

# **ΜΕΤΚΑ**

**METAL CONSTRUCTIONS OF GREECE S.A.**

**Annual Financial Statements  
For the year ended 31 December 2013**

**In accordance with article 4 of Law 3556/2007**

**COMPANY'S GENERAL COMMERCIAL REG. No 6126401000 &  
COMPANY'S No 10357/06/B/86/113 IN THE  
REGISTER OF SOCIETES ANONYMES  
ARTEMIDOS 8 MAROUSSI (ATHENS)**

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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 2013 to 31 December 2013, 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.

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 21<sup>st</sup> of March 2014**

**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
I.D. No: AE044243/2007	I.D. No: AE602368/2007	I.D. No: PO65848/1991

## **Independent Auditor's Report**

Towards the shareholders of **METAL CONSTRUCTIONS OF GREECE S.A.**

### **Report on Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of the METAL CONSTRUCTIONS OF GREECE S.A. and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31, 2013, the separate and consolidated statements 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 Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union as well as for internal control procedures the Management defines as necessary to ensure the preparation of separate 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 separate and consolidated financial statements based on our audit. We conducted our audit in compliance 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 separate 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 separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control procedures relevant to the entity's preparation and fair presentation of the separate 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 entity's internal control procedures. 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 separate 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the company METAL CONSTRUCTIONS OF GREECE S.A. and its subsidiaries as at December 31, 2013, as well as their financial performance and the cash flows 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' Management Report includes the corporate governance statements, which provides all the information required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We have verified that the contents of the Board of Directors' Management Report is consistent with the accompanying parent and consolidated Financial Statements, in the contexts of those stipulated by articles 43a, 108 and 37 of C.L. 2190/20.

Athens, 24th of March 2014  
The Chartered Accountants

Manolis Michalios  
SOEL Reg. No 25131

Dimitra Pagoni  
SOEL Reg. No 30821



## **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 1<sup>ST</sup> TO DECEMBER 31<sup>ST</sup> 2013**

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 01/01/2013 to 31/12/2013, 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 (01/01/2013 to 31/12/2013), 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 2013 (01/01/2013 – 31/12/2013) and is 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 2013. 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 2013**

#### **Financial Information**

The year 2013 marked a turning point for the Greek economy, which appeared to gradually enter into a stabilization phase. Improvements in significant fiscal and macroeconomic figures during the year, created the prerequisites for an exit from the recession by the end of 2014.

Among the most noteworthy events was the balance consolidation in the so-called twin deficits of the economy, the fiscal deficit and the current account deficit. The estimated achievement of primary budget surplus, after more than a decade, is a critical point of reference signifying the fulfillment of an essential commitment of the country. An equally positive development was the improvement in the current account, which posted a surplus in 2013, for the first time in two decades.

These achievements are of critical importance to the degree that they boost international markets' confidence in Greece and trigger a further relief of the country's debt burden, as agreed in the Eurogroup meeting of 26/27 November 2012. However, they do not constitute a sufficient condition for the anticipated upturn in economic activity.

In 2013 recession eased noticeably, with the GDP contraction rate in the last two quarters being the lowest in three years. Nonetheless the environment and climate in the real economy remained adverse.

High taxation continued to weaken the competitiveness of exporting businesses and impede the mobilization of new private investments. The fact that 60% of the fiscal adjustment achieved in the period the period 2010 – 2013 came from increased tax receipts, signifies the huge burden that has been undertaken by households and businesses. It also raises concerns regarding the sustainability of the primary surplus in the future.

Despite the restructuring of the banking system and the gradual decline of interest rates, financing conditions continued to create obstacles in business activity, particularly in the exports field.

Despite the persevering challenges in the local environment, MEKTA followed a positive course throughout 2013, maintaining healthy fundamentals and achieving strong performance in all areas.

Through the consistent implementation of a solid business strategy, the company continued to expand its international portfolio, consolidating its presence in the EPC market of the Mediterranean and Middle East regions. The successful completion of a series of large-scale projects in Pakistan, Romania, Turkey, Algeria and Jordan, with a total capacity of 3.5 GW signified METKA's establishment as a credible and internationally acknowledged constructor of energy projects

The company's strong performance and resilience is reflected in the financial results of 2013.

More specifically, the Group's turnover for 2013 reached € 606,5 million compared to last year's € 547,5 million, while the Company's turnover for the same period mounted to € 404,4 million compared to last year's € 327,9 million.

The main factors which contributed to the Group's above course are :

a) The "CONSTRUCTION OF A POWER PLANT STATION OF 1250 MW» in Iraq, with a contractual value of \$401,2 million which in the period under review recorded a turnover of € 147,92 million.

b) The «Engineering, procurement, construction, and commissioning of 24 mobile Generators of 481,7 MW » in Algeria, with a contractual value of \$211 million and DZD 72 million which in the period under review recorded a turnover of € 133,2 million.

c) The continuation of the project "CONSTRUCTION OF A POWER PLANT STATION OF 700 MW" in Syria (Deir Ali), with a contractual value of € 673 million which in the period under review recorded a turnover of € 68 million.

d) The «Construction and commissioning of a 143 MW power plant» in Jordan, with a contractual value of \$ 143 million and 11 million JOD, which in the period under review recorded a turnover of € 48 million.

e) The «Construction and commissioning of a 724 MW power plant» in Deir Azzour of Syria, with a contractual value of € 687 million, which in the period under review recorded a turnover of €47,2 million.

f) 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 € 36,8 million.

and g) 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 € 35,4 million.

The Group's and the company's gross profit margin reached 20,4 % and 19,7% respectively, while the EBITDA (earnings before interest, taxes depreciation and amortization) of the Group were € 102 million (16,81%). Accordingly the Company's EBITDA amounted € 54,5 million (13,48%).

The Group's net earnings after taxes and non-controlling stakes amounted to € 91,6 million, and Company's amounted to € 44,4 million.

The Group's net cash at hand at the end of FY 2013 reached € 124,9 million, a considerable increase, which despite the negative economic climate remain in a high level.

The financial position of the Group on December 31, 2013 continues to be satisfying and reflects its economic stability and its future perspectives. The total equity in December 31, 2013 amounted to € 450 million in comparison to the € 370 million of December 31 2012, demonstrating an increase by 21,6%.

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.

<b>Δείκτης</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>ROCE</b>	<b>21%</b>	<b>20%</b>	<b>42%</b>
<b>ROE</b>	<b>20%</b>	<b>19%</b>	<b>34%</b>
<b>EVA</b>	<b>82.358 th.</b>	<b>76.130 th.</b>	<b>133.108 th.</b>

The mean yield values of the Greek State Bonds during December 2013 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 3,16%.

## **B. Significant events of the year 2013**

### **I. Projects continued in year 2013**

#### **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 85% of the project has already been executed.

The contract price amounts up to € 673 million and, according to the updated timetable, the project is expected to be completed within the second half of 2014 and the tests – commissioning within the first half of 2015.

## **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 99% of completion and since 26/6/2013 the power plant is in commercial operation. The 2-year guarantee period has started since 1/8/2013.

Negotiations are under progress for the settlement of claims – counterclaims of the contractors and signature of the provisional acceptance protocol.

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

The OMV Samsun 870 MW combined cycle power plant project in Turkey (Samsun) was successfully completed within 2013.

This turn-key EPC contract, signed in 2010, has been carried out by METKA S.A. in consortium with its fully owned Turkish subsidiary, Power Projects Limited. The owner of the project is the major Austrian energy group, OMV.

The Samsun project is a state-of-the-art natural gas fired power plant which combines the high efficiency and operational flexibility needed for profitable participation in the Turkish electricity market.

METKA scope covered the complete engineering, procurement and construction of the power plant, consisting of two single shaft combined cycle units with main equipment (2 x 109FB) supplied by General Electric. The site has space for expansion of the power plant, and related infrastructure has been implemented to enable installation of a future third unit.

The power plant is provided with direct seawater cooling from the Black Sea. The related seawater cooling and related marine works, also successfully completed by METKA, represented the most challenging part of the project.

As a result of the successful completion of the project, the parties managed to resolve pending issues and the provisional acceptance certificate for the plant has already been issued and signed.

## **4. 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. The project was completed in the first half of 2013. Its semi-commercial and commercial operation was completed within the second half of 2013, terminating also the guarantee period.

Final acceptance is pending and is expected within the first half of 2014.

## **5. 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.

## **6. 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 (PEEG) 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.

### **7. 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 \$ 401,2 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. Due to delays caused by land conditions and extensive stakeout, a 12-month delay has been approved.

### **8. 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.

### **9. 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 commercial operation of the last units was completed in the 3<sup>rd</sup> trimester 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.

### **Summarizing**

The participation of the EPC Projects in the 2013 sales turnover amounts to € 551,6 million which corresponds to a 90,95%.

## **B. Defense Projects**

### **1. Patriot construction**

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

Completed within 2013 was the construction and delivery of defense systems for the Governments of United Arab Emirates and Taiwan. The contracting party was INTRACOM Defense Electronics under the agreement with the Raytheon Company and the project's main features were 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.

A third contract is also in progress which concerns defense systems for the government of Taiwan. The contracting party is INTRACOM Defense Electronics under the agreement with the Raytheon Company/IDS (Integrated Defense Systems) and

the project's main features are the manufacture of 42 semi-trailers and 39 launcher platforms. Completion of delivery is expected within 2014. In December 2013, 23 semi-trailers & 21 launcher platforms had already been delivered.

### Summarizing

The contribution of Defense projects to the 2013 turnover amounted to € 19,5 million corresponding to 3,2% of the total turnover.

## B. Various Projects

### 1. Construction of the road Kanavari – Thespion intersection – Dombrena (Korini) – Thisvi –Prodromos (with a Dombrena detour) 2nd phase

This is a project of 37 km roadwork in the provincial network of Voiotia prefecture.

Total deadline is nine hundred (900) calendar days from the date of the contract (22/3/2012), and completion date is 08/09/2014.

The initial budget was € 17,2 million (VAT included). Due to change in the technical specifications, the new contractual budget decreased to € 16,9 million (VAT included) further to agreement with the Department.

Based on the 19<sup>th</sup> Account (concerning works until February 27, 2014) executed and approved is a 70% of the project's budget. Paid until today is the 18<sup>th</sup> Account (€11,6 million in total) which represents a 68% of the project's budget.

The project shall be completed within the remaining 165 days, since the works are executed according to the approved by the Department time-table. It should be noted, however, that works in the rest of the sections depend on the archeological department and the expropriations. Fund absorption shall accelerate upon commencement of the asphalt paving during the 2<sup>nd</sup> half of April 2014.

### 2. Other Projects - Sales

In addition to the aforementioned projects, during 2013 the Group completed various projects (infrastructure, maintenance, machining, etc.)

### Summarizing

Various Projects and other sales participated with € 35,36 million in the 2013 turnover representing a 5,85% of the total turnover.

## II. New projects assigned to the Company in 2013

### Construction of a gas-fired combined cycle Power Plant totaling 1.642,6 MW in Al-Anbar, Iraq

METKA signed a new contract with the Ministry of Electricity in Iraq for the Al-Anbar Combined Cycle Power Plant Project. This is the second big project which METKA undertakes in Iraq, and shall be realized by the consortium METKA A.E. (METKA) - METKA Overseas Ltd (MOL). The project concerns the engineering, procurement, construction and commissioning of a combined cycle gas turbine power plant with a total output of 1.642,6 MW at site conditions. The total budget of the project is US 1,050 million with a completion period of 32 months.

The project will be carried out in collaboration with SEPCOIII Electric Power Construction Corporation (SEPCOIII). According to the agreement framework between the companies, SEPCOIII has acquired MOL company shares at nominal value from METKA on 28.6.2013. Because of the increased risk in the area further to recent developments, METKA OVERSEAS undertook the project realization while METKA shall only support OVERSEAS in engineering and project management issues.

### **Construction and commissioning of a gas-fired, open cycle power plant with two turbines, totaling 368,152 MW in Algeria**

METKA S.A. announced on the 14th May 2013 the signing of a new contract with Société Algérienne de Production de l'Electricité (SPE Spa is part of the Sonelgaz Group, the major Algerian electricity utility), in consortium with General Electric. This is METKA's third major project in Algeria and highlights the company's commitment towards establishing a strong presence in regional growth markets. The project concerns the engineering, procurement, construction and commissioning of an open cycle gas turbine power plant with two gas turbines and a total output of 368.152 MW at site conditions. The total contract value for METKA is EUR 72 million plus DZD 2,127 million (total approx. EUR 92.8 million) and the contracted schedule is 29,5 months.

### **Construction and commissioning of an open-cycle, three turbine, dual fueled (gas and diesel) power plant totaling 590,726 MW in Algeria**

METKA announced on 19/11/2013 the signing of a new contract with Société Algérienne de Production de l'Electricité (SPE Spa is part of the Sonelgaz Group, the major Algerian electricity utility), in consortium with General Electric. This is METKA's third major project in Algeria and highlights the company's commitment towards establishing a strong presence in regional growth markets. The project concerns the engineering, procurement, construction and commissioning of an open cycle gas turbine power plant with two gas turbines and a total output of 590,726 MW at site conditions. The total contract value for METKA is EUR 154 million plus DZD 2,311 million and the contracted schedule is 16,5 months.

### **Defined metal structures of the hull and turret for 62 LEOPARD 2 main battle tanks for the Middle East market**

On 26/11/2013 METKA signed an industrial coproduction agreement with Krauss-Maffei Wegmann GmbH & Co. KG (KMW), Europe's leading manufacturer of highly protected wheeled and tracked military vehicles. KMW chose METKA to supply defined metal structures of the hull and turret for 62 LEOPARD 2 main battle tanks for the Middle East market. The value of the agreement adds up to 56,5 million euro and deliveries are expected to be concluded within 2016.

METKA and KMW have been business partners in producing LEOPARD 2HEL tanks for the Greek Army since 2003 when the two companies set the basis of their co-operation that included extensive know how transfer and substantial investments on highly sophisticated machinery in METKA's two factories in Volos. This new agreement is the result of the successful execution of the Greek program that qualified METKA as one of the very few companies that can perform such demanding fabrication works worldwide and, certainly, sets a milestone in their long-term cooperation, particularly with regard to preservation of jobs and know-how in Greece's Defense Industry.

### **Construction of Patriot defense systems for the government of Kuwait**

A fourth contract for the construction of Patriot PAC-3 air defense systems on behalf of Raytheon Company was signed on 29/04/2013, destined for the government of Kuwait. The contracting party is INTRACOM Defense Electronics under the agreement with the Raytheon Company/IDS (Integrated Defense Systems) and the project's main features are the manufacture of 12 semi-trailers and 10 launcher platforms. Deliveries are expected to be completed within 2015.

## **III. Other important events in 2013**

- **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 2013, and the following decisions, among others, were taken:

- a) Approval of the separate and consolidated financial statements for the period 01/01-31/12/2012.
- b) Distribution of a dividend € 0,2500 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 2012.

### **C. Important events after 2013**

METKA has announced on 13.2.2014 that its Turkish subsidiary, Power Projects Sanayi İnşaat Ticaret Limited Şirketi (Power Projects Limited), in consortium with General Electric, has signed a new contract with Société Algérienne de Production de l'Electricité (SPE Spa).

This is METKA's fifth major project in Algeria, and emphasizes the company's commitment to further develop its presence in one of the region's most important growth markets. The project concerns the engineering, procurement, installation and commissioning of eight (8) mobile gas turbine power generation units with a total output of 179,72 MW at site conditions, to be installed at three (3) sites in Algeria. The total contract value for Power Projects Limited is US\$ 66.085.842. The project will be carried out on a fast-track schedule, with commercial operation in the first half of 2014.

METKA has announced on 11.03.2014 its appointment as the provisional contractor for the project "Construction of remaining infrastructure, permanent way, signalling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni" (Tender no. 715), following the decision of the Board of Directors of ERGA OSE S.A., in the context of the open call for tender. The total budget of the projects amounts to €273,000,000 and is co-funded by the European Regional Development Fund (ERDF), under Priority Axis 2 of the Operational Programme "Accessibility Improvement" of the Greek NSRF 2007-2013, and is scheduled for implementation over a period of 24 months following the contract award date.

For the implementation of the project, METKA will collaborate with the international company THALES, global leader in the field of signalling and telecommanding, as well as with XANTHAKIS S.A., a Greek company specialised in railway superstructure works.

The Kiato-Rododafni railway line is part of the larger construction project for the new double railway line from Athens (SKA) to Patras and is considered an infrastructure project of significant importance, since with its implementation it will be possible to connect the Peloponnese with the modern railway network of Athens. The New Double High-Speed Railway Line KIATO-PATRAS is the extension of the new ATHENS - KORINTHOS - PATRAS New Double High-Speed Railway Line, which will link the Greek capital to Patras, the third largest economic centre of the country.

There are no important events from the end of 2013 until today.

### **D. PERSPECTIVES FOR 2014**

According to forecasts, 2013 was probably the last year of recession for the Greek economy. In 2014 GDP is expected to stabilize at the levels of 2013, without ruling out the possibility of positive growth rates before the end of the current year.

