



**Semi-annual Financial Report**

**For the period from 1 January 2011 to 30 June 2011**

**Pursuant to article 5, of Law no. 3556/2007**

**SIDENOR STEEL PRODUCTS  
MANUFACTURING COMPANY S.A.**

**Societe Anonyme Reg. No.: 2310/06/B/86/20 2-4 Mesogeion Ave. Athens**

**These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.**

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**A. Board of Directors Statements  
(Pursuant to article 5, par 2, of Law no. 3556/2007)**

The BoD Members of the Societe Anonyme under trading name SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. and distinctive title SIDENOR S.A., based in Athens, 2-4, Mesogeion Avenue:

1. George Kalfarentzos, son of Christos, Chairman of the Board of Directors,
2. Sarantos Milios, son of Konstantinos, Managing Director and BoD member,
3. George Passas, son of Nikolaos, BoD member as per decision of the Company's Board of Directors, dated 29.08.10

Under our above capacity, hereby state and confirm that according to our knowledge:

(a) the attached corporate and consolidated financial statement for SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the Company) as at 30 June 2011, the relevant corporate and consolidated summary profit and loss statements, comprehensive income, changes in equity and cash flow statements for the six month period that ended on this date, as well as the selected explanatory notes that comprise the summary interim financial information, which have been compiled according to I.A.S. 1, depict the actual details and figures of the assets and liabilities, the net assets and the profit and loss of SIDENOR S.A. for the period 1/1/2011-30/6/2011, as well as the companies included in the consolidation in total, pursuant to the stipulations of paragraphs 3 through 5, of article 5 of Law no. 3556/2007, and

(b) the Board of Directors' Report of SIDENOR S.A. for the period 01.01.2011 – 30.06.2011 depicts the actual details of the evolution, performance and position of SIDENOR S.A., as well as the companies included in the Group consolidation in total, including the description of the main risks and uncertainties these are confronted with, on the basis of par. 6 of article 5 of Law no. 3556/2007.

**Athens, 29 August 2011**

The certifying persons,

**The Chairman of the  
BoD**

Kalfarentzos George  
ID Card No. F 147183

**The Managing Director  
and BoD Member**

Milios  
Sarrantos  
ID Card No. AI 647195

**The Member  
Appointed by the BoD**

Passas George  
ID no. F 020251

## B. Board of Directors Semi-Annual Report

The Semi-Annual Report of the Board of Directors, which follows, (hereby referred to as "Report"), pertains to the 1<sup>st</sup> half of current fiscal year 2011 (01.01.2011 - 30.06.2011). The Report has been prepared in accordance and in line with the respective provisions of Law no. 3556/2007 (Government Gazette Issue 91A/30.4.2007) and the executive decisions issued pursuant to it by the Capital Market Commission and, in particular, Decision no. 7/448/11.10.2007 of the BoD of the Capital Market Commission.

The current Report includes all information relevant and necessary by law, in order to provide material information regarding the activities of the referred period of company SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (hereunder referred to as the "Company" or "SIDENOR") as well as of the SIDENOR Group, in which, besides SIDENOR, the following affiliated companies are included:

