale of Property	430	1	430	1
Constructions	516,778	979,315	300,943	804,631
Sales	**547,549**	**1,003,700**	**327,915**	**815,120**

29. Analysis of expenses by their nature

The expenses analysis by the nature of expense of the year 2012 and 2011 are as follows:

Cost of sales

	METKA		METKA S.A.	
(Amounts in thousands €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Retirement benefits	383	261	73	261
Other employee benefits	13,228	18,367	6,168	7,554
Cost of materials & inventories	190,800	520,123	120,973	478,295
Third party expenses	162,274	218,253	67,200	106,118
Third party benefits	7,046	7,663	3,904	5,223
Assets repair and maintenance cost	286	283	83	107
Operating leases rent	846	866	364	292
Taxes & Duties	222	249	112	115
Advertisement	1	3	1	3
Other expenses	54,940	47,324	49,053	42,524
Depreciation - Tanginle Assets	4,182	3,913	2,843	2,691
Total	**434,210**	**817,303**	**250,773**	**643,182**

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

(Amounts in thousands €)	METKA		METKA S.A.	
Distribution expenses	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Other emploee benefits	481	425	290	142
Inventory cost	1	1	1	1
Third party expenses	579	743	400	389
Third party benefits	100	87	84	27
Assets repair and maintenance cost	13	16	1	1
Operating leases rent	80	81	45	22
Taxes & Duties	6	10	2	1
Other expenses	575	384	473	258
Depreciation - Tanginle Assets	21	51	5	4
Depreciation - Inanginle Assets	7	6	-	-
Total	**1,862**	**1,804**	**1,301**	**845**

(Amounts in thousands €)	METKA		METKA S.A.	
Administrative expenses	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Retirement benefits	35	35	9	35
Other emploee benefits	4,037	4,095	3,325	2,995
Inventory cost	1	-	1	-
Third party expenses	5,319	6,011	4,740	4,961
Third party benefits	3,380	2,333	2,979	2,207
Assets repair and maintenance cost	733	208	703	184
Operating leases rent	1,554	1,619	1,182	1,199
Taxes & Duties	311	195	300	121
Advertisement	807	166	807	166
Other expenses	3,232	3,812	2,584	3,028
Depreciation - Tanginle Assets	499	1,138	397	604
Depreciation - Inanginle Assets	26	21	9	-
Total	**19,934**	**19,635**	**17,037**	**15,501**

30. Employee benefits

The number of employees is analyzed in the following table:

	METKA		METKA S.A.	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Full time employees	307	397	197	261
Part time employees	163	179	57	55
Total	**470**	**576**	**254**	**316**

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

	METKA		METKA SA	
Amounts in thousands €	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Employee wages	13,253	16,862	7,524	8,178
Social Security Expenses	3,494	4,551	1,888	2,198
Retirement Penefits	419	537	82	261
Pension benefits	120	135	77	66
Other benefits	881	1,098	293	285
Total	**18,166**	**23,183**	**9,864**	**10,988**
Amount that was used to the Income statement	18,026	22,982	9,771	10,809
Amount that was used for the under costruction tangible assets	140	202	93	179
Total	**18,166**	**23,183**	**9,864**	**10,988**

31. Other ordinary income and expense

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Other operating income				
Income from Subsidies	10	38	-	32
Compensations	336	8	336	8
Profit from foreign exchange differences	3,270	525	1,524	430
Rent income	14	26	14	26
Income from reversal of unrealized provisions	117	7	-	-
Profit from sale of fixed assets	25	11	14	4
Other	898	89	184	53
Total	**4,670**	**703**	**2,071**	**552**
Other operating expenses				
Losses from foreign exchange differences	1,766	2,366	1,738	788
Provision for bad debts	82	304	-	-
Loss from sale of fixed assets	7	140	7	97
Operating expenses from services	6,219	6,176	6,125	5,993
Other taxes	125	202	98	193
Compensations	3	-	3	-
Total	**8,201**	**9,188**	**7,971**	**7,070**

32. Financial income / expenses

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Financial income				
Bank deposits	1,717	1,721	744	969
Revaluation of currency derivatives	44	392	44	392
Other	3,530	830	3,332	830
Total	**5,291**	**2,943**	**4,120**	**2,191**
Financial expenses				
Discounts of Employees' benefits liability due to service termination	68	70	48	47
Bank Loans	2,955	1,713	2,549	1,553
Letter of Credit commissions	7,625	10,868	7,556	10,835
Other Banking Expenses	1,969	917	880	777
Total	**12,617**	**13,568**	**11,033**	**13,211**