However, a range of factors will determine if the stabilization trend that started in 2013 will evolve into a recovery course in 2014. Among these are the decisions that will be made in relation to the Greek public debt, the development of the fiscal policy mix, the accelerated implementation of structural reforms, as well as the conditions in the broader political and social scene in the run-up to the EU, local and regional elections in May.

The preservation of political stability along with the ability to bring about a substantial improvement of the business and investment environment will be of critical importance in the effort to restart the Greek economy.

METKA's performance is expected to continue on a positive track. The year kick-started with the signing of several new contracts, which enhance the company's portfolio. Having created a strong backlog, 95% of which is constituted by international projects, METKA will aim at strengthening its presence in markets where it already operates, as well as penetrating in new markets which are characterized by increased energy needs, in the broader regions of Middle East and Africa.

At the same time, it will explore new opportunities in the local market. Building on the experience and high expertise it has acquired by its international operations, it will pursue participation in large construction projects, in areas such as transports, waste management etc.

This choice has already shown the first results, as reflected in METKA's recent appointment as the provisional contractor for a €273 m. project by ERGOSE, for the construction of the Kiato – Rododafni railway line.

## **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 exchange rate 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 of the Group in foreign currency converted into Euros with the closing exchange rate are analysed as follows:

Amounts in thousands €	2013								2012							
	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Nominal Amounts																
Financial Assets	129,110	567	23	2,215	253	1,986	4,117	-	63,803	4,307	16	1,073	872	104	30	-
Financial Liabilities	(82,208)	(695)	(64)	-	(1,622)	(4,548)	(2,513)	(37)	(61,754)	(430)	(73)	-	(3,724)	-	-	(40)
<b>Total</b>	<b>46,902</b>	<b>(128)</b>	<b>(40)</b>	<b>2,215</b>	<b>(1,369)</b>	<b>(2,562)</b>	<b>1,604</b>	<b>(37)</b>	<b>2,048</b>	<b>3,878</b>	<b>(57)</b>	<b>1,073</b>	<b>(2,852)</b>	<b>104</b>	<b>30</b>	<b>(40)</b>
Short-term exposure	46,902	(128)	(40)	2,215	(1,369)	(2,562)	1,604	(37)	2,048	3,878	(57)	1,073	(2,852)	104	30	(40)

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 and EUR/IQD. The table was prepared based on the scenario that there is a fluctuation at 31 December 2013 of the above exchange rates by 5% (2012: 5%). The effect on result and equity is as follows:

Amounts in thousands €	2013								2012							
	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Earnings before tax	2,345	(6)	(2)	111	(68)	(128)	80	(2)	102	194	(3)	54	(143)	5	2	(2)
Equity	1,821	(5)	(1)	89	(55)	(104)	69	(1)	82	155	(2)	45	(114)	4	1	(2)

Amounts in thousands €	2013								2012							
	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Earnings before tax	(2,345)	6	2	(111)	68	128	-80	2	(102)	(194)	3	(54)	143	(5)	(2)	2
Equity	(1,821)	5	1	(89)	55	104	(69)	1	(82)	(155)	2	(45)	114	(4)	(1)	2

In order to 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 2013 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 €	31/12/2013		31/12/2012	
	3%	-3%	3%	-3%
Earnings before tax	(1,279)	1,279	(1,187)	1,187
Equity	(946)	946	(950)	950

### 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 are held at low level by maintaining adequate level of cash & cash equivalent and positive working capital, 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 payables. 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 €) 2013	METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,268	1,135	2,403
Short Term Loans	7,092	160	-	-	7,252
Trade and other payables	116,888	5,432	-	-	122,319
Other payables	4,407	-	-	-	4,407
<b>Total</b>	<b>128,387</b>	<b>5,591</b>	<b>1,268</b>	<b>1,135</b>	<b>136,381</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2012	METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,086	1,629	2,715
Short Term Loans	2,307	46,129	-	-	48,436
Trade and other payables	76,186	10,126	-	-	86,312
Other payables	4,319	1,284	-	-	5,603
<b>Total</b>	<b>82,812</b>	<b>57,539</b>	<b>1,086</b>	<b>1,629</b>	<b>143,066</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2013	METKA S.A.				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	-	-	-
Short Term Loans	4,840	-	-	-	4,840
Leasing liabilities	-	-	-	-	-
Trade and other payables	110,406	7,251	-	-	117,657
Other payables	10,907	-	-	-	10,907
<b>Total</b>	<b>126,153</b>	<b>7,251</b>	<b>-</b>	<b>-</b>	<b>133,404</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2012	METKA S.A.				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	-	-	-
Short Term Loans	-	45,970	-	-	45,970
Leasing liabilities	-	-	-	-	-
Trade and other payables	56,482	5,274	-	-	61,756
Other payables	2,080	9,594	-	-	11,674
<b>Total</b>	<b>58,562</b>	<b>60,838</b>	<b>-</b>	<b>-</b>	<b>119,400</b>

## 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 2014, proposes the distribution of a dividend equal to € 0,3000 share, as against € 0,2500/share in 2012. The proposed distribution is subject to the approval of the Regular General Assembly of the Shareholders.

### e) Group's structure and consolidation method

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

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

<b>Joint Venture METKA – ETADE</b>	<b>ATHENS, ATTIKIS</b>	<b>10,00</b>	<b>Direct 10%</b>	<b>Equity Method</b>
<b>POWER PROJECTS</b>	<b>Istanbul Turkey</b>	<b>100,00</b>	<b>Direct 99%</b> <b>Indirect 1%</b>	<b>The participation percentage</b>
<b>Joint Venture ATERMON -EKME – TMUCB-METKA SA</b>	<b>MAROUSI, ATTIKIS</b>	<b>24,00</b>	<b>Direct 10%</b> <b>Indirect 14%</b>	<b>The participation percentage (Equity Method)</b>
<b>Joint Venture ATERMON –EKME</b>	<b>MAROUSI, ATTIKIS</b>	<b>20,00</b>	<b>Indirect</b>	<b>The participation percentage (Equity Method)</b>
<b>MYTILINEOS FINANCIAL PARTNERS SA</b>	<b>Luxembourg</b>	<b>25,00</b>	<b>Direct</b>	<b>The participation percentage (Equity method)</b>
<b>Joint Venture EKME-ATHONIKI</b>	<b>ECHEDOROU, THESSALONIKIS</b>	<b>28,00</b>	<b>Indirect</b>	<b>The participation percentage (Equity Method)</b>

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 50,0% 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 2013. 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 2013 are as follows:

**Amounts of closing period 2013**

*Amounts in thousands euro*

<b>Subsidiary</b>	<b>Sales of goods and services</b>	<b>Purchases of goods and services</b>	<b>Receivables</b>	<b>Payables</b>
POWER PROJECT	16.099	-	4.633	8.528
ELEMKA S.A.	-	6.064	671	2.721
<b>AFFILIATED</b>				
PROTERGIA S.A.	-	-	90.939	-
MYTILINEOS HOLDINGS	-	6.008	-	-
KORINTHOS POWER	-	-	21.517	-
MYTILINEOS FINANCIAL PARTNERS	1.666	-	28.836	-
AMIOXA S.A.	-	2.536	-	-

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.

COMPANY	%
MYTILINEOS S.A. – GROUP OF COMPANIES	50,00% plus one stock
KAS DEPOSITORY TRUST COMPANY (NETHERLANDS)	5,50%

#### 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 least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five years per instance of renewal.

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

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

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

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

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

There is no agreement between the Company and the members of the Board of Directors or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer. The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to € 733.761 on 31.12.2013 for the company (and € 988.140 at Group level).

## 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.
- vii. There is no diversity policy pertaining to the composition of the BOD and the top management executives, as well as a gender representation percentage.

## 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,
- b) Auditor election,
- c) approval or change of the balance sheet and the annual financial statements of the Company,
- d) distribution of annual profit,
- e) merging, split, modification, revival of the Company,
- f) conversion of the Company's shares to nominal,
- g) extension or short cut of the Company's duration,
- h) the Company's winding up and the appointment of liquidators,
- i) BoD members' election

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

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

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

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

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

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

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

## 2.2 Shareholders' rights and their exertion

### 2.2.1 Participation and voting right

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

2.2.1.2 Right to participate in the General Assembly has any shareholder appearing in the files of the Dematerialized Securities System of the «Hellenic Stock Markets S.A.», in which the Company's shares are kept. To prove his attribute, the shareholder must bring a relevant written certificate from the aforementioned authority or, alternatively, this can be done through a direct link of the Company with the files of the authority. The shareholder's attribute should exist at the record

date which is five (5) days before the General Assembly and the relevant confirmation/certificate or electronic confirmation should reach the Company latest three (3) days before the General Assembly.

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

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

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

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

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

## 2.2.2 Other shareholder rights

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

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

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

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

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

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

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

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

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

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

2.2.2.11 Shareholders representing one twentieth (1/5) 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 unreachd quorum. More specifically, during 2013 ninety (90) 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)	90	90	-
George Pallas, son of Nikolaos (Vice-president)	90	90	-
George Economou, son of Alexandros (Executive member)	90	90	-
Filippos Zotos, son of Evangelos	90	90	-

(Executive member)			
Panayiotis Gardelinos, son of Antonios (Executive member)	90	90	-
Nikolaos Bakirtzoglou, son of Haralambos (Non-executive independent member)	90	90	-
Iosif Avagianos, son of Andreas (Non-executive independent member)	90	90	-

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 2013:

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 2013 are shown in the following table:

MEETING DATE	AGENDA
11/01/2013	Briefing and filing the report for the audits during the fourth trimester of 2012
11/04/2013	Briefing and filing the report for the audits during the first trimester of 2013
18/07/2013	Briefing and filing the report for the audits during the second trimester of 2013
23/10/2013	Briefing and filing the report for the audits during the third trimester of 2013

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	STATUS
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.

3.8 The Company has adopted a policy and principles for formulating the remuneration of executive board members and a method of performance evaluation and calculation of the variable remuneration of the Board for the payment of their salaries.

## **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 2012 and 2013, 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 1.1.2013 -31.12.2013 no stock option rights have been granted and there is no share distribution program in effect.

**IOANNIS MYTILINEOS, SON OF GEORGE**

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

**GEORGE PALLAS, SON OF NIKOLAOS**

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

**GEORGE ECONOMOU, SON OF ALEXANDER**

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

**FILIPPOS ZOTOS, SON OF EVANGELOS**

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

**PANAYIOTIS GARDELINOS, SON OF ANTONIOS**

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

**NIKOLAOS BAKIRTZOGLU, SON OF HARALAMBOS**

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

**IOSIF AVAGIANOS, SON OF ANDREAS**

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

## **5. Additional Information**

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

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

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

*b) all limitations for share transfer, such as limitations in title possession or obligation to receive approval from the Company or other title owners, taking into account the article 46 of Directive 2001/34/EK,*

*c) the important direct or indirect participations (including indirect participations through pyramidal structures or mutual participation) as conceived by article 85 of Directive 2001/34/EK,*

*d) the owners of any kind of titles offering special control rights and description of the said rights,*

*e) the control mechanism which may be anticipated in a system of employee participation, in cases where the control rights are not exercised directly by the employees,*

- f) any kind of limitations in the voting right, such as limitations in voting rights to owners of a specific percentage or number of shares, the deadline for exerting voting rights, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership,
- g) the agreements among shareholders which are known to the Company and may lead to limitations in title transfer and/or voting rights, as conceived in directive 2001/34/EK,
- h) the rules pertaining to the appointment and replacement of BoD members as well as the ones concerning the modification of the Statutes,
- i) the authorities of BoD members, and mainly those linked to the issue or repurchase of shares,
- j) any important agreement in which the Company participates and which is valid, modified or expires in case of a change in the control of the Company following a public acquisition offer and the consequences of this agreement, unless its disclosure could cause significant damage to the Company. This exception is not valid when the Company is explicitly obliged to disclose such information based on other legal requirements,
- k) any agreement that the Company has made with BoD members or employees, which anticipates a compensation in case of a resignation or dismissal with no substantial reason or if their employment is terminated due to a public acquisition offer.»

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

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

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99,98	Direct	The participation percentage
ELEMKA	MAROUSI, ATTIKIS	83,50	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity
Drosco Holdings Limited	NICOSIA, 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	ATHENS, ATTIKIS	10,00	Direct 10%	Equity Method
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)
Joint Venture EKME-ATHONIKI	ECHEDOROU, THESSALONIKIS	28,00	Indirect	The participation percentage (Equity Method)

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 21<sup>st</sup> of March 2014**

**The President of the Board**

**Ioannis Mytilineos**

**D. Annual Financial Statements for FY 2013**

**According to the International Financial Recording Standards  
as adopted by the European Union**

**(amounts in thousand € unless stated otherwise)**

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 21/03/2014 and are disclosed to the company's website [www.metka.gr](http://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.

## I. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2013

### Income Statement (Consolidated and Corporate)

(Amounts in thousands €)	Notes	METKA		METKA S.A.	
		1/1-31/12/2013	1/1-31/12/2012 (revised)	1/1-31/12/2013	1/1-31/12/2012 (revised)
<b>Sales</b>	30	606,491	547,549	404,408	327,915
Cost of sales	31	(482,731)	(434,210)	(324,687)	(250,773)
<b>Gross profit</b>		<b>123,760</b>	<b>113,339</b>	<b>79,721</b>	<b>77,142</b>
Other operating income	33	17,803	4,670	7,248	2,071
Distribution expenses	31	(2,059)	(1,862)	(1,633)	(1,301)
Administrative expenses	31	(21,283)	(19,836)	(18,526)	(17,117)
Other operating expenses	33	(20,496)	(8,201)	(15,163)	(7,971)
<b>Earnings before interest and income tax</b>		<b>97,725</b>	<b>88,110</b>	<b>51,647</b>	<b>52,824</b>
Financial income	34	5,169	5,291	3,224	4,120
Financial expenses	34	(15,590)	(12,617)	(11,791)	(11,033)
Other financial results	35	937	2,894	(154)	520
Share of profit/(losses) of associates		(1,714)	835	(213)	-
<b>Profit before income tax</b>		<b>86,527</b>	<b>84,513</b>	<b>42,713</b>	<b>46,431</b>
Income tax expense	36	5,037	(13,549)	1,718	(10,456)
<b>Profit for the period</b>		<b>91,564</b>	<b>70,965</b>	<b>44,431</b>	<b>35,975</b>
<b>Profit for the period</b>		<b>91,564</b>	<b>70,965</b>	<b>44,431</b>	<b>35,975</b>
<b>Attributable to:</b>					
<i>Equity holders of the parent</i>		91,656	70,109	44,431	35,975
<i>Non controlling Interests</i>		(92)	856	-	-
<i>Basic earnings per share</i>	37	1.7643	1.3495	0.8553	0.6925

#### Notes:

- The attached notes to the accounts form an integral part of the annual financial statements.
- The amounts of the comparative annual period ended on 31.12.2013 were adjusted in order to show the impact of the revised IAS 19 "Employee Benefits" (see note 3.4.1).