Company	Participation	Consolidation method	Unaudited years
SIDENOR S.A.	-	-	2007 - 2011
SOVEL A.E.	64,01%	Full consolidation	2010 - 2011
DEPAL S.A.	100,00%	Full consolidation	2007 - 2011
STOMANA INDUSTRY S.A.	100,00%	Full consolidation	2005 - 2011
ERLIKON WIRE PROCESSING S.A.	98,85%	Full consolidation	2006 - 2011
AEIFOROS S.A.	90,00%	Full consolidation	2010 - 2011
PROSAL S.A.	100,00%	Full consolidation	2007 - 2011
TEPRO STEEL EAD	100,00%	Full consolidation	2008 - 2011
BOZETTI LTD	100,00%	Full consolidation	2008 - 2011
VEMET S.A.	100,00%	Full consolidation	2003 - 2011
ETIL S.A.	69,99%	Full consolidation	2004 - 2011
PRAKSYS S.A.	51,00%	Full consolidation	2010 - 2011
DIA.VI.PE.THIV. S.A.	70,10%	Full consolidation	2010 - 2011
AEIFOROS BULGARIA SA	90,00%	Full consolidation	2007 - 2011
VET S.A.	63,52%	Full consolidation	2010 - 2011
VEAT S.A.	41,60%	Full consolidation	2003 - 2011
SIGMA A.E.	69,28%	Full consolidation	2006 - 2011
ARGOS S.A.	69,28%	Full consolidation	2009 - 2011
CORINTH PIPEWORKS S.A.	78,55%	Full consolidation	2008 - 2011
SIDMA S.A.	24,59%	Net balance	2007 - 2011
DIAPEM S.A.	33,35%	Net balance	2010 - 2011
V.EPE.M. S.A.	50,00%	Net balance	2003 - 2011
METALOURGIA ATTIKIS S.A.	50,00%	Net balance	2007 - 2011
EL.K.E.ME. S.A.	20,00%	Net balance	2010 - 2011
DOMOPLEX LTD	45,00%	Net balance	2007 - 2011
DOJLAN STEEL LLCOP	75,00%	Full consolidation	2010 - 2011
SIDERAL SHPK	100,00%	Full consolidation	2006 - 2011
SIDEROM STEEL SLR	100,00%	Full consolidation	2007 - 2011
ZAO TMK-CPW	38,49%	Net balance	2007 - 2011
BIODIESEL A.E.	16,00%	Net balance	2009 - 2011
AWM SPA	29,10%	Net balance	2006 - 2011
PORT SVISHTOV WEST SA	73,09%	Full consolidation	2008 - 2011
PRISTANISHTEN KOMPLEX SVILOSA EOOD	73,09%	Full consolidation	2004 - 2011
SIDEBALK STEEL DOO	100,00%	Full consolidation	2009 - 2011
PROSAL TUBES S.A.	100,00%	Full consolidation	2008 - 2011
JOSTDEX LTD	94,00%	Full consolidation	2010 - 2011

The chapters of the report and their contents are as follows:

**A. Significant Events of the first half of 2011**

The most important events that took place during the first half of 2011 are the following:

*Investments in subsidiaries*

In February 2011 the scheduled tax audit of the subsidiary company SOVEL S.A. for the fiscal year of 2009 was completed. No tax liability resulted from the audit, only reduced losses.

*Decisions of the Annual General Meeting*

During the Annual Ordinary General Meeting of the Company's Shareholders that took place in Athens, on June 14th, 2011 at 11.00 pm, the following were decided:

- (i) Approval of the annual financial statements of financial year 2010 and the relevant Board of Directors Report and the Chartered Accountant/ Auditor's Report.
- (ii) Release of the BoD members and the Chartered Accountant-Auditor from any compensation liabilities for financial year 2010.
- (iii) Appointment of audit firm "PriceWaterHouseCoopers" as auditors for financial year 1/1-31/12/2011 with their remuneration to be fixed following their pertinent proposal.
- (iv) Approval of the following parties as new members of the new Board of Directors for one year (this tenure of the members of the Board of Directors will begin on the day following the election and will end on the day that the 2012 Annual General Meeting is convened).
  - 1. GEORGE KALFARENTZOS, BOD CHAIRMAN, EXECUTIVE MEMBER
  - 2. NIKOLAOS KOUDOUNIS, BOD VICE-CHAIRMAN, EXECUTIVE MEMBER
  - 3. SARANTOS MILIOS, EXECUTIVE MEMBER
  - 4. GEORGE SOULITZIS, NON-EXECUTIVE MEMBER
  - 5. VASSILIOS PAPANTONIOU, EXECUTIVE MEMBER
  - 6. GEORGE PASSAS, EXECUTIVE MEMBER
  - 7. IOANNIS IKONOMOU, NON-EXECUTIVE MEMBER
  - 8. ANDREAS KYRIAZIS, NON-EXECUTIVE AND INDEPENDENT MEMBER
  - 9. EFSTATHIOS STRIMBER, NON-EXECUTIVE AND INDEPENDENT MEMBER
- (v) The General Meeting also approved the amounts to be paid to the Board members as remuneration, pursuant to the stipulations of paragraphs 2, of article 24 of Law no. 2190/1290.
- (vi) The General Meeting approved the issuance of common bond loans, according to Law 3156/2003, up to a total amount of hundred million euro that will be covered totally by banks. The objective of the loans is to refinance part of the Company's debt obligations.
- (vii) Members of the monitoring committee under article 37 of Law no. 3693/2008 were appointed the following:
  - 1. GEORGE PASSAS, EXECUTIVE MEMBER
  - 2. IOANNIS IKONOMOU, NON-EXECUTIVE MEMBER
  - 3. ANDREAS KYRIAZIS, NON-EXECUTIVE AND INDEPENDENT MEMBER