33. Other financial results

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Other financial results				
Profit / (loss) from fair value of other financial instrument through profit/los	461	(80)	-	(7)
Profit / (loss) from the sale of financial instruments	2,433	356	-	47
Income from dividends	-	-	520	800
Total	**2,894**	**276**	**520**	**841**

34. Income tax expense

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Income Tax	967	14,388	-	12,885
Income Tax provision	126	-	78	-
Tax Audit differences	450	450	400	400
Deferred taxation	11,885	17,196	9,952	14,926
Other Taxes	101	404	43	267
Total	**13,529**	**32,437**	**10,472**	**28,478**
Earnings before tax	**84,415**	**148,770**	**46,511**	**138,895**
Presumed Tax on Income	**16,883**	**29,754**	**9,302**	**27,779**
Nominal Tax Rate Difference in foreign Subsidiary Companies	(159)	882	-	-
Adjustment for statutory revaluation of fixed assets	(342)	-	(111)	-
Non taxable income	(4,336)	(37)	-	(27)
Tax on Non taxable reserves	(107)	-	-	-
Dividends	-	(149)	(104)	(160)
Non tax deductible expenses	913	376	865	219
Supplementrary Income tax from land - plot & buildings	-	1	-	1
Income tax from land - plot & buildings	101	91	43	42
Other taxes	450	450	400	400
Income tax coming from previous years	126	539	78	225
Other	-	530	-	-
Realized Tax on Income	**13,529**	**32,437**	**10,472**	**28,478**

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 average tax rate for the Group for the year 2012 amounts to 16% (2011: 21,80%). For the company the equivalent rate for the year 2012 is 22,50% (2011: 20,50%).

35. Earnings per share

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

	METKA		METKA S.A.	
(Amounts in thousands €)	**1/1-31/12/2012**	**1/1-31/12/2011**	**1/1-31/12/2012**	**1/1-31/12/2011**
Equity holders of the parent	70,053	115,039	36,039	110,417
Weighted average number of shares	51,951	51,951	51,951	51,951
Basic earnings per share	**1.3485**	**2.2144**	**0.6937**	**2.1254**

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	
Amounts in thousands €	**12 months until 31 December 2012**	**12 months until 31 December 2011**	**12 months until 31 December 2012**	**12 months until 31 December 2011**
Adjustments to Profit after Tax for:				
Depreciation of tangible assets	4.651	4.895	3.190	3.095
Depreciation of intangible assets	29	31	9	5
Provisions	111	378	77	66
Income from reverce of provisions	(217)	(274)	(140)	(86)
Profit / Loss from the Disposal of tangible assets	(18)	130	(7)	92
Profit / Loss from the fair value of embedded derivatives	(44)	(392)	(44)	(392)
Losses from the fair value recognition of financial assets through profit and loss	(461)	71	-	-
Gains from sale of financial assets available for sale	-	(264)	-	42
Credit interest and similar income	(5.247)	(1.721)	(4.076)	(969)
Debit interest and similar expenses	3.020	1.798	2.597	1.553
Proceeds from dividends	-	-	(520)	(800)
Gains from sale of subsidiaries	-	-	-	-
Share in net (profit) loss of subsidiaries	(835)	(2.655)	-	-
Unrealised foreign currency gains / (losses)	(98)	162	(98)	162
Total Adjustments to Profit after Tax	**893**	**2.158**	**989**	**2.766**

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.