**Statement of Comprehensive Income (Consolidated and Corporate)**

(Amounts in thousands €)	METKA		METKA S.A.	
	1/1-3/12/2013	1/1-31/12/2012 (revised)	1/1-3/12/2013	1/1-31/12/2012 (revised)
<b>Net Profit / (Losses) for the period after taxes (from continued and discontinued operations)</b>	<b>91,564</b>	<b>70,965</b>	<b>44,431</b>	<b>35,975</b>
<b>Other comprehensive income:</b>				
<b>Amounts not reclassified to the income statement in subsequent periods</b>				
Revaluation of liabilities for employee benefits	150	-98	124	80
Deferred tax on renaluation of the liability for employee benefits	-6	20	-	-16
	<b>143</b>	<b>-79</b>	<b>124</b>	<b>64</b>
<b>Amounts reclassified to the income statement in subsequent periods</b>				
Exchange differences of foreign operations redistributed to P & L	1,393	-237	-	-
	<b>1,393</b>	<b>-237</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income after taxes</b>	<b>1,537</b>	<b>-316</b>	<b>124</b>	<b>64</b>
<b>Total other comprehensive income after taxes</b>	<b>93,101</b>	<b>70,649</b>	<b>44,555</b>	<b>36,039</b>
<b>Attributable to:</b>				
Equity holders of the parent	93,185	69,815	44,555	36,039
Non controlling interests	-84	834	-	-

**Notes:**

- The attached notes to the accounts form an integral part of the annual financial statements.
- The amounts of the comparative annual period ended on 31.12.2013 were adjusted in order to show the impact of the revised IAS 19 "Employee Benefits" (see note 3.4.1)

**Statement of Financial Position (Consolidated and Corporate)**

(Amounts in thousands €)	Notes	METKA		METKA S.A.	
		31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
<b>Assets</b>					
<b>Non current assets</b>					
Tangible Assets	8	54,161	57,541	34,476	36,519
Goodwill	9	1,831	1,831	-	-
Intangible Assets	10	23	30	5	13
Investments in Subsidiary Companies	11	-	-	16,302	16,303
Investments in Associate Companies	12	567	2,157	501	714
Deferred Tax Receivables	13	7,317	6,476	5,526	5,207
Financial Assets Available for Sale	14	32	32	23	23
Other Long-term Receivables	15	37,088	11,576	30,626	5,195
		<b>101,019</b>	<b>79,644</b>	<b>87,460</b>	<b>63,974</b>
<b>Current assets</b>					
Total Stock	16	31,456	37,358	30,432	36,404
Trade and other receivables	17	433,259	451,996	390,602	394,147
Other receivables	18	98,848	92,227	77,903	73,120
Financial assets at fair value through profit or loss	19	1,167	1,967	-	-
Cash and cash equivalents	20	134,542	100,045	56,398	75,526
		<b>699,272</b>	<b>683,593</b>	<b>555,335</b>	<b>579,196</b>
<b>Assets</b>		<b>800,291</b>	<b>763,237</b>	<b>642,794</b>	<b>643,170</b>
<b>Liabilities &amp; Equity</b>					
<b>EQUITY</b>					
Share capital	22.1	16,624	16,624	16,624	16,624
Other reserves	22.2	28,568	28,414	23,860	23,736
Translation reserves		(713)	(2,107)	-	-
Retained earnings	22.3	388,547	309,898	278,319	246,875
<b>Equity attributable to parent's shareholders</b>		<b>433,026</b>	<b>352,829</b>	<b>318,803</b>	<b>287,235</b>
<b>Non controlling Interests</b>		<b>16,841</b>	<b>17,154</b>	<b>-</b>	<b>-</b>
<b>EQUITY</b>		<b>449,867</b>	<b>369,983</b>	<b>318,803</b>	<b>287,235</b>
<b>Non-Current Liabilities</b>					
Long-term debt	27	2,403	2,716	-	-
Deferred tax liability	13	36,324	43,949	28,563	32,452
Liabilities for pension plans	23	988	1,208	734	916
Other long-term liabilities	24	63,640	77,001	63,451	76,812
Provisions	29	1,010	1,880	780	1,580
<b>Non-Current Liabilities</b>		<b>104,365</b>	<b>126,753</b>	<b>93,528</b>	<b>111,761</b>
<b>Current Liabilities</b>					
Trade and other payables	25	231,571	207,710	213,630	185,352
Tax payable	26	2,824	4,745	1,087	1,178
Short-term debt	27	7,252	48,436	4,840	45,970
Derivatives		307	-	307	-
Other payables	28	4,101	5,604	10,600	11,674
Current portion of non-current provisions	29	4	7	-	-
<b>Current Liabilities</b>		<b>246,059</b>	<b>266,502</b>	<b>230,464</b>	<b>244,175</b>
<b>LIABILITIES</b>		<b>350,424</b>	<b>393,254</b>	<b>323,992</b>	<b>355,935</b>
<b>Liabilities &amp; Equity</b>		<b>800,291</b>	<b>763,237</b>	<b>642,794</b>	<b>643,170</b>

**Notes:**

- The attached notes to the accounts form an integral part of the annual financial statements.
- The amounts of the comparative annual period ended on 31.12.2013 were adjusted in order to show the impact of the revised IAS 19 "Employee Benefits" (see note 3.4.1)

## Consolidated Statement of Changes in Equity

(Amounts in thousands €)	METKA						Total
	Share capital	Other reserves	Translation reserves	Retained earnings	Total	Non controlling Interests	
Opening Balance 1st January 2012 ,according to IFRS -as published-	16,624	28,293	(1,870)	278,814	321,861	17,215	339,076
<b><i>Change in equity</i></b>							
Dividends paid	-	-	-	(38,963)	(38,963)	(780)	(39,743)
Transfer to reserves	-	191	-	(77)	114	(114)	-
Net profit (loss) for the period	-	-	-	70,110	70,110	856	70,966
Reserve from the revision of IAS 19	-	(71)	-	-	(71)	(27)	(98)
Deferred tax on revaluation of the liability for employee benefits	-	-	-	14	14	5	20
Exchange differences on translation of foreign operations	-	-	(237)	-	(237)	-	(237)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>120</b>	<b>(237)</b>	<b>31,084</b>	<b>30,967</b>	<b>(60)</b>	<b>30,907</b>
Closing Balance 31/12/2012 revised	16,624	28,413	(2,107)	309,898	352,828	17,155	369,983
Opening Balance 1st January 2013 ,according to IFRS -revised-	16,624	28,413	(2,107)	309,898	352,828	17,155	369,983
<b><i>Change in equity</i></b>							
Dividends paid	-	-	-	(12,988)	(12,988)	(229)	(13,217)
Transfer to reserves	-	16	-	(16)	-	-	-
Net profit (loss) for the period	-	-	-	91,656	91,656	(92)	91,564
Exchange differences on translation of foreign operations	-	-	1,393	-	1,393	-	1,393
Reserve from the revision of IAS 19	-	140	-	-	140	10	150
Deferred tax on revaluation of the liability for employee benefits	-	-	-	(4)	(4)	(3)	(6)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>155</b>	<b>1,393</b>	<b>78,649</b>	<b>80,198</b>	<b>(314)</b>	<b>79,884</b>
Closing Balance 31/12/2013	16,624	28,568	(713)	388,547	433,026	16,841	449,867

### Notes:

- The attached notes to the accounts form an integral part of the annual financial statements.
- The amounts of the comparative annual period ended on 31.12.2013 were adjusted in order to show the impact of the revised IAS 19 "Employee Benefits" (see note 3.4.1)

**Company Statement of Changes in Equity**

(Amounts in thousands €)

	METKA S.A.			
	Share capital	Other reserves	Retained earnings	Total
<b>Opening Balance 1st January 2012 ,according to IFRS -as published-</b>	<b>16,624</b>	<b>23,656</b>	<b>249,879</b>	<b>290,159</b>
<b><u>Change in equity</u></b>				
Dividends paid	-	-	(38,963)	(38,963)
<b>Transactions with owners</b>				
Net profit (loss) for the period	-	-	35,975	35,975
Reserve from the revision of IAS 19	-	80	-	80
Deferred tax on revaluation of the liability for employee benefits	-	-	(16)	(16)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>80</b>	<b>35,959</b>	<b>36,039</b>
<b>Closing Balance 31/12/2012 revised</b>	<b>16,624</b>	<b>23,736</b>	<b>246,875</b>	<b>287,235</b>
<b>Opening Balance 1st January 2013 ,according to IFRS -revised-</b>	<b>16,624</b>	<b>23,736</b>	<b>246,875</b>	<b>287,235</b>
<b><u>Change in equity</u></b>				
Dividends paid	-	-	(12,988)	(12,988)
<b>Transactions with owners</b>				
Net profit (loss) for the period	-	-	44,432	44,432
Reserve from the revision of IAS 19	-	124	-	124
Deferred tax on revaluation of the liability for employee benefits	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>124</b>	<b>44,432</b>	<b>44,556</b>
<b>Closing Balance 31/12/2013</b>	<b>16,624</b>	<b>23,860</b>	<b>278,319</b>	<b>318,803</b>

**Notes:**

- The attached notes to the accounts form an integral part of the annual financial statements.
- The amounts of the comparative annual period ended on 31.12.2013 were adjusted in order to show the impact of the revised IAS 19 "Employee Benefits" (see note 3.4.1)

## Cash Flow Statement (Consolidated and Corporate)

Amounts in thousands €	METKA		METKA S.A.	
	12 months until 31 December 2013	12 months until 31 December 2012 (revised)	12 months until 31 December 2013	12 months until 31 December 2012 (revised)
<b>Operating Activities</b>	Notes			
<b>Profit after Tax</b>	<b>86,527</b>	<b>84,513</b>	<b>42,713</b>	<b>46,431</b>
Plus (Less) Adjustments:	38 4,341	795	3,266	1,069
	<b>90,868</b>	<b>85,308</b>	<b>45,979</b>	<b>47,500</b>
<b>Working Capital changes</b>				
Increase / (Decrease) in Inventories	5,902	17,793	5,972	17,639
Increase / (Decrease) in Trade and other Receivables	(20,843)	(13,558)	(30,763)	25,184
Increase / (Decrease) in other current assets	(1,074)	(4,342)	(2,292)	(4,495)
Increase / (Decrease) in Trade and other Payables	12,160	(104,666)	13,850	(100,974)
	<b>(3,855)</b>	<b>(104,773)</b>	<b>(13,233)</b>	<b>(62,646)</b>
<b>Cash flow from Operating Activities</b>	<b>87,013</b>	<b>(19,465)</b>	<b>32,746</b>	<b>(15,145)</b>
<b>Cash flow from Operating Activities</b>				
Cash flow from operating activities				
Less: Debit interest and similar expenses Paid	(3,359)	(2,252)	(2,965)	(1,851)
Less: Income Taxes Paid	(2,034)	(2,496)	(1,033)	(1,169)
<b>Net cash flow from Operating Activities</b>	<b>81,619</b>	<b>(24,213)</b>	<b>28,749</b>	<b>(18,165)</b>
<b>Investing Activities</b>				
Purchases of tangible assets	(1,193)	(2,947)	(1,020)	(2,437)
Purchases of intangible assets	(15)	(6)	-	-
Disposals from sale of tangible assets	285	141	222	72
Proceeds from dividends	59	-	673	-
Borrowings to affiliated companies	-	-	-	(2,900)
Purchase of Bonds	(4,750)	(65,300)	(4,750)	(54,600)
Purchase of financial assets at fair value through profit and loss	-	(6,477)	-	-
Acquisition of associates and other investments	(251)	-	(250)	-
Sales of subsidiaries (less the cash & cash equivalent of the Subsidiary)	1	-	1	-
Sales of financial assets available for sale	69	52	28	28
Proceeds from Bonds	11,321	24,079	11,321	21,255
Sales of financial assets at fair value through profit and loss	1,113	5,095	-	-
Interest received	4,194	4,066	2,249	2,989
Proceeds from borrowing of affiliated parties	-	-	-	3,400
<b>Net cash flow from Investing Activities</b>	<b>10,832</b>	<b>(41,296)</b>	<b>8,475</b>	<b>(32,193)</b>
<b>Financing Activities</b>				
Dividends Paid	(13,831)	(39,000)	(13,050)	(38,935)
Proceeds from Borrowings	-	41,099	-	38,970
Borrowings Paid	(41,518)	(5,000)	(41,130)	(5,000)
<b>Net cash flow from Financing Activities</b>	<b>(55,349)</b>	<b>(2,901)</b>	<b>(54,180)</b>	<b>(4,965)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>37,102</b>	<b>(68,411)</b>	<b>(16,957)</b>	<b>(55,324)</b>
Cash and cash equivalents at the beginning of the period	100,045	167,948	75,526	131,165
Foreign currency differences in cash and cash equivalents	(2,605)	508	(2,170)	(315)
<b>Cash and cash equivalents at the end of the period</b>	<b>134,542</b>	<b>100,045</b>	<b>56,398</b>	<b>75,526</b>

### Notes:

- The attached notes to the accounts form an integral part of the annual financial statements.
- The amounts of the comparative annual period ended on 31.12.2013 were adjusted in order to show the impact of the revised IAS 19 "Employee Benefits" (see note 3.4.1)

## II. NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2013

### 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 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 2013 (which contain comparative data with FY 2012) were approved by the Board of Directors, on the 21<sup>st</sup> of March 2014. 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 50,00 % of METKA on 31/12/2013 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)
- Defense 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 defense 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

#### 3.1 Declaration of Conformity

The consolidated financial statements of METKA S.A. for the year ended December 31, 2013 are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as its Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until the 31<sup>st</sup> of December 2013. Also, the Financial Statements have been prepared based on the going concern principle.

The Group applies all International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the Interpretations which apply to its activities. The relevant accounting policies, a summary of which is presented below in note 4, have been applied consistently in all presented periods.

#### 3.2 Presentation Currency

The currency of the presentation is Euro (currency of the country in which the parent company is based) and all amounts are in thousands of Euro, unless stated otherwise.

#### 3.3 Use of Estimates

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 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.

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. Since the estimates and judgments concern the future, real results may deviate from accounting estimates.

#### 3.4. Changes in Accounting Policies

2013 financial statements were prepared using the same accounting policies of the 2012 financial statements, and taking into account any new Standards and Standard Amendments of the IFRS (see par. 3.4.1 and 3.4.2).

##### 3.4.1 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 01/01/2013. The most significant Standards and Interpretations are as follows:

- **Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income**

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 amendment affects only the presentation of the Statement of Comprehensive Income.

- **IFRS 13 "Fair Value Measurement"**

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 necessary disclosures have been examined and cover all property and liabilities measured in fair value and not only the financial. The Group and the Company adopted this standard in the present financial year. The relevant required disclosures are presented in the note 41.7 of the financial statements.

- **Amendments to IAS 19 “Employee Benefits”**

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 revised version eliminates the “corridor method” and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income. Furthermore, this version changes the measurement and presentation of certain components of defined benefit cost. Under the revised standard, the Group/Company restates its reported results throughout the comparative periods in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The amendments affect the consolidated and separate financial statements from the difference when recognizing actuarial earnings/ (losses). The revised IAS19 was adopted by the European Union in the fourth trimester of 2012. In the context of the above amendments, there arose the following changes in the amounts presented in the Group’s Financial Statements for the comparative annual period:

Amounts in thousands €	METKA	METKA S.A.
<b>Effects on the Consolidated Income Statement</b>	1/1- 31/12/2012	1/1- 31/12/2012
Profit after tax for the period, with published amounts	<b>70,887</b>	<b>36,039</b>
Effect from the revision of IAS 19	98	-80
Deffered tax on revaluation of the liability for employee benefits	-20	16
<b>Profit after taxes, after the application of the revised IAS 19</b>	<b>70,966</b>	<b>35,975</b>

<b>Effect on the Consolidated Statements of Other Income</b>	31.12.2012	31.12.2012
Other Comprehensive income after tax for the period, with published amounts	<b>-237</b>	-
Effect from the revision of IAS 19	-98	80
Deffered tax on revaluation of the liability for employee benefits	20	-16
<b>Other Comprehensive income after taxes due to the application of the revised IAS 19</b>	<b>-316</b>	<b>64</b>

In the Cash Flow Statement there was no significant change due the application of the revised IAS 19 «Employee Benefits».

The required disclosures concerning employee benefits are presented in the note 23 of the Financial Statements.

- **IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”**

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 not applicable to the Group's/Company's operations.

- **Amendments to IFRS 7 “Financial Instruments: Disclosures” - Offsetting Financial Assets and Financial Liabilities**

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 amendments do not affect the consolidated and separate financial statements of the Group/Company.

- **Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” - Government loans**

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 amendment does not affect the consolidated and separate financial statements.

- **Annual Improvements 2009–2011 Cycle**

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. Specifically, includes improvements for IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. The amendments are not significant and have not a material impact on Group's/Company's financial statements.

### **3.4.2 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:

- **IFRS 9 “Financial Instruments” (removal of mandatory effective date)**

In November 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. In November 2013, IASB issued amendments to IFRS 9. These amendments make three important changes to IFRS 9. Firstly, a new chapter on hedge accounting has been added to IFRS 9. This represents a major overhaul of hedge accounting and puts in place a new model that introduces significant improvements principally by aligning the accounting more closely with risk management. There are also improvements to the disclosures about hedge accounting and risk management. The second amendment makes the improvements to the reporting of changes in the fair value of an entity's own debt contained in IFRS 9 more readily available. The third change is the removal of the mandatory effective date of IFRS 9, because the impairment phase of the IFRS 9 project is not yet completed that would allow sufficient time for entities to prepare to apply the Standard. Entities may however still choose to apply IFRS 9. 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 beginning on or after 01/01/2014)**

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 Standards are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group will assess the impact of new standards in its financial statements (Adjust accordingly). The Standards have been adopted by the European Union in December 2012.

- **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 beginning 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 Transition Guidance is effective for annual periods beginning on or after 01 January 2013, but in practice is effective for annual periods beginning on or after 01 January 2014 when the relevant Standards will be effective. The Group will assess the impact of transition guidance in its financial statements. This transition guidance has been adopted by the European Union in April 2013.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods beginning 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 qualifies 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 organizations, venture capital organizations, 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 for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its financial statements. The amendments have been adopted by the European Union in November 2013.

- **Amendments to IAS 32 “Financial Instruments: Presentation” – Offsetting financial assets and financial liabilities (effective for annual periods beginning 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 amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its financial statements. These amendments have been adopted by the European Union in December 2012.

- **Amendments to IAS 36 “Impairment of Assets” - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, IASB issued amendments to IAS 36 “Impairment of Assets”. These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Earlier application is permitted for periods when the entity has already applied IFRS 13. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its financial statements. These amendments have been adopted by the European Union in December 2013.

- **Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 01/01/2014)**

In June 2013, IASB issued amendments to IAS 39 “Financial Instruments: Recognition and Measurement”. The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 Financial Instruments. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its financial statements. These amendments have been adopted by the European Union in December 2013.

- **Interpretation 21: Levies (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, IASB issued Interpretation 21 that is an interpretation of IAS 37 Provisions “Contingent Liabilities and Contingent Assets”. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group will assess the impact of the interpretation in its financial statements. The Interpretation has not been adopted by the European Union yet.