**B. Significant transactions with Associates**

The transactions of associates concern primarily the trade and processing of steel products (finished and semi finished). Through these transactions the companies are able to achieve economies of scale by taking advantage of the Group's size. The Group's commercial transactions with its associates (persons or entities) during the 1<sup>st</sup> half of 2011 have been performed under market terms and in the context of the usual business activity. The transactions between affiliates within the meaning of IAS 24 are analyzed as follows:

*Transactions with Subsidiaries*

(amounts in thousand €)

SUBSIDIARIES	Sales of goods and services	Purchases	Products - services consolidated	Receivables	Liabilities	Income from dividends
SIDENOR S.A.	88.308	31.470	37	75.739	49.794	7
SOVEL S.A.	6.955	18.596	84	46.313	1.116	-
DEPAL S.A.	441	98	-	2.609	7	121
STOMANA INDUSTRY S.A.	37.022	23.146	764	13.733	32.092	-
ERLIKON WIRE PROCESSING S.A.	316	6.710	3	23	5.501	-
AEIFOROS S.A.	2.061	254	1	1.348	420	-
PROSAL S.A.	-	1.072	-	-	1.384	-
TEPRO STEEL EAD	834	288	-	987	227	-
ETIL S.A.	3.077	176	-	348	269	78
PRAKSYS S.A.	239	6	-	152	104	-
DIA.VI.PE.THIV. S.A.	550	149	-	858	5.830	-
AEIFOROS BULGARIA SA	103	142	-	234	5	-
VET S.A.	2.405	20	-	1.248	4	-
SIGMA S.A.	3.113	153	-	2.164	0	-
ARGOS S.A.	1.972	32	-	416	18	-
CORINTH PIPEWORKS S.A.	660	3.988	4	3.658	1.998	-
DOJLAN STEEL LLCOP	5.904	23.266	-	447	26.732	-
SIDERAL SHPK	-	15.195	-	-	14.946	-
SIDEROM STEEL SLR	-	27.826	-	33	9.091	-
PROSAL TUBES S.A.	1.196	960	-	272	697	-
PORT SVISHTOV WEST SA	119	7	-	539	93	-
PRISTANISHTEN KOMPLEX SVILOSIA EOOD	-	-	-	-	539	-
SIDEBALK STEEL DOO	-	816	-	-	255	-
	<b>155.276</b>	<b>154.369</b>	<b>893</b>	<b>151.120</b>	<b>151.120</b>	<b>206</b>

The majority of the transactions with subsidiary companies have been carried out by SIDENOR, SOVEL, STOMANA, DOJLAN and SIDEROM and concern purchase and sell transactions on finished and semi-finished steel products.

SIDENOR's dividend income is derived from ETIL.

Respectively, DEPAL's dividend income is derived from ETIL and ETIL's dividend income is derived from ARGOS.

*Transactions with Affiliates*

*(Amounts in thousand €)*

<b>AFFILIATES</b>	<b>Sales of goods and services</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>	<b>Income from dividends</b>
SIDENOR S.A.	4.316	1.151	10.897	664	50
SOVEL S.A.	-	75	-	119	-
STOMANA INDUSTRY S.A.	5.242	141	2.071	86	-
ERLIKON WIRE PROCESSING S.A.	172	222	2.140	130	-
PROSAL S.A.	-	75	641	27	-
ETIL S.A.	23	130	19	111	-
PRAKSYS S.A.	-	-	-	-	118
VET S.A.	-	11	-	25	-
SIGMA S.A.	-	44	-	10	-
ARGOS S.A.	-	46	-	30	-
CORINTH PIPEWORKS S.A.	-	97	1.459	46	792
PROSAL TUBES S.A.	16	466	2	4	-
	<b>9.769</b>	<b>2.460</b>	<b>17.230</b>	<b>1.252</b>	<b>961</b>

The most important transactions with affiliates are carried out by SIDENOR and STOMANA with the SIDMA Group. The latter operates as a commercial intermediary for part of the products of the steel Group.