Amounts in thousands €	METKA		METKA SA	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Income frome execution of projects and other income				
Subsidiaries	-	-	337	38
Other Parent company's subsidiaries	44,028	77,943	43,486	65,379
Total	**44,028**	**77,943**	**43,823**	**65,418**
Other income	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Other Parent company's subsidiaries	2	-	2	-
Total	**2**	**-**	**2**	**-**
Other income	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Other Parent company's subsidiaries	3,519	-	3,332	-
Total	**3,519**	**-**	**3,332**	**-**
Other income	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Subsidiaries	-	-	520	800
Total	**-**	**-**	**520**	**800**
Purchases and compensations from the supply of services	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Subsidiaries	-	-	12,531	51,342
Other Parent company's subsidiaries	8,798	29,304	8,517	28,752
Directors and key management of the Company	3,506	4,255	2,803	3,147
Total	**12,304**	**33,559**	**23,851**	**83,241**
Demands from customers and project under progress	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Subsidiaries	-	-	1,549	1,182
Other Parent company's subsidiaries	128,695	136,603	128,675	136,518
Directors and key management of the Company	2	17	-	-
Total	**128,697**	**136,620**	**130,225**	**137,700**
Other Demands	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	-	-	3,426	3,536
Other Parent company's subsidiaries	43,044	914	34,911	853
Total	**43,044**	**914**	**38,337**	**4,389**
Obligation to suppliers and other liabilities	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Subsidiaries	-	-	10,879	4,497
Other Parent company's subsidiaries	791	471	787	380
Directors and key management of the Company	183	94	139	40
Total	**974**	**566**	**11,804**	**4,918**
Obligation to customers and project under progress	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Other Parent company's subsidiaries	1,525	21,699	1,525	21,699
Total	**1,525**	**21,699**	**1,525**	**21,699**

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 was as follows:

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Short term employee benefits				
- Wages and Salaries and BOD Fees	3,479	4,112	2,794	3,017
- Insurance service cost	28	23	9	10
- Other remunerations	-	120	-	120
	3,506	**4,255**	**2,803**	**3,147**
Total	**3,506**	**4,255**	**2,803**	**3,147**

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:

	METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Commitments from construction contracts				
Value of pending construction contracts	1,682,124	1,728,260	1,449,518	1,550,123
Granted guarantees of good performance	367,213	439,051	329,540	421,891
Total	**2,049,337**	**2,167,312**	**1,779,058**	**1,972,015**
Commitments from finance lease - minimum lease payments				
Until 1 year	-	-	-	-
1 to 5 years	-	-	-	-
Total	**-**	**-**	**-**	**-**

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 31/12/2012 the remaining duration of the leases was less than 6 years and is as follows:

	METKA		METKA S.A.	
Amounts in thousands €	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Up to 1 year	1,416	1,362	1,175	1,207
From 1 to 5 years	3,833	4,107	3,479	3,711
After 5 years	3,711	5,100	3,711	4,492
Total	**8,959**	**10,570**	**8,365**	**9,410**

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 : 2009-2010*
- SERVISTEEL : 2010*
- RODAX : 2010-30/06/2011**
- E.K.M.E. SA : 2009-2010*
- ELEMKA SA. : 2007-2010*
- DROSCO HOLDINGS LIMITED : 2003-2012
- BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS : 2010*
- METKA BRAZI SRL : 2008-2012
- RODAX ROMANIA SRL : 2009-2012
- POWER PROJECTS : 2010-2012

* 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.

* For the FY 2011, the Group's companies which are eligible for tax auditing by a Legal Auditor or auditing firm according to par. 5 of article 82 of law 2238/1994, received a Tax Conformity Certificate without essential differences. In order however to consider the FY completed the provisions of par. 1a, article 6, of circular 1159/2011 should apply.

**On 29/12/2011, with the decision nr. K2-10314/29-12-2011 of the Ministry of Development, the company concluded the merger through absorption of the subsidiary "RODAX S.A." (participation percentage 100%).

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.

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 € 29,7 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 2012.

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 €	2012								2011				
Nominal Amounts	**USD**	**SYP**	**GBP**	**RON**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**RON**	**TRL**
Financial Assets	63.803	4.307	16	1.073	872	104	30	0	1.630	1.599	1	1.871	3.635
Financilal Liabilities	(61.754)	(430)	(73)	0	(3.724)	0	0	-40	(14.623)	(1.246)	(76)	-	(52)
Total	**2.048**	**3.878**	**(57)**	**1.073**	**(2.852)**	**104**	**30**	**(40)**	**(12.993)**	**353**	**(75)**	**1.871**	**3.583**
Short-term exposure	2.048	3.878	(57)	1.073	(2.852)	104	30	(40)	(12.993)	353	(75)	1.871	3.583

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

Assuming that the said exchange rates deviate by 5% (in 2011:5%) on 31/12/2012, the effect in result and equity is as follows:

Increase by 5% :

Amounts in thousands €	2012								2011				
	USD	**SYP**	**GBP**	**RON**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**RON**	**TRL**
Earnings before tax	102	194	(3)	54	(143)	5	2	-2	(650)	18	(4)	94	179
Equity	82	155	(2)	45	(114)	4	1	(2)	(520)	14	(3)	75	143

Decrease by 5% :

Amounts in thousands €	2012								2011				
Earnings before tax	**USD**	**SYP**	**GBP**	**RON**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**RON**	**TRL**
Equity	(102)	(194)	3	(54)	143	(5)	(2)	2	650	18	4	(94)	(179)
	(82)	(155)	2	(45)	114	(4)	(1)	2	520	14	3	(75)	(143)

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.