- **Amendments to IAS 19 “Employee Benefits” – Defined Benefit Plans: Employee Contributions (effective from 01/07/2014)**

In November 2013, IASB issued amendments to IAS 19 “Employee Benefits”. The narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective from 01 July 2014 with earlier adoption permitted. The Group will assess the impact of amendments in its financial statements. These amendments have not been adopted by the European Union yet.

- **Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle (effective from 01/07/2014)**

In December 2013, IASB issued Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle. The Cycle 2010-2012 includes improvements for IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and in the Cycle 2011-2013 improvements are relating to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The improvements are effective from 01 July 2014 with earlier adoption permitted. The Group will assess the impact of the improvements in its financial statements. These improvements have not been adopted by the European Union yet.

- **IFRS 14 “Regulatory Deferral Accounts” (effective from 01/01/2016)**

In January 2014, IASB issued an interim Standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. An entity that already presents IFRS financial statements is not eligible to apply the Standard. The Standard is effective from 01 January 2016 with early application permitted. The Group will assess the impact of the Standard in its financial statements. This Standard has not been adopted by the European Union yet.

## 4. Summary of Important Accounting Policies

### 4.1 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.

## 4.2 Operating Segments

The Board of Directors is the main body of business decisions and monitors the internal financial information reports in order to evaluate the Company's and Group's performance and decide for the distribution of resources. The Management has designated the activity segments based on these internal reports. The Board of Directors uses various criteria in order to assess the Group's activities, depending on the nature of each segment and taking into account the risks involved and the existing needs in cash.

Operating segments are those in which the Group is activated and in which its internal information system is based. 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 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.

## 4.3 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.

#### 4.4 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.

#### 4.5 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.

**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.

#### 4.6 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.

#### 4.7 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.

In the Group's balance sheet the transactions and the valuation at fair value of derivatives are shown in separate accounts assets and liabilities entitled "Derivative Financial Instruments". Changes in fair value of derivatives are recognized in 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.

#### **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.

### **4.8 Inventories**

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

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

#### **4.9 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.

#### **4.10 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.

#### **4.11 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.

#### **4.12 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.

#### **4.13 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.

#### **4.14 Employee benefits**

##### **a) 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.

##### **b) 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. Post-employment benefits are partly funded through payments to insurance companies or state social insurance institutions.

- **Defined contribution scheme**

Defined benefits plans are relating to contributions to Insurance Carriers (eg Social Security), so the Group doesn't have any legal obligation in the event that the State Fund is unable to pay a pension to the insured. The employer's obligation is limited to the payment of employer contributions to the insurance companies or state social insurance institutions. 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**

According to L.2112/20 and 4093/2012 the company is obliged to compensate it's employees in case of retirement or dismissal. The amount of the compensation paid depends on the years of service, the level of wages and the removal from service (dismissal or retirement). The entitlement to participate in these programs is usually based on years of service of the employee until retirement.

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. For the fiscal year 2013 as a discount rate is used the yield of iBoxx AA Corporate Overall 10 + EUR indices ,

which is considered consistent with the principles of IAS 19 since is based on bonds corresponding to the currency and term estimation in relation to employee benefits and appropriate for long-term forecasts.

The obligations for benefits payable of an employee benefit scheme are based on various parameters , such as age , years of service and salary. The provisions for the period are included in personnel cost (consolidated and company's financial statements) and consist of current and past service cost , the relative financial cost , actuarial gains or losses and any possible additional charges . Regarding unrecognized actuarial gains or losses the revised IAS 19R is followed, which includes a number of changes in accounting for defined benefit plans, including :

- The recognition of actuarial gains / losses in other comprehensive income and permanent exclusion from the year's income statement,
- The expected returns on investment of the program of each period is not recognized according to the expected returns but it is recognized the interest on net liability / (asset) according to the discount rate used to measure the defined benefit obligation,
- Other changes include new disclosures as quantitative sensitivity analysis

#### 4.15 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.

#### 4.16 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.

#### 4.17 Recognition of income

**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.
- **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 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.

#### 4.18 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.

#### **4.19 Construction contracts**

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

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

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

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

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

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

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

#### **4.20 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.

## 5. 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.

### 5.1 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.

### 5.2 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.

#### **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.

#### **Lease classification**

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.

### **Estimated impairment of goodwill**

The Group tests 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 9. 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, 2013. 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.

## 6. Group Structure and consolidation method

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

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99,98	Direct	The participation percentage
ELEMKA	MAROUSI, ATTIKIS	83,50	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00	Direct	Control over the entity
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 10%	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)
Joint Venture EKME-ATHONIKI	THESSALONIKIS	28,00	Indirect	The participation percentage (Equity Method)

The unaudited fiscal years of the above mentioned companies are mentioned in detail in note 40.3 of the Financial Statements.

The consolidated financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 50,00% of METKA Group as of 31/12/2013.

## Changes in Group Structure

- The company METKA OVERSEAS LTD (100% direct participation of METKA, based at Nicosia Cyprus) is not consolidated in the Group Financial Statements for the period ended 31/12/2013. More specifically, according to the frame agreement between METKA and SEPCO III, SEPCO III has acquired MOL company shares at nominal value on 28.06.2013. The Group did not consolidate the financial position of the above mentioned company on the financial statements of 31.12.2013 whereas incorporated, in the Group Profit and Loss account, the profit of € 17,3k from the sale.
- The 40% subsidiary EKME SA established on the 18.01.2013 the JV EKME SA-ATHONIKI TECHNIKI SA, in which EKME SA has a 70% participation. The JV is consolidated for the first time in the Group financial statements of the period under review, with a percentage of 28%, using the equity method.

## 7. Operating Segments

The Group applies IFRS 8 "Operating Segments" under the provisions of which, the identification of operating segments based on the "management approach" and requires the information disclosed externally is that based on the internal reporting. The Board of Directors is the principal business decision maker of the Group.

In order to present the operating segments, it should be noted that 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.

Taking into account the above as well as the construction singularity of each project, for the purpose of segment information, the Group used the 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, Algeria, Jordan, and Iraq.

In 2013, the Group's income from its activity in countries outside Greece (European Union, Turkey, Syria, Jordan and Other Countries) comprised a 88,20% of its total income and came mainly from Turkey and Syria. Income from European Union in the period 1/1-31/12/ 2013 comes mainly from Romania (same as in the respective period of 2012). Income from other countries come from Algeria and Iraq. 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 2013 and 31st December 2012 for the above mentioned geographical segments are presented below:

Amounts in '000 €	Greece	Algeria	Turkey	Syrian Arab Republic	Other Countries	Iraq	Jordan	Total
<b>01/01 - 31/12/2013</b>								
Revenues from external customers	71,590	145,134	42,960	115,219	472	147,921	83,195	<b>606,491</b>
Intersegment revenues	952	12,986	-	1,784	-	973	8,950	<b>25,646</b>
<b>Total Sales</b>	<b>72,542</b>	<b>158,121</b>	<b>42,960</b>	<b>117,003</b>	<b>472</b>	<b>148,894</b>	<b>92,145</b>	<b>632,137</b>
Gross Profit	6,454	60,094	(8,118)	40,888	(773)	14,865	10,350	<b>123,760</b>
Interest revenues	3,500	-	2,843	-	69	-	-	<b>6,413</b>
Interest expenses	(4,325)	(4,118)	(3,663)	(1,284)	(331)	-	(2,176)	<b>-15,896</b>
<b>Net Financial profit / loss</b>	<b>(825)</b>	<b>(4,118)</b>	<b>(820)</b>	<b>(1,284)</b>	<b>(262)</b>	<b>-</b>	<b>(2,176)</b>	<b>-9,484</b>
Entity's Interest in the Profit of Joint Ventures	(1,714)	-	-	-	-	-	-	<b>-1,714</b>
Profit before tax	(1,993)	57,920	(9,895)	30,675	(1,159)	6,320	4,658	<b>86,527</b>
Income Tax	316	300	807	3,300	162	0	152	<b>5,037</b>
Profit after tax	(1,676)	58,219	(9,088)	33,975	(996)	6,320	4,811	<b>91,564</b>
Depreciation / Amortization	4,089	-	81	-	23	-	-	<b>4,193</b>
<b>31/12/2013</b>								
Tangible assets	54,008	-	101	-	51	-	-	<b>54,161</b>
Other non-current assets	11,393	-	6,386	14,450	7	14,621	-	<b>46,857</b>
Other assets (less tangible assets)	301,609	23,012	132,610	154,817	10,147	30,256	46,820	<b>699,272</b>
Total assets	367,011	23,012	139,098	169,267	10,205	44,877	46,820	<b>800,290</b>
Total liabilities	52,120	25,311	35,221	161,177	7,709	40,076	28,808	<b>350,423</b>
Additions to non-current assets	1,179	-	29	-	-	-	-	<b>1,208</b>

Amounts in thousands €	Greece	EE countries	Turkey	Syrian Arab Republic	Other Countries	Jordan	Total
<b>01/01 - 31/12/2012</b>							
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
<b>Total Sales</b>	<b>129,879</b>	<b>15,478</b>	<b>183,161</b>	<b>156,974</b>	<b>32,037</b>	<b>43,231</b>	<b>560,760</b>
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)
<b>Net Financial profit / loss</b>	<b>(389)</b>	<b>(524)</b>	<b>-348</b>	<b>-2,150</b>	<b>-500</b>	<b>-521</b>	<b>(4,432)</b>
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
<b>31/12/2012</b>							
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

The revenues from of the Group's external clients of the Group's for fiscal years 2013 and 2012 respectively, surpassing 10% of total income of the Group, are as follows:

<b>01/01 - 31/12/2013</b>		
<b>Customer</b>	<b>Sector</b>	<b>Revenue</b>
Customer 1	Iraq	147,917
Customer 2	Algeria	145,137
Customer 3	Syria	115,219
Customer 4	Jordan	83,407
<b>01/01 - 31/12/2012</b>		
<b>Customer</b>	<b>Sector</b>	<b>Revenue</b>
Customer 1	Syria	146,861
Customer 2	Turkey	116,781
Customer 3	Turkey	65,788

## 8. Property, plant & equipment

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

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

(Amounts in thousands €)	METKA				Total
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	
Gross Book Value	42,235	44,887	8,546	4,579	100,247
Accumulated depreciation and/or impairment	(6,589)	(28,136)	(6,148)	-	(40,873)
<b>Net Book value as at 01/01/2012</b>	<b>35,646</b>	<b>16,751</b>	<b>2,398</b>	<b>4,579</b>	<b>59,374</b>
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)
<b>Net Book value as at 31/12/2012</b>	<b>35,188</b>	<b>18,422</b>	<b>2,203</b>	<b>1,727</b>	<b>57,540</b>
Gross Book Value	42,322	51,403	9,406	201	103,332
Accumulated depreciation and/or impairment	(7,801)	(34,074)	(7,296)	-	(49,171)
<b>Net Book value as at 31/12/2013</b>	<b>34,521</b>	<b>17,329</b>	<b>2,110</b>	<b>201</b>	<b>54,161</b>

(Amounts in thousands €)	METKA				Total
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	
<b>Net Book value as at 01/01/2012</b>	<b>35,646</b>	<b>16,751</b>	<b>2,398</b>	<b>4,579</b>	<b>59,374</b>
Additions	359	619	494	1,528	2,997
Sales-Reductions	0	(90)	(34)	-	(123)
Depreciation	(817)	(3,230)	(659)	-	(4,704)
Reclassifications	-	4,380	-	(4,380)	-
Net foreign exchange differences	-	(7)	4	-	(3)
Merge through acquisition of subsidiary	-	-	-	-	-
<b>Net Book value as at 31/12/2012</b>	<b>35,188</b>	<b>18,423</b>	<b>2,203</b>	<b>1,727</b>	<b>57,541</b>
Additions	81	508	456	129	1,201
Sales-Reductions	-	(345)	(24)	-	(363)
Depreciation	(825)	(2,817)	(525)	-	(4,171)
Reclassifications	77	1,606	-	(1,655)	-
Net foreign exchange differences	-	(45)	-	-	(47)
Tangible assets from acquisition / (sale) of subsidiary	-	-	-	-	-
Merge through acquisition of subsidiary	-	-	-	-	-
<b>Net Book value as at 31/12/2013</b>	<b>34,521</b>	<b>17,330</b>	<b>2,110</b>	<b>201</b>	<b>54,161</b>

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

<b>METKA S.A.</b>					
<b>(Amounts in thousands €)</b>	<b>Land &amp; Buildings</b>	<b>Vehicles &amp; mechanical equipment</b>	<b>Furniture and other equipment</b>	<b>Tangible assets under construction</b>	<b>Total</b>
Gross Book Value	26,635	36,039	7,308	-	69,983
Accumulated depreciation and/or impairment	(4,138)	(23,392)	(5,116)	-	(32,645)
<b>Net Book value as at 01/01/2012</b>	<b>22,498</b>	<b>12,647</b>	<b>2,192</b>	<b>-</b>	<b>37,337</b>
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)
<b>Net Book value as at 31/12/2012</b>	<b>22,327</b>	<b>10,763</b>	<b>1,922</b>	<b>1,508</b>	<b>36,519</b>
Gross Book Value	26,647	37,944	7,893	-	72,485
Accumulated depreciation and/or impairment	(4,674)	(27,275)	(6,059)	-	(38,009)
<b>Net Book value as at 31/12/2013</b>	<b>21,973</b>	<b>10,669</b>	<b>1,834</b>	<b>-</b>	<b>34,476</b>

<b>(Amounts in thousands €)</b>	<b>Land &amp; Buildings</b>	<b>Vehicles &amp; mechanical equipment</b>	<b>Furniture and other equipment</b>	<b>Tangible assets under construction</b>	<b>Total</b>
<b>Net Book value as at 01/01/2012</b>	<b>22,498</b>	<b>12,647</b>	<b>2,192</b>	<b>-</b>	<b>37,337</b>
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	-	-	-	-	-
<b>Net Book value as at 31/12/2012</b>	<b>22,327</b>	<b>10,763</b>	<b>1,922</b>	<b>1,508</b>	<b>36,519</b>
Additions	76	433	425	116	1,049
Sales-Reductions	-	(200)	(24)	-	(224)
Depreciation	(486)	(1,893)	(489)	-	(2,868)
Reclassifications	58	1,565	-	(1,623)	-
Merge through acquisition of subsidiary	-	-	-	-	-
<b>Net Book value as at 31/12/2013</b>	<b>21,973</b>	<b>10,669</b>	<b>1,834</b>	<b>-</b>	<b>34,476</b>

There are no mortgages or encumbrances on the fixed assets on 31/12/2013 both for the Group and the Company.

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

<b>(Amounts in thousands €)</b>	<b>Vehicles &amp; mechanical equipment</b>	<b>Total</b>
Gross Book Value	362	362
Accumulated depreciation and/or impairment	(240)	(240)
<b>Net Book value as at 01/01/2012</b>	<b>122</b>	<b>122</b>
Depreciation	(40)	(40)
Gross Book Value	362	362
Accumulated depreciation and/or impairment	(279)	(279)
<b>Net Book value as at 31/12/2012</b>	<b>83</b>	<b>83</b>
Depreciation	(83)	(83)
Gross Book Value	362	362
Accumulated depreciation and/or impairment	(362)	(362)
<b>Net Book value as at 31/12/2013</b>	<b>-</b>	<b>-</b>

#### 9. Goodwill

Both in the current and previous fiscal years there has been no change in this account of the consolidated financial statements. The total goodwill amount of € 1831 th. comes from subsidiary ELEMKA (€ 1830 th.) and DROSCO HOLDINGS (€ 2 th.). Additionally, there is no impairment on goodwill on 31/12/2013.

## 10. Intangible Assets

The intangible assets ( Group / Company) on 31/12/2013 and 31/12/2012 are analyzed as follows:

(Amounts in thousands €)	METKA Software
Gross Book Value	255
Accumulated depreciation and/or impairment	(203)
<b>Net Book value as at 01/01/2012</b>	<b>52</b>
Gross Book Value	262
Accumulated depreciation and/or impairment	(232)
<b>Net Book value as at 31/12/2012</b>	<b>30</b>
Gross Book Value	275
Accumulated depreciation and/or impairment	(252)
<b>Net Book value as at 31/12/2013</b>	<b>23</b>

(Amounts in thousands €)	METKA Software
<b>Net Book value as at 01/01/2012</b>	<b>52</b>
Additions from acquisition/consolidation of subsidiaries	-
Additions	7
Sale of subsidiary	-
Depreciation	(29)
<b>Net Book value as at 31/12/2012</b>	<b>30</b>
Additions from acquisition/consolidation of subsidiaries	-
Additions	14
Sales-Reductions	-
Depreciation	(21)
<b>Net Book value as at 31/12/2013</b>	<b>23</b>

(Amounts in thousands €)	METKA S.A. Software
Gross Book Value	108
Accumulated depreciation and/or impairment	(86)
<b>Net Book value as at 01/01/2012</b>	<b>22</b>
Gross Book Value	108
Accumulated depreciation and/or impairment	(95)
<b>Net Book value as at 31/12/2012</b>	<b>13</b>
Gross Book Value	108
Accumulated depreciation and/or impairment	(102)
<b>Net Book value as at 31/12/2013</b>	<b>5</b>

(Amounts in thousands €)	METKA S.A. Software
<b>Net Book value as at 01/01/2012</b>	<b>22</b>
Additions	-
Sales-Reductions	-
Depreciation	(9)
<b>Net Book value as at 31/12/2012</b>	<b>13</b>
Additions	-
Sales-Reductions	-
Depreciation	(7)
<b>Net Book value as at 31/12/2013</b>	<b>5</b>

## 11. Investments in Subsidiaries

Investments in subsidiaries were valued at acquisition cost in the company's financial statements. Investments in subsidiaries during the current and previous fiscal years have as follows:

Amounts in thousands €	31/12/2013	31/12/2012
<b>Opening carrying amount</b>	<b>16,303</b>	<b>16,303</b>
Acquisition of Companies	-	-
Sale of companies	(1)	-
<b>Closing carrying amount</b>	<b>16,302</b>	<b>16,303</b>

In the consolidated Financial Statements for the year ended 31/12/2013 the company Metka OVERSEAS LTD (100% direct stake Metka based in Nicosia, Cyprus) is not included compared to the corresponding annual comparative period of 2012. In particular, according to the framework agreement of Metka with SEPCOIII, SEPCOIII acquired the shares of MOL, at face value at 28/06/2013. As a result of this event, the Group did not consolidate on 31/12/2013 the Statement of Financial Position of the aforementioned company, and included in the consolidated income statement, profit from the result of the sale amount of € 17,3 thousand.