SIDENOR's dividend income is derived from METALOURGIA ATTIKIS, PRAKSYS' dividend income derives from AWM and CORINTH PIPEWORKS' dividend income is derived from ZAO TMK-CPW.

*Transactions with other Affiliates*

The transactions with the Other Affiliates pertain to transactions with companies of the VIOHALCO Group, of which SIDENOR is also a subsidiary.

*(Amounts in thousand €)*

<b>OTHER AFFILIATED</b>	<b>Sales of goods and services</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
SIDENOR S.A.	11.991	6.577	14.899	1.987
SOVEL A.E.	20	35.486	6	4.712
STOMANA INDUSTRY S.A.	2.742	7.692	6.918	2.734
CORINTH PIPEWORKS S.A.	3.572	793	3.432	351
ERLIKON WIRE PROCESSING S.A.	951	178	959	72
AEIFOROS S.A.	797	6	125	1
DEPAL S.A.	41	0	-	-
PROSAL S.A.	-	14	173	6
ETIL S.A.	344	23	367	11
ARGOS S.A.	-	2	-	1
VET S.A.	-	1	-	1
PRAKSYS S.A.	-	2	-	2
BOZETTI LTD	50	-	1	-
TEPRO STEEL EAD	-	26	-	30
AEIFOROS BULGARIA SA	194	1.226	37	669
SIGMA A.E.	69	29	10	47
DOJRAN STEEL LLCOP	-	13	-	4
DIA.VI.PE.THIV. S.A.	124	-	21	683
SIDEROM STEEL SLR	3	251	14	66
SIDEBALK STEEL DOO	-	8	1	-
	<b>20.897</b>	<b>52.325</b>	<b>26.962</b>	<b>11.376</b>

The transactions with the other affiliates are mainly carried out by SIDENOR, STOMANA and CORINTH PIPEWORKS. The companies they mainly cooperate with are TEPROMETAL AG and METAL AGENCIES (trade of finished products), ANAMET and METAL VALUES (raw material purchases).

*Directors and Senior Officers Remuneration*

The following table shows the Board of Directors and Senior Officers Remuneration:

*(Amounts in thousand €)*

	<b>CONSOLIDATED</b>		<b>COMPANY</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>	<b>30/6/2011</b>	<b>30/6/2010</b>
Total remuneration of Executives & Directors of the Board	829	941	315	306
Obligations to Executives & Directors of the Board (earnings distribution)	276	342	-	-

**C. Company Branches**

Group SIDENOR main facilities through its subsidiaries are located in Greece, Bulgaria, F.Y.R.O.M., Romania, Albania, Serbia and Cyprus. The core activities of the branches are the production and trading of steel products.

**D. Group Trends and Performance**

During the 1st half of 2011, the SIDENOR Group managed to offset the strong decline in building activity in Greece by taking advantage of past investments in equipment and in its distribution network, therefore strengthening its presence abroad and further increasing exports.

At the same time, the subsidiary Corinth Pipeworks S.A, being active only in an international environment, continues to contribute positively to the Group results.

SIDENOR Group consolidated sales for the first half of 2011 amount to EUR 622 million, compared to EUR 473 million in the first half of 2010. The total sales volume was 1,009 thousand tons, compared to 975 thousand tons in the corresponding period of 2010.

The sales are analyzed per geographical segment as follows:

<i>Amounts in Euro</i>	<b>CONSOLIDATED DATA</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
<b>Sales</b>		
Greece	113.540	190.814
European Union	343.349	181.613
Other European countries	67.007	48.767
Asia	23.458	846
America	55.891	40.647
Africa	18.609	10.260
<b>Total</b>	<b>621.856</b>	<b>472.947</b>

Pretax profit for the first half of 2011 amounts to EUR 22.7 (losses) million compared to EUR 1.5 (profits) million in the first half of 2010, while EBITDA was EUR 24 million. Finally, the net consolidated loss, after taxes and minority interests, amounted to EUR (17.9) million, compared to EUR (0.2) million (losses) in the first half of 2010.