The maturity of the financial liabilities as of 31/12/2012, for the Group and Company, are as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2012	METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	1,086	1,629	2,716
Short Term Loans	2,307	46,129	-	-	48,436
Leasing liabilities	-	-	-	-	-
Trade and other payables	92,111	115,600	76,812	-	284,523
Other payables	6,134	4,221	189	-	10,544
Total	100,552	165,949	78,087	1,629	346,218

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 €) 2012	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	-	45,970	-	-	45,970
Leasing liabilities	-	-	-	-	-
Trade and other payables	74,605	110,747	76,812	-	262,165
Other payables	3,258	9,594	-	-	12,852
Total	77,863	166,312	76,812	-	320,987

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

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 2012 is € 51.151 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% (2011: +/- 3%). These changes are considered to be reasonably possible based on observation of current market conditions.

Amounts in thousands €	31/12/2012		31/12/2011	
	3%	-3%	3%	-3%
Earnings before tax	(1.187)	1.187	(346)	346
Equity	(950)	950	(277)	277

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

40.6 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 with assured funding and confirmed credit. Nevertheless, the postponement of works for a certain period, the necessity for extremely high safety measures, our extended presence in the Project, the increased freight and insurance charges, and the extraordinary, in general, conditions under which the Project continues today, have increased significantly the cost although not to a degree which hinders its continuation, expecting of course a compensation from the client for all proven over-expenses which are imposed to us for reasons outside our responsibility.

40.7 Summary of financial assets and liabilities by category

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

	METKA		METKA S.A.	
	2012	2011	2012	2011
(Amounts in thousands €)				
Non current assets				
Financial Assets Available for Sale	32	32	23	23
Other Long-term Receivables	11,576	8,405	5,195	4,872
Total	**11,608**	**8,437**	**5,218**	**4,896**
Current assets				
Financial assets at fair value through profit or loss	1,967	156	-	-
Trade and other receivables	541,288	493,054	464,695	456,562
Cash and cash equivalents	100,045	167,948	75,526	131,165
Total	**643,300**	**661,158**	**540,220**	**587,727**
Non-Current Liabilities				
Long-term debt	2,716	900	-	-
Other long-term liabilities	77,001	65,671	76,812	64,979
Total	**79,717**	**66,571**	**76,812**	**64,979**
Current Liabilities				
Short-term debt	48,436	14,150	45,970	12,000
Trade and other payables	213,314	335,385	197,026	310,516
Total	**261,750**	**349,535**	**242,996**	**322,516**

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:

	METKA			
	Total	Level 1	Level 2	Level 3
(Amounts in thousands €)	31/12/ 2012			
Financial assets at fair value				
Financial Assets Available for Sale	32	-	32	-
Financial assets at fair value through profit or loss	1,967	1,953	13	-

	METKA S.A.			
	Total	Level 1	Level 2	Level 3
(Amounts in thousands €)	31/12/ 2012			
Financial assets at fair value				
Financial Assets Available for Sale	23	-	23	-

40.8 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 2012 and 2011 is as follows:

	METKA		METKA SA	
amounts in thousands €	**2012**	**2011**	**2012**	**2011**
Total Equity	369,983	339,076	287,235	290,159
Minus : Cash and cash equivelants	-75,526	-167,948	-100,045	-131,165
Net Debt	**294,457**	**171,128**	**187,189**	**158,994**
Total Equity	369,983	339,076	287,235	290,159
Plus : Bank Dept	51,151	15,050	45,970	12,000
Total Ocuppied Capital	**421,134**	**354,126**	**333,205**	**302,159**
Net Debt over Total Equity	**8/10**	**5/10**	**7/10**	**5/10**

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 2012.