On 18/1/2013 EKME SA (40% subsidiary of METKA SA) founded the J / V EKME SA-ATHONIKI TECHNICAL SA with 70% participation. The above mentioned consortium was incorporated with the equity method in the consolidated financial statements of the Group for the period by 28%.

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.

## 12. Investments in Associate Companies

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

Company	Headquarters	Participator 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)
Joint Venture EKME-ATHONIKI	IONIA THESSALONIKIS	28,00	Indirect	The participation percentage (Equity Method)

The above mentioned Consortia were incorporated in the consolidated Financial Statements of METKA Group with equity method. Their negative impact on the consolidated Financial Statements amounted to €1.714 th. and is depicted in the "Profit / Loss from subsidiaries".

## 13. Deferred tax

Deferred income tax results from the temporary differences between the book value and the tax base of assets or liabilities and 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.

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

The amounts offset for the Group and the Company are the following:

(Amounts in thousands €)	METKA				METKA S.A.			
	31/12/2013		31/12/2012		31/12/2013		31/12/2012	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
<b>Non Current Assets</b>								
Intangible Assets	480	-	410	-	468	-	399	-
Tangible Assets	-	6,204	-	5,220	-	4,825	-	4,088
Long-term Receivables	3	-	-	546	-	-	-	-
<b>Current Assets</b>								
Construction Contracts	33,653	6,100	32,133	8,479	31,441	-	31,640	-
Receivables	5,484	834	5,130	87	5,349	-	5,102	-
<b>Reserves</b>								
Reserves' defer tax liability	-	55,986	-	59,661	-	55,726	-	59,061
<b>Long-term Liabilities</b>								
Employee Benefits	308	-	58	639	177	-	-	639
Other Long-term Liabilities	51	-	26	-	-	-	-	-
<b>Short-term Liabilities</b>								
Provisions	137	-	-	599	80	-	-	599
<b>Total</b>	<b>40,117</b>	<b>69,124</b>	<b>37,757</b>	<b>75,230</b>	<b>37,514</b>	<b>60,552</b>	<b>37,141</b>	<b>64,386</b>
<b>Offsetting</b>	<b>(32,800)</b>	<b>(32,800)</b>	<b>(31,281)</b>	<b>(31,281)</b>	<b>(31,989)</b>	<b>(31,989)</b>	<b>(31,935)</b>	<b>(31,935)</b>
<b>Deferred Tax Liability/Receivables</b>	<b>7,317</b>	<b>36,324</b>	<b>6,476</b>	<b>43,949</b>	<b>5,526</b>	<b>28,563</b>	<b>5,207</b>	<b>32,452</b>

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

Amounts in thousands €	METKA				
	1/1/2013	Recognised at Other Comprehensive Income	Exchange Differences	Recognised at Profit & Loss Statement	31/12/2013
<b>Deferred Tax Assets (liabilities)</b>					
Intangible Assets	410	-	-	65	475
Tangible Assets	(5,220)	-	-	(980)	(6,199)
	(546)	-	-	546	-
Investments and other long receivables					
Construction contracts	23,654	-	-	3,472	27,126
Other Receivables	(87)	-	47	(339)	(379)
Tax Results of the year	5,130	-	-	608	5,738
De-taxation of reserves	(59,661)	-	-	3,325	(56,336)
Employee Benefits	(581)	(6)	-	804	217
Other Long-term Liabilities	26	-	-	47	73
Other Long-term Liabilities	-	-	-	(42)	(42)
Provisions	(600)	-	-	613	14
Liabilities from financing leases	-	-	-	57	57
Other short term liabilities	-	-	-	249	249
<b>Total</b>	<b>(37,473)</b>	<b>(6)</b>	<b>47</b>	<b>8,425</b>	<b>(29,008)</b>
<b>Recognised as:</b>					
Deffered Tax Asset	<b>6,476</b>				<b>7,317</b>
Deffered Tax Liabilities	<b>(43,949)</b>				<b>(36,324)</b>

Amounts in thousands €	METKA				
	1/1/2012	Recognised at Other Comprehensive Income	Exchange Differences	Recognised at Profit & Loss Statement	31/12/2012
<b>Deffered Tax Assets (liabilities)</b>					
Intangible Assets	643	-	-	(233)	410
Tangible Assets	(5,976)	-	-	757	(5,219)
Investments and other long receivables	(546)	-	-	-	(546)
Construction contracts	39,518	-	(215)	(15,650)	23,653
Other Receivables	1,865	-	-	(1,951)	(86)
Tax Results of the year	-	-	-	5,130	5,130
De-taxation of reserves	(59,802)	-	-	141	(59,661)
Employee Benefits	(365)	20	-	(236)	(581)
Other Long-term Liabilities	-	-	-	26	26
Other Long-term Liabilities	(306)	-	-	306	0
Provisions	(414)	-	-	(186)	(600)
Liabilities from financing leases	-	-	-	-	0
Other short term liabilities	9	-	-	(9)	(0)
<b>Total</b>	<b>(25,373)</b>	<b>20</b>	<b>(215)</b>	<b>(11,905)</b>	<b>(37,473)</b>

**Recognised as:**

Deffered Tax Asset	<b>682</b>	<b>6,476</b>
Deffered Tax Liabilities	<b>(26,055)</b>	<b>(43,949)</b>

Amounts in thousands €	METKA SA		
	1/1/2013	Recognised at Profit & Loss Statement	31/12/2013
<b>Deffered Tax Assets (liabilities)</b>			
Intangible Assets	399	69	468
Tangible Assets	(4,087)	(738)	(4,825)
Construction contracts	31,640	(199)	31,441
Tax Results of the year	5,102	213	5,315
De-taxation of reserves	(59,061)	3,334	(55,727)
Employee Benefits	(639)	800	161
Provisions	(599)	615	16
Other short term liabilities	-	113	113
<b>Total</b>	<b>(27,245)</b>	<b>4,207</b>	<b>(23,038)</b>

**Recognised as:**

Deffered Tax Asset	<b>5,207</b>	<b>5,526</b>
Deffered Tax Liabilities	<b>(32,452)</b>	<b>(28,563)</b>

Amounts in thousands €	METKA SA			
	1/1/2012	Recognised at Other Comprehensive Income	Recognised at Profit & Loss Statement	31/12/2012
<b>Deffered Tax Assets (liabilities)</b>				
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	-	(16)	5,118	5,102
De-taxation of reserves	(59,111)	-	50	(59,061)
Employee Benefits	(494)	-	(145)	(639)
Other Long-term Liabilities	(57)	-	57	-
Provisions	(415)	-	(184)	(599)
Other short term liabilities	9	-	(9)	-
<b>Total</b>	<b>(17,293)</b>	<b>(16)</b>	<b>(9,936)</b>	<b>(27,245)</b>

**Recognised as:**

Deffered Tax Asset	<b>105</b>	<b>5,207</b>
Deffered Tax Liabilities	<b>(17,398)</b>	<b>(32,452)</b>

According to the new tax law 4110/2013, valid since January 23<sup>rd</sup> 2013, income tax rate for legal persons in Greece is 26% for FY 2013 and on.

#### 14. Financial Assets available for sale

The Group has included in this account a financial asset of € 32 th. while the respective amount for the Company is € 23 th. During the current and previous fiscal years there has been no change in the balance of this account.

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.

#### 15. Other long-term receivables

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Customers - Withholding quarantees falling due after one year	30,115	4,696	30,115	4,696
Given Guarantees	591	606	511	498
Other long term receivables	6,381	6,273	-	-
<b>Other Long-term Receivables</b>	<b>37,088</b>	<b>11,576</b>	<b>30,626</b>	<b>5,195</b>

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.

#### 16. Inventories

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Raw materials	28,470	34,464	28,169	34,186
Finished products	31	31	31	31
Work in Progress	1,608	1,485	1,563	1,451
Merchandise	576	566	-	-
Others	1,947	1,980	1,669	1,735
<b>Total</b>	<b>32,632</b>	<b>38,526</b>	<b>31,432</b>	<b>37,404</b>
(Less)Provisions for scrap,slow moving and/or destroyed inventories:	(1,177)	(1,168)	(1,000)	(1,000)
<b>Total Stock</b>	<b>31,456</b>	<b>37,358</b>	<b>30,432</b>	<b>36,404</b>

The value of the Inventories that were acknowledged as expense in the income statement of the Group and the Company € 322.943 and € 232.150 accordingly (2012: € 190.802 and € 120.974 accordingly).

The Group had no pledged inventories on 31/12/2013 and 31/12/2012.

### 17. Customers and other trade receivables

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Customers	381,249	369,256	340,001	335,363
Notes receivable	4	4	-	-
Checks receivable	2,829	1,883	-	-
Less: Impairment Provisions	(2,322)	(1,969)	-	-
<b>Net trade Receivables</b>	<b>381,759</b>	<b>369,174</b>	<b>340,001</b>	<b>335,363</b>
Advances to trade creditors	51,500	82,822	50,601	58,784
<b>Total</b>	<b>433,259</b>	<b>451,996</b>	<b>390,602</b>	<b>394,147</b>

In customers, there is an amount still not invoiced € 27,179 th. for the Group and € 26,902 th. for the company (2012 € 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 following table shows the Group's and Company's trade receivables on 31/12/2013:

Liquidity Risk Analysis - Trade Receivables (Amounts in thousands €)	METKA			
	Past due but not impaired			
	0-3 months	3-6 months	6-12 months	> 1 year
2013	2,986	781	365	104,496
2012	10,512	2,406	28,294	82,107

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

<b>METKA S.A.</b>				
<b>Past due but not impaired</b>				
	<b>0-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>&gt; 1 year</b>
2013	385	-	-	101,703
2012	5,160	403	28,049	80,784

The following table shows the movement of provisions for doubtful trade receivables of the Group during the years ended 31/12/2013 and 31/12/2012. The Company has not made any provisioning for impairment of receivables.

<b>(amounts in thousands €)</b>	<b>METKA GROUP Provisions for impairment losses</b>
<b>Balance at 1st January 2012</b>	<b>2,005</b>
Additional provisions for the period 01/01/2012 - 31/12/2012	82
Unused provisions that have been reversed	(118)
Provisions used during the year	-
<b>Balance at 31 December 2012</b>	<b>1,969</b>
Additional provisions for the period 01/01/2013 - 31/12/2013	379
Unused provisions that have been reversed	-
Provisions used during the year	(26)
<b>Balance at 31 December 2013</b>	<b>2,322</b>

**18. Other receivables – other current assets**

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

<b>(Amounts in thousands €)</b>	<b>METKA</b>		<b>METKA S.A.</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Other Debtors	41,187	22,853	27,442	10,673
Receivables from the State	17,748	25,639	16,330	23,647
Receivables from Subsidiaries	34,695	41,337	29,804	36,765
Accrued income - Prepaid expenses	5,756	2,935	4,864	2,572
Less: Provision for Bad Debts	(537)	(537)	(537)	(537)
<b>Total</b>	<b>98,848</b>	<b>92,227</b>	<b>77,903</b>	<b>73,120</b>

The category 'Sundry Debtors' includes pledged deposits of the Group and of the Company, amount € 31.639 thous. and € 25.639 thous. respectively (31/12/2012: € 9.509 thous. and € 9.509 thous.) as a security for letters of guarantee.

The receivables from connected parties concern investments through the affiliate MYTILINEOS FINANCIAL PARTNERS SA

As of 31/12/2013 no provisions were made for doubtful debtors.

## 19. Financial assets at fair value through profit and loss

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

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Amounts in thousands €				
Bank bonds	281	162	-	-
Stocks	886	1,805	-	-
<b>Total Financial assets</b>	<b>1,167</b>	<b>1,967</b>	-	-

(Amounts in thousands €)

### Total Opening

Additions

Sales

Fair value adjustments

**Closing Balance**

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Total Opening</b>	<b>1,967</b>	<b>156</b>	-	-
Additions	-	6,363	-	-
Sales	(1,197)	(5,005)	-	-
Fair value adjustments	397	453	-	-
<b>Closing Balance</b>	<b>1,167</b>	<b>1,967</b>	-	-

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

## 20. Cash and cash equivalents

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

(Amounts in thousands €)

Cash

Bank deposits

Time deposits & Repos

**Total**

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Cash	107	156	70	31
Bank deposits	27,795	23,971	22,672	18,293
Time deposits & Repos	106,640	75,919	33,655	57,202
<b>Total</b>	<b>134,542</b>	<b>100,045</b>	<b>56,398</b>	<b>75,526</b>

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 2,5%- 3,0% (2012: 3,0%-3,5%).

## 21. 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.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Realised Contractual Revenues	595,744	516,778	399,834	300,943
Realised Contractual Cost & Profits (minus realised losses)	3,253,185	2,750,168	2,618,063	2,212,397
Advances received	(27,291)	(33,497)	(25,316)	(33,475)
Clients holdings for good performance	175,440	152,682	168,011	150,600
Receivables for construction contracts according to the percentage of completion	27,179	25,884	26,902	26,279
Liabilities related to construction contracts according to percent. of completio	(134,150)	(164,567)	(122,846)	(166,787)

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.

## 22. Total equity

### 22.1 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. There were no changes in the above accounts within 2013.

Amounts in thousands €	Number of shares	Ordinary Shares	Share Premium	Total
<b>Balance at 01/1/2012</b>	<b>51,950,600</b>	<b>51,950,600</b>	<b>16,624</b>	<b>16,624</b>
Increase of Share Capital				
<b>Balance at 31/12/2012</b>	<b>51,950,600</b>	<b>51,950,600</b>	<b>16,624</b>	<b>16,624</b>
Increase of Share Capital				
<b>Balance at 31/12/2013</b>	<b>51,950,600</b>	<b>51,950,600</b>	<b>16,624</b>	<b>16,624</b>

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

MYTILINEOS S.A. possessed a 50,00 % of METKA on 31/12/2013 and applies the full consolidation method on its consolidated financial statements.

## 22.2 Other reserves

Other reserves for the Group are as follows:

	METKA			Total
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	
(Amounts in thousands €)				
Opening Balance 1st January 2012, according to IFRS -as published-	6,751	4,114	17,428	28,293
Transfer to reserves	191	-	-	191
Reserve from the revision of IAS 19	-	(71)	-	(71)
Closing Balance 31/12/2012 (revised)	<u>6,942</u>	<u>4,043</u>	<u>17,428</u>	<u>28,413</u>

	METKA			Total
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	
(Amounts in thousands €)				
Opening Balance 1st January 2013, according to IFRS -revised-	6,942	4,043	17,428	28,413
Transfer to reserves	16	-	-	16
Reserve from the revision of IAS 19	-	140	-	140
Closing Balance 31/12/2013	<u>6,958</u>	<u>4,183</u>	<u>17,428</u>	<u>28,569</u>

Other reserves for the Company are as follows:

	METKA S.A.			Total
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	
(Amounts in thousands €)				
Opening Balance 1st January 2012, according to IFRS -as published-	5,542	827	17,287	23,656
Reserve from the revision of IAS 19	-	80	-	80
Closing Balance 31/12/2012 (revised)	<u>5,542</u>	<u>907</u>	<u>17,287</u>	<u>23,736</u>

	METKA S.A.			Total
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	
(Amounts in thousands €)				
Opening Balance 1st January 2013, according to IFRS -revised-	5,542	907	17,287	23,736
Reserve from the revision of IAS 19	-	124	-	124
Closing Balance 31/12/2013	<u>5,542</u>	<u>1,031</u>	<u>17,287</u>	<u>23,860</u>

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

### 22.3 Retained earnings

Amounts in thousands €	METKA		METKA SA	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Intended Divident	15,585	12,988	15,585	12,988
Remaining Earnings	372,962	296,910	262,734	233,887
<b>Total</b>	<b>388,547</b>	<b>309,898</b>	<b>278,319</b>	<b>246,875</b>

The General Shareholders Meeting unanimously approved at 08/05/2013 the appropriation account for the fiscal year 2012 and the distribution of €12.987.650 out of the profit for the year 2012, which represents a dividend of €0,2500 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 €0,1875 per share.