Selling and administrative expenses for the Group in the first half of 2011 amounted to EUR 56 million compared to EUR 50 million in the first half of 2010, while financial results amounted to EUR 14 million compared to EUR 9 million in the first half of 2010.

Regarding the parent company SIDENOR S.A., turnover in the first half of 2011 amounted to EUR 142 million, showing an increase of 11%, while net loss amounted to EUR (9.6) million compared to EUR (4.6) million in the first half of 2010.

As the SIDENOR Group implemented its investment program during the first half of 2011, it made investments totalling EUR 12.5 million. The SIDENOR Group's investment program is in accordance with the broader strategy for further improvement of production plant productivity and the reinforcement of safety at the work place.

The following tables reflect the growth of the Groups major financial ratios:

	<b>30-Jun-11</b>	<b>31-Dec-10</b>
Leverage ratio	0,96	0,83
Current ratio	1,14	1,12

	<b>30-Jun-11</b>	<b>31-Dec-10</b>
EBITDA Margin	3,84%	8,63%
Gross Margin	7,92%	13,23%

The total personnel employed as at 30/06/2011 for the Group was 3,059 employees and for the parent company 325. On 30/06/2010, the Group had 3,031 employees, while the parent company had 332.

## **E. Primary Risks**

### *Market Risk*

The main market risk is the risk of fluctuations in the prices of raw materials (scrap), which in turn, to a substantial extent, determine the final price of products. Additionally, other market risks are exchange and interest rates which may affect the Group's financial results and the value of its financial instruments.

The purpose of risk management against market conditions is to control the Group's exposure to these risks, within the framework of acceptable parameters, with concurrent optimization of performance.

### *Credit Risk*

Credit risk refers to the Group's risk of incurring a loss in the event that a customer or third party fails to fulfill his contractual obligations under a financial instrument agreement. It is related to receivables from customers and investment securities.

### *Trade and other receivables*

The Group's exposure to credit risk is mainly affected by the specific characteristics of each customer. The demographic characteristics of the Group's customer base, including the risk of payment default characterizing the specific market and country wherein customers operate, do not affect credit risk to the same extent, as no correlation between geographic location and credit risk has been observed. No customer exceeds 10% of sales and, as a result, market risk is divided among a large number of customers.

The Board of Directors has established a credit policy whereby each new customer is individually checked for creditworthiness before the usual payment terms are proposed. Credit limits are set on a customer by customer basis and are re-estimated according to current trends and if necessary the sales and collection terms are readjusted. Customer credit lines are as a rule based on the insurance limits set by insurance

companies, on the basis of which the company proceeds to secure receivables.

When monitoring customer credit risk, customers are classified in accordance with their credit profile, the maturity of their receivables and any prior collection problems they may have displayed. Trade and other receivables mainly include the Group's wholesale customers. Customers characterized as "high risk" are placed in a special list and future sales must be prepaid. Depending on the customer's prior record and profession, the Group reserves the right to demand tangible or other guarantees (such as letters of guarantee).

The Group makes provision for impairment which represents its assessment of losses incurred in relation to customer liabilities, other receivables and investments in securities. This provision mainly concerns losses due to the impairment of specific receivables that are deemed realizable in relation to specific conditions but which have not as yet been finalized.

#### *Investments*

Investments are classified by the Group based on the purpose for which they were acquired. Management decides on the suitable classification of the investment at the time of its purchase and reexamines said classification on each due presentation date.

#### *Guarantees*

The policy of the Group is not to offer guarantees, except to subsidiaries or affiliated companies and then only by decision of the Board of Directors.

#### *Liquidity Risk*

Liquidity risk is the risk whereby the Group may be unable to fulfill its financial obligations when these become due. The approach adopted by the Group regarding liquidity management is to ensure, by maintaining minimum necessary cash reserves and sufficient credit limits from the banks with which it cooperates, that it will always have enough liquidity in order to fulfill its financial liabilities when those become due, under normal as well as exceptional circumstances, without incurring unacceptable losses or risking the Group's reputation.