Athens, the 26th of March 2013

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 AK621204/2012

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
Financial data and information for the period from 1st January 2012 until 31th December 2012
(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:	Ministry of Finance, Competitiveness & Shipping, General Secretariat of Commerce, Directorate of Joint-stock companies & Credit
Company's web address:	**www.metka.gr**
Board of Directors:	**IOANNIS MYTILINEOS** - PRESIDENT & MANAGING DIRECTOR, **GEORGE PALLAS** - VICE PRESIDENT NON-EXECUTIVE MEMBER, **GEORGIOS ECONOMOU, FILIPOS ZOTOS, PANAYIOTIS GARDELINOS, NIKOLAOS BAKIRTZOGLOU**-INDEPENDENT NON-EXECUTIVE MEMBER, **IOSIF AVAGIANOS**-INDEPENDENT NON-EXECUTIVE MEMBER
Date of approval of the Financial Statements:	**MARCH 26, 2013**
Name of the auditor:	**Bassilis Kazas** (A.M. SOEL : 13281) - **Pavlos L. Stelakis** (A.M. SOEL: 24941)
Auditing firm:	GRANT THORNTON (A.M. SOEL 127)
Audit Report Type:	Unqualified

STATEMENT OF FINANCIAL POSITION (consolidated and company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
ASSET	31/12/12	31/12/11	31/12/12	31/12/11
Self used fixed assets	57.541	59.374	36.519	37.337
Intangible assets	30	52	13	22
Other non current assets	22.073	13.806	27.441	22.017
Inventories	37.358	45.541	36.404	44.432
Trade receivables	451.996	456.587	394.147	423.779
Other current assets	194.239	211.579	148.646	170.548
TOTAL ASSETS	**753.237**	**786.939**	**643.170**	**696.135**
EQUITY & LIABILITIES				
Share Capital	16.624	16.624	16.624	16.624
Other Shareholders' Equity	336.204	305.237	270.611	273.535
Total Shareholders Equity (a)	**352.829**	**321.861**	**287.235**	**290.159**
Minority interests (b)	17.154	17.215	–	–
Total Equity (c)=(a)+(b)	**369.983**	**339.076**	**287.235**	**290.159**
Provisions and other long-term liabilities	126.753	95.369	111.761	84.488
Short-term borrowings	48.436	14.150	45.970	12.000
Other short-term liabilities	218.066	338.344	198.205	311.488
Total liabilities (d)	**393.254**	**447.863**	**355.935**	**407.976**
TOTAL EQUITY AND LIABILITIES (c) +(d)	**753.237**	**786.939**	**643.170**	**696.135**

STATEMENT OF CHANGES IN EQUITY (consolidated and company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/12	31/12/11	31/12/12	31/12/11
Equity at the beginning of the period (01/01/2012 & 01/01/2011 respectively)	**339.076**	**250.408**	**290.159**	**210.512**
Total comprehensive income for the period after taxes (continued and discontinued operations)	70.650	114.804	36.039	110.417
Dividents paid	(39.743)	(26.136)	(38.963)	(24.936)
Change due to absorption of subsidiary	–	–	–	(5.833)
Equity at the end of the period (31.12.2012 and 31.12.2011 respectively)	**369.983**	**339.076**	**287.235**	**290.159**

ADDITIONAL DATA AND INFORMATION

1. Group Structure -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 the fiscal year ended 2012 are presented in note 5 of the annual financial statements of the Group.
2. The consolidated financial statements of METKA Group are incorporated in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 56,193% of METKA Group.
3. In the above Financial Statements, the Group adopted the basic accounting principles, which were employed for issuing the financial statements of FY 2011. There are not any adjustements in the accounting principles and forecasts compared to the previous year.
4. There are no encumbrances to the company's and Group's assets.
5. There are no outstanding ligitation 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 31.12.2012 amounts to € 1.187 thou.for the Group and € 537 thou. for the Company. Other provisions balance as of 31.12.2012 amounts to € 3.702 thou. for the Group and €1.916 thou. for the Company. The tax provision balance for fiscal years unaudited by tax authorities as of 31.12.2012 amounts to € 1.880 thou.for the Group € 1.580 thou. for the Company.
6. 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.
7. The number of employees at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31/12/12	31/12/11	31/12/12	31/12/11
FULL TIME EMPLOYEES	307	397	197	261
DAILY - WAGE EMPLOYEES	163	179	57	55
	470	**576**	**254**	**316**