It is suggested to distribute € 44.431.648 as a dividend (€0,3000 gross dividend per share), out of the net profit € 15.585.180 of the year 2013.

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

### 23. Liabilities for pension plans

According to the labor law, employees are entitled to compensation in case of dismissal or retirement , the amount of which varies depending on salary , years of service and the manner of termination (dismissal or retirement) . Employees who resign are not entitled to compensation . In Greece , employees who retire are entitled to 40 % of such compensation under N.2112/1920 . These programs are not funded and according to IAS 19 are considered as defined benefit programs. The Group's obligations, according to IAS 19, were calculated by independent actuaries companies.

The change of this net liability , after the adoption of the revised IAS 19 is as follows :

	METKA		METKA S.A.	
	31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Liability for pension plans	988	1,208	734	916
	<b>988</b>	<b>1,208</b>	<b>734</b>	<b>916</b>
<b>Recognised as :</b>				
<b>Long term Liability</b>	<b>988</b>	<b>1,208</b>	<b>734</b>	<b>916</b>
<b>Short term Liability</b>	-	-	-	-

The amounts recognized in the income statement of the Group and the Company are as follows:

	METKA		METKA S.A.	
	31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Cost of current period employment	87	113	62	77
Past employment cost	-	-	-	-
Interest on benefit obligation	46	68	35	48
<b>Total expenses recognized in the Income Statement</b>	<b>132</b>	<b>181</b>	<b>97</b>	<b>126</b>

Changes in the present value of the defined benefit plans are as follows:

	METKA		METKA S.A.	
	31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Actuarial gains / (losses) from changes in demographic assumptions	(101)	180	(77)	138
Actuarial gains / (losses) from changes in financial assumptions	(48)	(82)	(47)	(217)
<b>Total income / (expense) recognized in other comprehensive income</b>	<b>(150)</b>	<b>98</b>	<b>(124)</b>	<b>(80)</b>

The following table shows a quantitative sensitivity analysis for key assumptions of 31/12/2013:

	METKA		METKA S.A.	
	31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
<b>Liability for pension plans as at 1st January</b>	<b>1,208</b>	<b>1,313</b>	<b>916</b>	<b>930</b>
Cost of current period employment	87	113	62	77
Interest cost	46	68	35	48
Reassessment - actuarial losses / (gains) on changes in demographic assumptions	(101)	180	(77)	138
Reassessment - actuarial losses / (gains) on changes in financial assumptions	(48)	(82)	(47)	(217)
Contributions paid	(553)	(410)	(462)	(82)
Settlements	351	25	306	22
<b>Liability for pension plans as at 31st December</b>	<b>988</b>	<b>1,208</b>	<b>734</b>	<b>916</b>

The details and underlying assumptions of the actuarial valuation for the years ended 31/12/2013 and 31/12/2012 are as follows:

	31/12/2013	31/12/2012
Discount Rate	3.60%	3.80%
Future wage increases	2.00%	3.00%
Percentage of retirement	2.00%	2.00%
Inflation	2.00%	2.00%
	<b>discount rate</b>	
	<b>0.5%</b>	<b>-0.5%</b>
Increase / (decrease) in defined benefit obligation	(60)	57
	<b>Future salary increases</b>	
	<b>0.5%</b>	<b>-0.5%</b>
Increase / (decrease) in defined benefit obligation	57	(61)

These sensitivity analyzes have been determined based on a method that shows the effect on the defined benefit plan as a result of reasonable changes in key assumptions at the end of the period of the financial statements.

#### 24. Other long-term liabilities

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Advances of customers</b>				
<b>Total Opening</b>	<b>146</b>	<b>2,227</b>	<b>146</b>	<b>2,227</b>
Additions	92,686	41,732	92,686	41,732
Transfer from / (to) Short term	8,159	(8,788)	8,159	(8,788)
Depreciation for the period	(89,729)	(35,026)	(89,729)	(35,026)
<b>Closing Balance</b>	<b>11,261</b>	<b>146</b>	<b>11,261</b>	<b>146</b>
<b>Other</b>				
<b>Total Opening</b>	<b>76,856</b>	<b>62,941</b>	<b>76,667</b>	<b>62,753</b>
Additions	-	13,915	-	13,915
Depreciation for the period	(24,477)	(1)	(24,477)	(1)
<b>Closing Balance</b>	<b>52,378</b>	<b>76,856</b>	<b>52,189</b>	<b>76,667</b>
<b>Suppliers holdings for good performance</b>				
<b>Total Opening</b>	<b>-</b>	<b>503</b>	<b>-</b>	<b>-</b>
Additions	4,153	2,621	4,153	2,621
Transfer from / (to) Short term	562	1,724	562	2,213
Depreciation for the period	(4,716)	(4,834)	(4,716)	(4,834)
Exchange rate differences	-	(14)	-	-
<b>Total</b>	<b>63,640</b>	<b>77,001</b>	<b>63,451</b>	<b>76,812</b>

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

## 25. Trade and other Payables

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Suppliers	122,319	85,737	117,657	61,757
Cheques Payable	-	577	-	-
Customers' Advances	27,291	33,497	25,316	33,475
Liabilities to customers for project implementation	81,961	87,900	70,657	90,120
<b>Total</b>	<b>231,571</b>	<b>207,710</b>	<b>213,630</b>	<b>185,352</b>

All trade transactions have no interest and regularly settled.

## 26. Tax Payable

Tax payable of the Group and the Company are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Tax expense for the fiscal year	914	967	-	-
Tax audit differences	288	-	-	-
Other tax liabilities	1,622	3,778	1,087	1,178
<b>Total</b>	<b>2,824</b>	<b>4,745</b>	<b>1,087</b>	<b>1,178</b>

For the unaudited fiscal years of the companies of the Group, please revert to Note 40.3 Contingent Liabilities – Receivables".

## 27. Debt

The Group and the Company's debt on 31/12/2013 and 31/12/2012 are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Long-term debt</b>				
Bank loans	2,403	2,716	-	-
<b>Total</b>	<b>2,403</b>	<b>2,716</b>	<b>-</b>	<b>-</b>
<b>Short-term debt</b>				
Bank loans	7,252	48,436	4,840	45,970
<b>Total</b>	<b>7,252</b>	<b>48,436</b>	<b>4,840</b>	<b>45,970</b>
	<b>9,655</b>	<b>51,151</b>	<b>4,840</b>	<b>45,970</b>

The company liabilities refer to short term debt denominated in euros. The weighted average interest rate at the end of year amounts to 6,95% (in 2012: 6,20%). There are no mortgages relating to the group's fixed assets as of 31/12/2013. There are no liabilities from financial leases for the Group and the Company.

The account «Financial Expenses» in the consolidated and corporate Income Statement includes the total financial cost of long- and short-term borrowing as well as financial leases for the period ended 31/12/2013 (see note 34).

**28. Other short-term liabilities**

The other short-term liabilities are analyzed as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Liabilities to Related Parties	125	-	8,628	8,909
Accrued expense	675	827	662	805
Social security insurance	739	686	476	419
Dividends payable	433	1,430	248	311
Others Liabilities	2,128	2,661	587	1,231
<b>Total</b>	<b>4,101</b>	<b>5,604</b>	<b>10,600</b>	<b>11,674</b>

## 29. Provisions

(Amounts in thousands €)	METKA		
	Tax liabilities	Other	Total
<b>01/01/2012</b>	<b>1,430</b>	<b>7</b>	<b>1,437</b>
Additional provisions for the period	450	0	450
Realised provisions for the period	-	-	-
<b>31/12/2012</b>	<b>1,880</b>	<b>7</b>	<b>1,886</b>
Long Term	1,880	0	1,880
Short Term	-	7	7
Additional provisions for the period	-	4	4
Unrealised reversed provisions	(800)	(7)	(807)
Realised provisions for the period	(70)	-	(70)
<b>31/12/2013</b>	<b>1,010</b>	<b>4</b>	<b>1,014</b>
Long Term	1,010	-	1,010
Short Term	-	4	4

(Amounts in thousands €)	METKA S.A.		
	Tax liabilities	Other	Total
<b>01/01/2012</b>	<b>1,180</b>	-	<b>1,180</b>
Additional provisions for the period	400	-	400
Realised provisions for the period	-	-	-
<b>31/12/2012</b>	<b>1,580</b>	-	<b>1,580</b>
Long Term	1,580	-	1,580
Short Term	-	-	-
Unrealised reversed provisions	(800)	-	(800)
Realised provisions for the period	-	-	-
<b>31/12/2013</b>	<b>780</b>	-	<b>780</b>
Long Term	780	-	780
Short Term	-	-	-

The provision for tax unaudited fiscal years relates to future obligations that may result from tax audits. Other provisions represent estimated losses from construction contracts.

### 30. Sales

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

(Amounts in thousands €)	METKA		METKA S.A.	
	Total			
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Sale of commodities	3,638	1,760	-	-
Sales of goods produced	2,143	1,484	543	-
Sales of other inventory	1,162	16,817	355	16,732
Services	3,695	10,280	3,676	9,810
Sale of Property	-	430	-	430
Constructions	595,852	516,778	399,834	300,943
<b>Sales</b>	<b>606,491</b>	<b>547,549</b>	<b>404,408</b>	<b>327,915</b>

### 31. 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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Retirement benefits	214	383	196	73
Other employee benefits	10,425	13,228	4,652	6,168
Cost of materials & inventories	322,942	190,800	232,149	120,973
Third party expenses	98,234	162,274	51,350	67,200
Third party benefits	10,846	7,046	3,939	3,904
Assets repair and maintenance cost	335	286	115	83
Operating leases rent	1,082	846	744	364
Taxes & Duties	420	222	100	112
Advertisement	23	1	14	1
Other expenses	34,718	54,940	29,179	49,053
Depreciation - Tangible Assets	3,492	4,182	2,250	2,843
Depreciation - Intangible Assets	1	-	-	-
<b>Total</b>	<b>482,731</b>	<b>434,210</b>	<b>324,687</b>	<b>250,773</b>

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

(Amounts in thousands €)

**Distribution expenses**

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Retirement benefits	7	-	7	-
Other employee benefits	400	481	217	290
Inventory cost	1	1	1	1
Third party expenses	625	579	530	400
Third party benefits	103	100	85	84
Assets repair and maintenance cost	7	13	2	1
Operating leases rent	75	80	67	45
Taxes & Duties	5	6	1	2
Advertisement	34	-	33	-
Other expenses	778	575	682	473
Depreciation - Tangible Assets	21	21	7	5
Depreciation - Intangible Assets	3	7	-	-
<b>Total</b>	<b>2,059</b>	<b>1,862</b>	<b>1,633</b>	<b>1,301</b>

(Amounts in thousands €)

**Administrative expenses**

	METKA		METKA S.A.	
	31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
Retirement benefits	274	35	259	9
Other employee benefits	5,190	3,939	4,517	3,406
Inventory cost	-	1	-	1
Third party expenses	6,184	5,319	5,599	4,740
Third party benefits	2,843	3,380	2,673	2,979
Assets repair and maintenance cost	298	733	288	703
Operating leases rent	1,541	1,554	1,237	1,182
Taxes & Duties	65	311	42	300
Advertisement	772	807	772	807
Other expenses	3,410	3,232	2,519	2,584
Depreciation - Tangible Assets	687	499	611	397
Depreciation - Intangible Assets	18	26	7	9
<b>Total</b>	<b>21,283</b>	<b>19,836</b>	<b>18,526</b>	<b>17,117</b>

### 32. Employee benefits

The number of employees for the Company and the Group is analysed in the following table:

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Full time employees	322	307	231	197
Part time employees	161	163	52	57
<b>Total</b>	<b>483</b>	<b>470</b>	<b>283</b>	<b>254</b>

### 33. Other ordinary income and expense

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

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>(Amounts in thousands €)</b>				
<b>Other operating income</b>				
Income from Subsidies	105	10	30	-
Compensations	45	336	45	336
Profit from foreign exchange differences	17,351	3,270	6,907	1,524
Rent income	51	14	51	14
Income from reversal of unrealized provisions	-	117	-	-
Profit from sale of fixed assets	23	25	23	14
Other	227	898	192	184
<b>Total</b>	<b>17,803</b>	<b>4,670</b>	<b>7,248</b>	<b>2,071</b>
<b>Other operating expenses</b>				
Losses from foreign exchange differences	13,192	1,766	8,846	1,738
Provision for bad debts	381	82	-	-
Loss from sale of fixed assets	75	7	25	7
Operating expenses from services	6,724	6,219	6,170	6,125
Other taxes	124	125	122	98
Compensations	-	3	-	3
<b>Total</b>	<b>20,496</b>	<b>8,201</b>	<b>15,163</b>	<b>7,971</b>

### 34. Financial income / expenses

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Financial income</b>				
Bank deposits	3,132	1,717	1,558	744
Revaluation of currency derivatives	-	44	-	44
Other	2,036	3,530	1,666	3,332
<b>Total</b>	<b>5,169</b>	<b>5,291</b>	<b>3,224</b>	<b>4,120</b>
<b>Financial expenses</b>				
Discounts of Employees' benefits liability due to service termination	48	68	35	48
Bank Loans	2,730	2,955	2,359	2,549
Letter of Credit commissions	10,152	7,625	8,313	7,556
Other Banking Expenses	2,660	1,969	1,084	880
<b>Total</b>	<b>15,590</b>	<b>12,617</b>	<b>11,791</b>	<b>11,033</b>

The account «Other» in Financial Income concerns interest from bonds. (Details in note 18).

### 35. Other financial results

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Other financial results</b>				
Profit / (loss) from fair value of other financial instrument through profit/los	119	461	-	-
Gain from disposal	17	-	-	-
Fair value profit	292	-	-	-
Fair value losses	(307)	-	(307)	-
Profit / (loss) from the sale of financial instruments	757	2,433	-	-
Income from dividends	59	-	153	520
<b>Total</b>	<b>937</b>	<b>2,894</b>	<b>(154)</b>	<b>520</b>

### 36. Income tax expense

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012 (revised)	31/12/2013	31/12/2012 (revised)
Income Tax	3,578	967	3,247	-
Income Tax provision	-	126	-	78
Tax Audit differences	288	450	-	400
Deferred taxation	(8,467)	11,905	(4,208)	9,936
Other Taxes	(436)	101	(758)	43
<b>Total</b>	<b>(5,037)</b>	<b>13,549</b>	<b>(1,718)</b>	<b>10,457</b>
<b>Earnings before tax</b>	<b>86,527</b>	<b>84,415</b>	<b>42,713</b>	<b>46,511</b>
<b>Presumed Tax on Income</b>	<b>22,497</b>	<b>16,883</b>	<b>11,105</b>	<b>9,302</b>
Adjustments for Nominal Tax Rate changes	(13,381)	-	(13,010)	-
Nominal Tax Rate Difference in foreign Subsidiary Companies	(2,432)	(159)	-	-
Adjustment for statutory revaluation of fixed assets	-	(342)	-	(111)
Non taxable income	(12,716)	(4,336)	-	-
Tax on Non taxable reserves	-	(107)	-	-
Dividends	-	-	(40)	(104)
Non tax deductible expenses	642	913	413	865
Income tax from land - plot & buildings	-	101	-	43
Other taxes	241	450	186	400
Income tax coming from previous years	-	126	-	78
Other	110	20	(372)	(16)
<b>Realized Tax on Income</b>	<b>(5,037)</b>	<b>13,549</b>	<b>(1,718)</b>	<b>10,457</b>

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.

### 37. Earnings per share

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

(Amounts in thousands €)	METKA		METKA S.A.	
	1/1-31/12/2013	1/1-31/12/2012 (revised)	1/1-31/12/2013	1/1-31/12/2012 (revised)
Equity holders of the parent	91,656	70,109	44,432	35,975
Weighted average number of shares	51,951	51,951	51,951	51,951
<b>Basic earnings per share</b>	<b>1.7643</b>	<b>1.3495</b>	<b>0.8553</b>	<b>0.6925</b>

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.

### 38. Analysis of Cash Flow Adjustments

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

Amounts in thousands €

	METKA		METKA S.A.	
	12 months until 31 December 2013	12 months until 31 December 2012 (revised)	12 months until 31 December 2013	12 months until 31 December 2012 (revised)
<b>Adjustments to Profit after Tax for:</b>				
Depreciation of tangible assets	4,172	4,651	2,839	3,190
Depreciation of intangible assets	21	29	7	9
Provisions	241	111	62	77
Income from reverse of provisions	(174)	(315)	(155)	(60)
Profit / Loss from the Disposal of tangible assets	52	(18)	2	(7)
Profit / Loss from the fair value of embedded derivatives	307	(44)	307	(44)
Losses from the fair value recognition of financial assets through profit and loss	(588)	(461)	-	-
Credit interest and similar income	(5,168)	(5,247)	(3,224)	(4,076)
Debit interest and similar expenses	2,818	3,020	2,394	2,597
Proceeds from dividends	(59)	-	(153)	(520)
Gains from sale of subsidiaries	(17)	-	-	-
Share in net (profit) loss of subsidiaries	1,714	(835)	213	-
Unrealised foreign currency gains / (losses)	1,021	(98)	974	(98)
<b>Total Adjustments to Profit after Tax</b>	<b>4,341</b>	<b>795</b>	<b>3,266</b>	<b>1,069</b>

### 39. 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 €

#### Income from execution of projects and other income

	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiaries	-	-	16,101	337
Other Parent company's subsidiaries	2,795	44,028	2,654	43,486
<b>Total</b>	<b>2,795</b>	<b>44,028</b>	<b>18,755</b>	<b>43,823</b>

#### Other income

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Other Parent company's subsidiaries	32	2	32	2
<b>Total</b>	<b>32</b>	<b>2</b>	<b>32</b>	<b>2</b>

#### Other income

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Other Parent company's subsidiaries	2,028	3,519	1,666	3,332
<b>Total</b>	<b>2,028</b>	<b>3,519</b>	<b>1,666</b>	<b>3,332</b>

#### Other income

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiaries	-	-	153	520
<b>Total</b>	<b>-</b>	<b>-</b>	<b>153</b>	<b>520</b>

#### Purchases and compensations from the supply of services

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiaries	-	-	7,045	12,531
Other Parent company's subsidiaries	8,907	8,798	8,614	8,517
Directors and key management of the Company	3,660	3,506	2,964	2,803
<b>Total</b>	<b>12,567</b>	<b>12,304</b>	<b>18,623</b>	<b>23,851</b>

#### Demands from customers and project under progress

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiaries	-	-	5,908	1,549
Other Parent company's subsidiaries	114,317	128,695	114,264	128,675
Directors and key management of the Company	19	2	-	-
<b>Total</b>	<b>114,336</b>	<b>128,697</b>	<b>120,172</b>	<b>130,225</b>

#### Other Demands

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiaries	-	-	3,036	3,426
Other Parent company's subsidiaries	37,228	43,044	29,264	34,911
<b>Total</b>	<b>37,228</b>	<b>43,044</b>	<b>32,300</b>	<b>38,337</b>

#### Obligation to suppliers and other liabilities

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiaries	-	-	11,436	10,879
Other Parent company's subsidiaries	142	791	136	787
Directors and key management of the Company	202	183	131	139
<b>Total</b>	<b>344</b>	<b>974</b>	<b>11,703</b>	<b>11,804</b>

#### Obligation to customers and project under progress

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Other Parent company's subsidiaries	-	1,525	-	1,525
<b>Total</b>	<b>-</b>	<b>1,525</b>	<b>-</b>	<b>1,525</b>

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.

### 39.1 Transactions with key management personnel

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

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Short term employee benefits				
- Wages and Salaries and BOD Fees	3,640	3,479	2,956	2,794
- Insurance service cost	20	28	9	9
<b>Total</b>	<b>3,660</b>	<b>3,506</b>	<b>2,964</b>	<b>2,803</b>

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

### 40. Commitments, Contingent liabilities and receivables

#### 40.1 Encumbrances

There are no mortgages, pledges or any other encumbrances on the fixed assets due to borrowing.

#### 40.2 Commitments

Group and Company's commitments are as follows:

(Amounts in thousands €)	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Commitments from construction contracts</b>				
Value of pending construction contracts	2,242,374	1,682,124	2,209,080	1,449,518
Granted guarantees of good performance	372,437	367,213	331,733	329,540
<b>Total</b>	<b>2,614,811</b>	<b>2,049,337</b>	<b>2,540,813</b>	<b>1,779,058</b>

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 as follows:

amounts in thousands €	METKA		METKA S.A.	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Less than 1 year	1,324	1,416	1,131	1,175
From 1 to 5 years	4,045	3,833	3,616	3,479
After 5 years	3,549	3,711	3,126	3,711
<b>Total</b>	<b>8,918</b>	<b>8,959</b>	<b>7,872</b>	<b>8,365</b>

### 40.3 Unaudited fiscal years

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

<b>Company</b>	<b>unaudited fiscal years</b>
METKA S.A.	: 2009-2010
SERVISTEEL S.A.	: 2010
RODAX S.A.	: 2010-30/6/2011
E.K.M.E. S.A.	: 2009-2010
ELEMKA S.A.	: 2010
DROSCO HOLDINGS LIMITED	: 2003-2013
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS	: 2010
METKA BRAZI SRL	: 2008-2013
RODAX ROMANIA SRL	: 2009-2013
POWER PROJECTS	: 2010-2013
Joint Venture METKA – TERNA	: 2009-2013
Joint Venture ATERMON –EKME	: 2010-2013
Joint Venture ATERMON -EKME –TMUCB-METKA SA	: 2010-2013
Joint Venture EKME – ATHONIKI	: 2013

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.

For the years 2011 and 2012, the Group companies operating in Greece and are subject to tax audits, are audited by statutory auditors or audit firm in accordance with paragraph 5 of Article 82 of Law 2238/1994 and received an Unqualified Certificate of Tax Compliance without to lead to significant differences. In order to consider the tax of a fiscal year closed, it should apply the provisions of paragraph 1 of Article 6 of POL 1159/2011 as amended with POL 1236/22.10.13.

Regarding the Group companies operating in Greece, the tax audit for the year 2013 is underway and related tax certificates to be granted after the publication of the Financial Statements for the year 2013.

If at the completion of the tax audit incur additional tax liabilities is estimated that they will not have a material effect on the financial statements.

The tax obligations of the Group are not final, since unaudited fiscal years exist, as analyzed above. There is a potential to impose additional taxes and surcharges for these unaudited fiscal years upon the year they become final. Management believes that apart from the provisions (see note 29), any tax that may arise, it will have a no significant impact on equity, profit and cash flows of the Group and the Company.

### 40.4 Court claims & arbitration proceedings

The Company and its subsidiaries are involved in (as a defendant or plaintiff) in various lawsuits and arbitration proceedings in their operation. Management and its legal advisors believe that the lawsuits will not have a material adverse effect on the financial position of the Group or the Company, or results of operations.

#### **METKA's court claim against supplier**

There is a pending legal claim of the parent company from a supplier of € 29,7 million amount which relates to compensation for poor performance. The defendant company has filed a declaratory action claiming that it has no obligation to pay the Company the above amount. The Company shall acknowledge in its results the amount that may be assigned to it at the time of a positive outcome and recovery. For the above case, the defendant company has also requested arbitration against the absorbed company RODAX S.A., the cases of which are automatically taken over by METKA.

#### 41. 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.

#### 41.1 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.

#### 41.2 Market Risk

##### Foreign Currency Risk

The Group's functional currency is Euro. Exchange rate risk arising from transactions with customers and suppliers in foreign currency

The Group is exposed to foreign currency 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.

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

Amounts in thousands €	2013								2012							
	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Nominal Amounts																
Financial Assets	129.110	567	23	2.215	253	1.986	4.117	-	63.803	4.307	16	1.073	872	104	30	-
Financial Liabilities	(82.208)	(695)	(64)	-	(1.622)	(4.548)	(2.513)	(37)	(61.754)	(430)	(73)	-	(3.724)	-	-	(40)
<b>Total</b>	<b>46.902</b>	<b>(128)</b>	<b>(40)</b>	<b>2.215</b>	<b>(1.369)</b>	<b>(2.562)</b>	<b>1.604</b>	<b>(37)</b>	<b>2.048</b>	<b>3.878</b>	<b>(57)</b>	<b>1.073</b>	<b>(2.852)</b>	<b>104</b>	<b>30</b>	<b>(40)</b>
<b>Short-term exposure</b>	<b>46.902</b>	<b>(128)</b>	<b>(40)</b>	<b>2.215</b>	<b>(1.369)</b>	<b>(2.562)</b>	<b>1.604</b>	<b>(37)</b>	<b>2.048</b>	<b>3.878</b>	<b>(57)</b>	<b>1.073</b>	<b>(2.852)</b>	<b>104</b>	<b>30</b>	<b>(40)</b>

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

Assuming that the said exchange rates deviate by 5% (in 2012:5%) on 31/12/2013, the effect in result and equity is as follows:

Increase by 5% :

Amounts in thousands €	2013								2012							
	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Earnings before tax	2.345	(6)	(2)	111	(68)	(128)	80	(2)	102	194	(3)	54	(143)	5	2	(2)
Equity	1.821	(5)	(1)	89	(55)	(104)	69	(1)	82	155	(2)	45	(114)	4	1	(2)

Decrease by 5% :

Amounts in thousands €	2013								2012							
	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Earnings before tax	(2.345)	6	2	(111)	68	128	-80	2	(102)	(194)	3	(54)	143	(5)	(2)	2
Equity	(1.821)	5	1	(89)	55	104	(69)	1	(82)	(155)	2	(45)	114	(4)	(1)	2

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.

#### 41.3 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 assets exposed to credit risk on the statement of Financial Position reporting date analyzed as follows:

(amounts in thousands €)	METKA		METKA S.A.	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
<b>Financial assets</b>				
Cash and Cash equivalents	134,542	100,045	56,398	75,526
Trade and other receivables	354,580	343,290	313,099	309,084
<b>Total</b>	<b>489,122</b>	<b>443,335</b>	<b>369,497</b>	<b>384,610</b>

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. Receivables which are not impaired and are delayed, are not considered doubtful.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group.

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.

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 and the advance payments received by them.

#### 41.4 Liquidity Risk

Liquidity risk is the risk that arises when illiquid assets are insufficient to meet the liabilities at the date of expiry.

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 table below analyzes the financial liabilities of the Company and of the Group into relevant maturity groupings based on the remaining period at the reporting date of the financial statements until the date of expiry of current liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their

carrying balances, as the impact of discounting is not significant and does not include liabilities from construction contracts under the scope of IAS 11.

The maturity of the financial liabilities as of 31/12/2013, for the Group and Company, are as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2013	METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,268	1,135	<b>2,403</b>
Short Term Loans	7,092	160	-	-	<b>7,252</b>
Trade and other payables	116,888	5,432	-	-	<b>122,319</b>
Other payables	4,407	-	-	-	<b>4,407</b>
<b>Total</b>	<b>128,387</b>	<b>5,591</b>	<b>1,268</b>	<b>1,135</b>	<b>136,381</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2012	METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,086	1,629	<b>2,715</b>
Short Term Loans	2,307	46,129	-	-	<b>48,436</b>
Trade and other payables	76,186	10,126	-	-	<b>86,312</b>
Other payables	4,319	1,284	-	-	<b>5,603</b>
<b>Total</b>	<b>82,812</b>	<b>57,539</b>	<b>1,086</b>	<b>1,629</b>	<b>143,066</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2013	METKA S.A.				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	-	-	-
Short Term Loans	4,840	-	-	-	4,840
Leasing liabilities	-	-	-	-	-
Trade and other payables	110,406	7,251	-	-	117,657
Other payables	10,907	-	-	-	10,907
<b>Total</b>	<b>126,153</b>	<b>7,251</b>	<b>-</b>	<b>-</b>	<b>133,404</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2012	METKA S.A.				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	-	-	-
Short Term Loans	-	45,970	-	-	45,970
Leasing liabilities	-	-	-	-	-
Trade and other payables	56,482	5,274	-	-	61,756
Other payables	2,080	9,594	-	-	11,674
<b>Total</b>	<b>58,562</b>	<b>60,838</b>	<b>-</b>	<b>-</b>	<b>119,400</b>

#### 41.5 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 2013 is € 9.655 th. and concerns short-term borrowing. (See note 27, for further information).

Group's policy is to continuously monitor interest rate trends and it's financing needs

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

Amounts in thousands €	31/12/2013		31/12/2012	
	3%	-3%	3%	-3%
Earnings before tax	(1.279)	1.279	(1.187)	1.187
Equity	(946)	946	(950)	950

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

#### 41.6 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.

## 42. Fair value of financial instruments

Analysis of financial assets and financial liabilities is as follows:

	METKA		METKA S.A.	
	2013	2012	2013	2012
<b>(Amounts in thousands €)</b>				
<b>Non current assets</b>				
Financial Assets Available for Sale	32	32	23	23
Other Long-term Receivables	37,088	11,576	30,626	5,195
<b>Total</b>	<b>37,119</b>	<b>11,608</b>	<b>30,650</b>	<b>5,218</b>
<b>Current assets</b>				
Financial assets at fair value through profit or loss	1,167	1,967	-	-
Trade and other receivables	526,351	541,288	463,641	464,695
Cash and cash equivalents	134,542	100,045	56,398	75,526
<b>Total</b>	<b>662,060</b>	<b>643,300</b>	<b>520,039</b>	<b>540,220</b>
<b>Non-Current Liabilities</b>				
Long-term debt	2,403	2,716	-	-
Other long-term liabilities	63,640	77,001	63,451	76,812
<b>Total</b>	<b>66,043</b>	<b>79,717</b>	<b>63,451</b>	<b>76,812</b>
<b>Current Liabilities</b>				
Short-term debt	7,252	48,436	4,840	45,970
Trade and other payables	235,671	213,314	224,230	197,026
<b>Total</b>	<b>242,923</b>	<b>261,750</b>	<b>229,070</b>	<b>242,996</b>

### Fair Value Chain

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:** Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** Investments that are valued at fair value, using valuation techniques for which all inputs, which have a significant fair value, are based (either directly or indirectly) on observable market data.

**Level 3:** Investments that are valued at fair value, using valuation techniques, in which the data, significantly affecting the fair value, are not based on observable market data.

The financial instruments of the Group and the Company, valued at the fair value, are registered at the following three levels:

	Total 31/12/ 2013	METKA		
		Level 1	Level 2	Level 3
<b>(Amounts in thousands €)</b>				
<b>Financial assets at fair value</b>				
Financial Assets Available for Sale	32	-	32	-
Financial assets at fair value through profit or loss	1,167	1,167	-	-
<b>Derivatives</b>				
Foreign exchange forward	(307)	-	(307)	-

(Amounts in thousands €)	METKA S.A.			
	Total 31/12/ 2013	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>				
Financial Assets Available for Sale	23	-	23	-
<b>Derivatives</b>	<b>(307)</b>	-	<b>(307)</b>	-
Foreign exchange forward	(307)	-	(307)	-

In 2013 and 2012 there were no transfers between level 1 and 2. The Group and Company have not classified financial instruments in level 3.

#### 43. 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 2013 and 2012 is as follows:

amounts in thousands €	METKA		METKA S.A.	
	2013	2012	2013	2012
Total Equity	449,867	369,983	318,803	287,235
Minus : Cash and cash equivalents	-134,542	-75,526	-56,398	-100,045
<b>Net Debt</b>	<b>315,325</b>	<b>294,457</b>	<b>262,405</b>	<b>187,189</b>
Total Equity	449,867	369,983	318,803	287,235
Plus : Bank Dept	9,655	51,151	4,840	45,970
<b>Total Occupied Capital</b>	<b>459,522</b>	<b>421,134</b>	<b>323,643</b>	<b>333,205</b>
<b>Net Debt over Total Equity</b>	<b>7/10</b>	<b>8/10</b>	<b>8/10</b>	<b>7/10</b>

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.

#### 44. Subsequent events

METKA has announced on 13.2.2014 that its Turkish subsidiary, Power Projects Sanayi İnşaat Ticaret Limited Şirketi (Power Projects Limited), in consortium with General Electric, has signed a new contract with Société Algérienne de Production de l'Electricité (SPE Spa).

This is METKA's fifth major project in Algeria, and emphasizes the company's commitment to further develop its presence in one of the region's most important growth markets. The project concerns the engineering, procurement, installation and commissioning of eight (8) mobile gas turbine power generation units with a total output of 179,72 MW at site conditions, to be installed at three (3) sites in Algeria. The total contract value for Power Projects Limited is US\$ 66.085.842. The project will be carried out on a fast-track schedule, with commercial operation in the first half of 2014.

METKA has announced on 11.03.2014 its appointment as the provisional contractor for the project "Construction of remaining infrastructure, permanent way, signalling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni" (Tender no. 715), following the decision of the Board of Directors of ERGA OSE S.A., in the context of the open call for tender. The total budget of the projects amounts to €273,000,000 and is co-funded by the European Regional Development Fund (ERDF), under Priority Axis 2 of the Operational Programme "Accessibility Improvement" of the Greek NSRF 2007-2013, and is scheduled for implementation over a period of 24 months following the contract award date.

For the implementation of the project, METKA will collaborate with the international company THALES, global leader in the field of signalling and telecommanding, as well as with XANTHAKIS S.A., a Greek company specialised in railway superstructure works.

The Kiato-Rododafni railway line is part of the larger construction project for the new double railway line from Athens (SKA) to Patras and is considered an infrastructure project of significant importance, since with its implementation it will be possible to connect the Peloponnese with the modern railway network of Athens. The New Double High-Speed Railway Line KIATO-PATRAS is the extension of the new ATHENS - KORINTHOS - PATRAS New Double High-Speed Railway Line, which will link the Greek capital to Patras, the third largest economic centre of the country.

Apart from the events mentioned above, there are no other significant events taking place after 2013.