8. Investements in tangible and intangible fixed assets for the fiscal year ended 2012, amounted to € 2.952 thou. for the Group and € 2.437 thou.for the Company.
9. 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.
10. Intercompany transactions for the period from January 1,2012 to December 31,2012 according to I.A.S. 24 are as follows:

Amounts in 000's Euro	THE GROUP	THE COMPANY
a) Income	47.550	47.678
b) Expenses	8.798	21.048
c) Receivables	171.739	168.562
d) Liabilities	2.316	13.191
e) Transaction and remuneration with top management and BoD members	3.506	2.803
f) Payables to top management and BoD members	183	139
g) Receivables from top management and BoD members	2	–

11. Consolidated other total income after taxes is related to foreign exchange differnces (€ 237 thou) from the consolidation of foreign firms.
12. At the end of the current period the mother company or subsidiary firms 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.

STATEMENT OF COMPREHENSIVE INCOME (consolidated and company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/12	1/1-31/12/11	1/1-31/12/12	1/1-31/12/11
Sales Turnover	**547.549**	**1.003.700**	**327.915**	**815.120**
Gross Profit / (loss)	113.339	186.397	77.143	171.938
Profit before taxes, borrowings and investments results	87.995	156.601	52.897	149.167
Profit before taxes	**84.415**	**148.770**	**46.511**	**138.895**
Less taxes	13.529	32.437	10.472	28.478
Profit after taxes (A)	**70.887**	**116.332**	**36.039**	**110.417**
Owners of the parent	70.053	115.039	36.039	110.417
Minority interests	834	1.293	–	–
Other comprehensive income after taxes (B)	**(237)**	**(1.528)**	–	–
Total comprehensive income for the period after taxes (A) + (B)	**70.650**	**114.804**	**36.039**	**110.417**
Owners of the parent	69.816	113.511	36.039	110.417
Minority interests	834	1.293	–	–
Earnings after taxes per share-basic (in €)	**1,3485**	**2,2144**	**0,6937**	**2,1254**
Proposed dividend	–	–	0,2500	0,7500
Profit before taxes, borrowings,investments and depreciation results	92.675	161.527	56.096	152.266

CASH FLOW STATEMENT- Indirect Method (consolidated & compny)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/12	1/1-31/12/11	1/1-31/12/12	1/1-31/12/11
Operating Activities				
Profit before Taxes (Continued Operations)	84.415	148.770	46.511	138.895
Plus (Less) Adjustments for:				
Depreciations	4.680	4.925	3.199	3.100
Provisions	(105)	105	(62)	(21)
Exchange differences	(98)	162	(98)	162
Results (revenues, expenses, profit, loss) from Investment Activities	(6.604)	(4.833)	(4.647)	(2.027)
Debit Interest and similar expenses	3.020	1.798	2.597	1.553
Operating profit before changes in working capital	85.308	150.927	47.500	141.661
Plus/less adjustments for changes in working capital or operating activities:				
Decrease /(Increase) in Inventories	17.793	(34.287)	17.639	(34.383)
Decrease / (Increase) in receivables	(13.558)	(18.920)	25.184	38.721
Decrease /(Increase) in other current assets	(4.342)	(8.304)	(4.495)	(2.221)
(Decrease) / Increase in short term liabilities (except for the banks)	(104.666)	60.063	(100.974)	(12.517)
Less:				
Debit Interest and similar expenses paid	(2.252)	(1.771)	(1.851)	(1.553)
Taxation paid	(2.496)	(30.573)	(1.169)	(24.836)
Net cash flows from operating activities (a)	**(24.213)**	**117.135**	**(18.166)**	**104.873**
Investing Activities				
Acquisition of subsidiary, associates and other investments	–	(1)	–	(1)
Purchase of tangible and intangible assets	(2.952)	(6.672)	(2.437)	(1.780)
Proceeds from the sale of tangible and intangible assets	141	60	72	47
Investments in Joint Ventures	–	(125)	–	(125)
Purchase of available for sale financial assets	52	414	28	85
Purchase of financial assets at fair value with changes in net results	(6.477)	–	–	–
Proceeds from Borrowings to affiliated parties	–	–	3.400	22.932
Proceeds from sale of financial assets at fair value with changes in net results	5.095	345	–	–
Interest received	4.066	1.721	2.989	969
Borrowings to/from affiliated parties	–	–	(2.900)	(12.600)
Proceeds from dividends	–	–	–	800
Purchase of bonds	(65.300)	–	(54.600)	–
Proceeds from bonds	24.079	–	21.255	–
Cash from subsidiary absorption	–	–	–	489
Net cash flows from investing activities (b)	**(41.296)**	**(4.258)**	**(32.193)**	**10.815**
Financing Activities				
Proceeds from Borrowings	41.099	22.471	38.970	21.500
Payments of borrowings	(5.000)	(9.614)	(5.000)	(9.500)
Dividends paid	(39.000)	(26.092)	(38.935)	(24.892)
Net cash flows from financing activities (c)	**(2.901)**	**(13.235)**	**(4.964)**	**(12.892)**
Net increase in cash and cash equivalents (a) + (b) + (c)	**(68.411)**	**99.642**	**(55.323)**	**102.796**
Cash and cash equivalents at the beginning of the period	**167.948**	**68.271**	**131.165**	**28.470**
Effects of exchange rate changes	**508**	**36**	**(315)**	**(101)**
Cash and cash equivalents at the end of the period	**100.045**	**167.948**	**75.526**	**131.165**

Maroussi, the 26th of March 2013

THE PRESIDENT OF THE BOARD & MANAGING DIRECTOR	THE MEMBER OF THE BOARD	THE FINANCIAL DIRECTOR	THE CHIEF ACCOUNTANT
IOANNIS MYTILINEOS	**FILIPPOS ZOTOS**	**SPYRIDON PETRATOS**	**STYLIANOS PALIKARAS**
I.D. No: AE044243/2007	I.D. No: P065848/1991	I.D. No: AB263393/2006	I.D. No: AK621204/2012

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.

Thursday, 20 December 2012	Press Release - 2nd EPC project for METKA in Algeria
Wednesday, 28 November 2012	METKA SIGNS NEW CONTRACT FOR MANUFACTURE OF PATRIOT DEFENCE SYSTEMS
Wednesday, 21 November 2012	Press Release-Financial Results for the 3rd Quarter of 2012
Thursday, 11 October 2012	METKA IS AWARDED ITS 2nd EPC PROJECT IN JORDAN
Wednesday, 26 September 2012	UPGRATION OF THE CONSTRUCTION CERTIFICATE
Tuesday, 25 September 2012	METKA IS AWARDED ITS 1st EPC PROJECT IN JORDAN
Tuesday, 11 September 2012	Announcement of participation to an enquiry
Wednesday, 8 August 2012	Press Release-First Semester 2012 Results
Wednesday, 27 June 2012	Presentation to the "Association of Greek Institutional Investors"
Thursday, 17 May 2012	Press Release - Financial Results for the 1st Quarter of 2012 - STRONG RESILIENCE IN AN ADVERSE ECONOMIC ENVIRONMENT
Monday, 14 May 2012	Intention of Participation to the Process of undertaking projects from Public Sector
Wednesday, 9 May 2012	Resolutions of the Regular General Meeting of the Shareholders on the 8th of May 2012
Tuesday, 8 May 2012	ANNOUNCEMENT OF EX-DIVIDEND DATE / DIVIDEND PAYMENT DATE
Wednesday, 25 April 2012	Participation in the final stage of the tender procedure for the award of a contract for Construction of a Combined Heat & Power Plant in Romania
Thursday, 12 April 2012	Invitation of the Shareholders of the Corporation (Societe Anonyme Company) METAL CONSTRUCTIONS OF GREECE S.A. (METKA SA) To a Regular General Meeting
Wednesday, 28 March 2012	Full Year 2011 Financial Results
Wednesday, 28 March 2012	Press Release - EXTROVERT PROFILE BOOSTS GROWTH FOR MYTILINEOS GROUP - Exports exceeded ¤1.2 billion
Tuesday, 20 March 2012	Release of its Annual 2011- Financial Results
Monday, 19 March 2012	Sign of contract with Algerian Power Utility Company
Thursday, 8 March 2012	Intention of Participation to the Process of undertaking projects from Public Sector
Thursday, 26 January 2012	FINANCIAL CALENDAR 2012 (*)
Monday, 2 January 2012	09:59 METKA S.A. APPROVAL OF TRANSFORMATION

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.