Athens, the 21<sup>st</sup> of March 2014

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 General Commercial Reg. No 6126401000 & number in the register of Societes Anonymes: 10357/06/B/86/113  
Financial data and information for the period from 1st January 2013 until 31st December 2013  
(Conforming to CL2190, 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:  
Board of Directors:

Ministry of Finance, Competitiveness & Shipping, General Secretariat of Commerce, Directorate of Joint-stock companies & Credit  
**IOANNIS MYTILINEOS** - PRESIDENT OF THE BOARD & MANAGING DIRECTOR, **GEORGE PALLAS** - VICE PRESIDENT NON-EXECUTIVE MEMBER,  
**GEORGIOS ECONOMOU**, **FILIPPOS ZOTOS**, **PANAYIOTIS GARDELINOS**, **NIKOLAOS BAKIRTZOGLU**-INDEPENDENT NON-EXECUTIVE MEMBER,  
**KOSPI ANAGIANOS**-INDEPENDENT NON-EXECUTIVE MEMBER  
www.metka.gr  
MARCH 21, 2014  
Manolis Mihalas (A.M. SOEL25131) - Dimitra Pagoni (A.M. SOEL30821)  
GRAANT THORNTON (A.M. SOEL 127)  
Unqualified

Company's web address:  
Date of approval of the Financial Statements:  
Name of the auditor:  
Acting firm:  
Report of the Auditors:

**STATEMENT OF FINANCIAL POSITION (consolidated and company)**

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/13	31/12/12	31/12/13	31/12/12
<b>ASSET</b>				
Self used fixed assets	54,161	57,541	34,476	36,519
Intangible assets	23	30	5	13
Other non current assets	46,835	22,073	52,978	27,441
Inventories	31,456	37,358	30,432	36,404
Trade receivables	433,259	451,996	390,602	394,147
Other current assets	234,557	194,289	134,301	148,848
<b>TOTAL ASSETS</b>	<b>800,290</b>	<b>783,237</b>	<b>642,794</b>	<b>643,170</b>
<b>EQUITY &amp; LIABILITIES</b>				
Share Capital	16,624	16,624	16,624	16,624
Other Shareholders' Equity	416,402	336,204	302,179	270,611
<b>Total Shareholders' Equity (a)</b>	<b>433,026</b>	<b>352,829</b>	<b>318,803</b>	<b>287,235</b>
Non-controlling interests (b)	15,241	17,154	-	-
<b>Total Equity (c)=(a)+(b)</b>	<b>448,867</b>	<b>369,983</b>	<b>318,803</b>	<b>287,235</b>
Long term borrowings	2,403	2,715	-	-
Provisions and other long term liabilities	100,674	124,038	93,528	111,761
Short term borrowings	7,252	48,436	4,640	45,970
Other short term liabilities	245,794	218,085	225,624	188,205
<b>Total liabilities (d)</b>	<b>350,428</b>	<b>383,254</b>	<b>323,992</b>	<b>355,935</b>
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>800,290</b>	<b>783,237</b>	<b>642,794</b>	<b>643,170</b>

**STATEMENT OF CHANGES IN EQUITY (consolidated and company)**

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/13	31/12/12	31/12/13	31/12/12
<b>Equity at the beginning of the period (01/01/2013 &amp; 01/01/2012 respectively)</b>	<b>369,983</b>	<b>339,076</b>	<b>287,235</b>	<b>290,159</b>
Total comprehensive income for the period after taxes (continued and discontinued operations)	93,101	70,650	44,556	36,039
Dividends paid	(13,217)	(39,743)	(12,988)	(38,963)
<b>Equity at the end of the period (31.12.2013 and 31.12.2012 respectively)</b>	<b>448,867</b>	<b>369,983</b>	<b>318,803</b>	<b>287,235</b>

**ADDITIONAL DATA AND INFORMATION**

- 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 2013 are presented in note 6 of the annual financial statements of the Group. The consolidated financial statements of the fiscal year ended 2013, compared with the corresponding to the fiscal year ended 2012, does not include the company Metka OVERSEAS LTD (100% direct stake Metka based in Nicosia, Cyprus). More specifically, according to the framework agreement between Metka and SEPCOIL, as of 28/6/2013 SEPCOIL acquired the shares of the company Metka OVERSEAS LTD, at their nominal value. On 31/12/2013 the Group did not consolidate the figures of the company Metka OVERSEAS LTD and in the consolidated income statement was included the profits from the sale, amounting to € 17.3 thous. The joint venture EXME SA - ATMONIKI CONSTRUCTION SA that was founded on 18/01/2013 by the 40% subsidiary EXME SA (70% participation in the joint venture) was first incorporated with equity method to the Interim Financial Statements as of 31/03/2013. The incorporation of the above mentioned company to the consolidated Financial Statements of the Group, has affected less than 25% the Sales Turnover, the Profit after Taxes and Non-controlling interests and the Shareholder's Equity.
- The consolidated financial statements of METKA Group are incorporated in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 50,00% of METKA Group.
- In the above Financial Statements, the Group adopted the basic accounting principles, which were employed for issuing the financial statements of FY 2012 except from the changes in IAS standards and Interpretations that are effective from the 1st of January, as described in Note 3.4 of the annual Financial Statements.
- There are no encumbrances to the company's and Group's assets.
- There are no outstanding litigation or any court or arbitration decision, which could have a significant impact on the financial standing or operation of the Company and the Group. The litigation provision balance as of 31.12.2013 amounts to € 1,187 thou, for the Group and € 537 thou, for the Company. Other provisions balance as of 31.12.2013 amounts to € 3,841 thou, for the Group and € 1,734 thou, for the Company. The tax provision balance for fiscal years unaudited by tax authorities as of 31.12.2013 amounts to € 1,010 thou for the Group € 780 thou, for the Company.
- The tax unaudited fiscal years of the Company and the Group are presented in detail in note 40.3 of the interim financial statements of the Group.
- The number of employees at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31/12/13	31/12/12	31/12/13	31/12/12
FULL TIME EMPLOYEES	322	307	231	197
DAILY - WAGE EMPLOYEES	181	153	52	57
	<b>493</b>	<b>470</b>	<b>283</b>	<b>254</b>

- Investments in tangible and intangible fixed assets for the fiscal year 2013 amounted to € 1,208 thou, for the Group and € 1,020 thou, for the Company.
- The earnings per share were calculated according to the earnings after tax and Non-controlling interests on the weighted average number of shares of the parent company.
- Intercompany transactions for the period from January 1, 2013 to December 31, 2013 according to I.A.S. 24 are as follows:

Amounts in 000's Euro	THE GROUP	THE COMPANY
a) Income	4,855	20,606
b) Expenses	8,907	15,659
c) Receivables	151,544	152,472
d) Liabilities	142	11,572
e) Transaction and remuneration with top management and BoD members	3,660	2,964
f) Payables to top management and BoD members	262	131
g) Receivables from top management and BoD members	19	-

- Consolidated after tax total income after taxes is related to foreign operations, from currency translation of reserves amounted to € 1,393 thou and € 144 thou from remeasurements of defined benefit obligations. Due to the revision of IAS 19 an amount of € 124 thou, concerns remeasurements of defined benefit obligations in comprehensive income after taxes of the company.
- At the end of the current fiscal year the mother company or subsidiary firms do not possess shares of the mother company or any subsidiary.
- There has been no discontinuance of operations of the Company or of the Group.
- Any differences in totals are due to roundings.
- Due to the revision of IAS 19 adjustments have been made to profit and other total comprehensive income for the previous years. (detailed description is presented in note 3.4 of Annual Financial Statements).

Marousi, the 21th of March 2014

THE PRESIDENT OF THE BOARD & MANAGING DIRECTOR  
**IOANNIS MYTILINEOS**  
I.D. No: AE044243/2007

THE MEMBER OF THE BOARD  
**FILIPPOS ZOTOS**  
I.D. No: P065648/1991

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

THE CHIEF ACCOUNTANT  
**STYLIANOS PALIKARAS**  
I.D. No: AK621204/2012

**STATEMENT OF COMPREHENSIVE INCOME (consolidated and company)**

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/13	1/1-31/12/12	1/1-31/12/13	1/1-31/12/12
<b>Sales Turnover</b>	<b>606,491</b>	<b>547,549</b>	<b>404,408</b>	<b>327,915</b>
Profit / (Loss)	123,760	113,339	79,721	77,143
Profit before taxes, borrowings and investments results	97,777	88,093	51,650	52,817
<b>Profit before taxes</b>	<b>86,527</b>	<b>84,514</b>	<b>42,713</b>	<b>46,431</b>
Less taxes	(5,037)	(3,549)	(1,718)	(10,455)
<b>Profit after taxes (A)</b>	<b>81,564</b>	<b>70,965</b>	<b>44,432</b>	<b>35,975</b>
Owners of the parent	81,656	70,109	44,432	35,975
Minority interests	(92)	856	-	-
<b>Other comprehensive income after taxes (B)</b>	<b>1,537</b>	<b>(818)</b>	<b>124</b>	<b>84</b>
<b>Total comprehensive income for the period after taxes (A) + (B)</b>	<b>83,101</b>	<b>70,650</b>	<b>44,556</b>	<b>36,039</b>
Owners of the parent	93,185	69,794	44,556	36,039
Minority interests	(84)	856	-	-
<b>Earnings after taxes per share-basic (in €)</b>	<b>1,7643</b>	<b>1,3495</b>	<b>0,8553</b>	<b>0,6925</b>
Proposed dividend	-	-	0,3000	0,2500
Profit before taxes, borrowings, investments and depreciation results	101,970	92,773	54,496	56,016

**CASH FLOW STATEMENT - Indirect Method (consolidated & company)**

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/13	1/1-31/12/12	1/1-31/12/13	1/1-31/12/12
<b>Operating Activities</b>				
Profit before Taxes (Continued Operations)	86,527	84,513	42,713	46,431
Plus (Less) Adjustments for:				
Depreciations	4,193	4,680	2,846	3,199
Provisions	68	(203)	(93)	17
Exchange differences	1,021	(98)	974	(96)
Results (revenues, expenses, profit, loss) from Investment Activities	(3,760)	(6,604)	(2,855)	(4,647)
Debit Interest and similar expenses	2,818	3,020	2,394	2,397
Operating profit before changes in working capital	90,867	85,308	45,979	47,500
<b>Plus/less adjustments for changes in working capital or operating activities:</b>				
Decrease / (Increase) in Inventories	5,902	17,793	5,972	17,639
Decrease / (Increase) in receivables	(20,843)	(13,558)	(30,763)	25,184
Decrease / (Increase) in other current assets	(1,074)	(4,342)	(2,292)	(4,495)
(Decrease) / Increase in short term liabilities (except for the banks)	12,160	(104,666)	13,850	(100,974)
Less:				
Debit Interest and similar expenses paid	(3,359)	(2,252)	(2,965)	(1,851)
Taxation paid	(2,034)	(2,496)	(1,033)	(1,159)
<b>Net cash flows from operating activities (a)</b>	<b>81,619</b>	<b>(24,213)</b>	<b>28,749</b>	<b>(18,166)</b>
<b>Investing Activities</b>				
Sale of investments to subsidiaries (Less Subsidiary's cash)	1	-	1	-
Proceeds from the sale of tangible and intangible assets	285	141	222	72
Purchase of tangible and intangible assets	(1,208)	(2,952)	(1,019)	(2,437)
Investments in Joint Ventures	(251)	-	(250)	-
Sale of available for sale financial assets	69	52	28	28
Purchase of financial assets at fair value with changes in net results	-	(6,477)	-	-
Proceeds from borrowings to affiliated parties	-	-	-	3,400
Proceeds from sale of financial assets at fair value with changes in net results	1,113	5,095	-	-
Interest received	4,194	4,066	2,249	2,989
Borrowings to/from affiliated parties	-	-	-	(2,900)
Proceeds from dividends	59	-	673	-
Purchase of bonds	(4,750)	(65,300)	(4,750)	(54,600)
Proceeds from bonds	11,321	24,079	11,321	21,255
<b>Net cash flows from investing activities (b)</b>	<b>10,832</b>	<b>(41,297)</b>	<b>8,475</b>	<b>(32,193)</b>
<b>Financing Activities</b>				
Proceeds from Borrowings	-	41,099	-	38,970
Payments of borrowings	(41,518)	(5,000)	(41,130)	(5,000)
Dividends paid	(13,831)	(39,000)	(13,050)	(38,935)
<b>Net cash flows from financing activities (c)</b>	<b>(55,349)</b>	<b>(2,901)</b>	<b>(54,180)</b>	<b>(4,965)</b>
<b>Net increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>37,102</b>	<b>(68,411)</b>	<b>(16,957)</b>	<b>(56,324)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>100,045</b>	<b>167,948</b>	<b>75,626</b>	<b>131,165</b>
Effects of exchange rate changes	(2,605)	508	(2,170)	(315)
<b>Cash and cash equivalents at the end of the period</b>	<b>134,542</b>	<b>100,045</b>	<b>56,398</b>	<b>75,525</b>

**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](http://www.ase.gr) and the company's web site [www.metka.gr](http://www.metka.gr).

Listed Companies' Press Releases

Friday, 27 December 2013	Announcement pursuant to Law 3556/2007
Friday, 27 December 2013	Announcement pursuant to Law 3556/2007
Friday, 27 December 2013	Announcement pursuant to Law 3556/2007
Thursday, 19 December 2013	Announcement pursuant to Law 3556/2007
Thursday, 19 December 2013	Announcement pursuant to Law 3556/2007
Thursday, 19 December 2013	Announcement pursuant to Law 3556/2007
Monday, 16 December 2013	Announcement pursuant to Law 3556/2007
Friday, 13 December 2013	Announcement pursuant to Law 3556/2007
Friday, 13 December 2013	Announcement pursuant to Law 3556/2007
Friday, 22 November 2013	Announcement pursuant to Law 3556/2007
Wednesday, 20 November 2013	Financial Results for the 3rd Quarter of 2013
Tuesday, 19 November 2013	NEW EPC PROJECT FOR METKA IN ALGERIA
Tuesday, 19 November 2013	ANNOUNCEMENT OF THE COMPANY'S INTENTION TO PARTICIPATE IN A TENDER
Wednesday, 23 October 2013	Announcement pursuant to Law 3556/2007
Tuesday, 8 October 2013	ANNOUNCEMENT OF THE COMPANY'S INTENTION TO PARTICIPATE IN A TENDER
Wednesday, 4 September 2013	SUCCESSFUL COMPLETION OF THE OMV SAMSUN 870MW POWER PLANT IN TURKEY
Monday, 26 August 2013	METKA and Krauss-Maffei Wegmann Join Forces for export to Middle East
Wednesday, 7 August 2013	Press Release - First Half 2013 Financial Results
Tuesday, 2 July 2013	METKA CONSORTIUM SIGNS NEW POWER PLANT CONTRACT IN IRAQ
Monday, 1 July 2013	PRESS RELEASE- METKA CONSORTIUM SIGNS NEW POWER PLANT CONTRACT IN IRAQ
Wednesday, 19 June 2013	Presentation to the "Association of Greek Institutional Investors"
Tuesday, 28 May 2013	Announcement pursuant to Law 3556/2007
Friday, 24 May 2013	Announcement pursuant to Law 3556/2007
Wednesday, 15 May 2013	Financial Results for the 1st Quarter of 2013
Wednesday, 15 May 2013	UPDATE RELATED TO AL-ANBAR PROJECT IN IRAQ
Tuesday, 14 May 2013	NEW EPC PROJECT FOR METKA IN ALGERIA
Thursday, 9 May 2013	Announcement pursuant to Law 3556/2007
Thursday, 9 May 2013	Notification of the resolutions of the Annual General Meeting of the Shareholders
Wednesday, 8 May 2013	ANNOUNCEMENT OF EX-DIVIDEND DATE / DIVIDEND PAYMENT DATE
Wednesday, 1 May 2013	Announcement pursuant to Law 3556/2007
Friday, 26 April 2013	Announcement pursuant to Law 3556/2007
Friday, 26 April 2013	METKA Consortium receives contract award in Iraq
Wednesday, 24 April 2013	Correction of the final dates for the exercise of (i) the right to vote by proxy and (ii) minority rights of shareholders.
Thursday, 18 April 2013	METKA'S REPLY TO A QUESTION FROM THE HELLENIC CAPITAL MARKET COMMISSION
Wednesday, 17 April 2013	INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
Friday, 12 April 2013	ANNOUNCEMENT OF PARTICIPATION TO THE ENQUIRY
Friday, 5 April 2013	Announcement pursuant to Law 3556/2007
Wednesday, 27 March 2013	METKA'S REPLY TO A QUESTION FROM THE HELLENIC CAPITAL MARKET COMMITTEE
Wednesday, 27 March 2013	2012 Full-Year Financial Results
Thursday, 21 February 2013	Announcement pursuant to Law 3556/2007
Thursday, 21 February 2013	Announcement pursuant to Law 3556/2007
Monday, 4 February 2013	FINANCIAL CALENDAR 2013 - AMENDMENT
Thursday, 31 January 2013	FINANCIAL CALENDAR 2013

**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 ended December 31st 2013 have been posted on the web site of the company [www.metka.gr](http://www.metka.gr).