In order to avoid liquidity risks, the Group anticipates annual cash flows when drafting the annual budget, as well as a rolling monthly provision for a period of three months, in order to ensure that it will always have sufficient cash reserves in order to cover its operating needs, including the fulfillment of its financial obligations. The effect of unforeseeable extreme circumstances is not taken into consideration in this policy.

#### *Currency Risk*

The Group operates in Europe and, consequently, the greater part of the Group's transactions is carried out in Euros. However, part of the Group's commodity purchases is denominated in US Dollars.

To avoid this risk, the Group makes use of forward contracts and pays its vendors promptly.

The loan interest is in the same currency as that used in the cash flows relating to the Group's operational activities, which is mainly Euros.

The Groups investments in other subsidiaries are not hedged, as these are regarded as long-term currency investments and have mainly been carried out in Euros.

#### *Interest Rate Risk*

The Group finances its investments and its cash flow requirements through bank and bond loans, which

result in an interest charge burden against its financial results. Upward trends in interest rates will have adverse effects on results, as the Group will incur additional cost of debt.

Interest rate risk is contained, given that part of the Group's loans is subject to fixed interest rates, or it is directly managed with the use of financial instruments (Interest Rate Swaps).

#### *Capital Management*

The policy of the Board of Directors consists of the preservation of a solid capital base, in order to maintain investor, creditor and market confidence in the Group and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Group as the net results divided by the total net position, excluding non-convertible preference shares and minority interests. The Board of Directors also monitors the level of dividends paid to the holders of ordinary shares.

The Board of Directors tries to maintain a balance between, on the one hand, higher returns which would have been possible under higher borrowing levels and, on the other hand, the advantages associated with the security that a strong and healthy capital position would provide.

#### *Fair value estimation*

The fair value of financial instruments traded in active markets (stock exchanges) (such as trading, bonds and available-for-sale securities) is based on quoted market prices at the balance sheet date. The offer price is used for financial assets, while the bid price is used for financial liabilities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on market conditions existing at each balance sheet date.

The nominal value less impairment provision of trade receivables is assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by the present value of the discounted future cash flows of specific contracts at the current market interest rate prices that is available to the Group for similar financial instruments.

#### **F. Development of Activities in Second Half of 2011**

For the 2nd Half of 2011, because of the continuing instability in the International markets, a key priority of the SIDENOR Group remains the efficient management of working capital, borrowing reduction and the decrease of production cost.

To offset the significant drop in the construction sector in the Greek market, the Group aims, through investments already made in its equipment and its distribution network, to further enhance its presence in markets of Central Europe and bordering countries of the Eastern Mediterranean and the Balkans.

Finally, safety in the workplace, the protection of the environment, the harmonious coexistence in the local society and the ongoing training of the personnel remain the non-negotiable objectives, directly linked to the operations of the company.

**G. Events after the Balance Sheet date**

Following the strategy for its expansion in the Balkan markets, the parent company SIDENOR increased its participation to 100% in the subsidiary in FYROM, DOJRAN STEEL, in which participated until now by 75%.

## **C. Report on review of interim financial information**

To the Shareholders of SIDENOR S.A.

### ***Introduction***

We have reviewed the accompanying condensed company and consolidated statement of financial position of SIDENOR S.A. (the “Company”) and its subsidiaries as of 30 June 2010 and the related condensed company and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Review conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

***Reference to Other Legal Requirements***

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 29 August 2011



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The Certified Auditor  
Sourbis Dimitris  
SOEL Reg. No.16891

**Interim Financial Information**

**For the period from 1 January 2011 to 30 June 2011**

**Prepared in accordance with the International Financial Reporting  
Standards (IFRS)**

**MANUFACTURING COMPANY S.A.**

**SIDENOR STEEL PRODUCTS**

**Societe Anonyme Reg. No.: 2310/06/B/86/20 2-4 Mesogeion Ave. Athens**

## **D. Interim Financial Information**

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## A. Interim Financial Information

### Summary Statement of Financial Position

<i>Amounts in Euro</i>	Note	CONSOLIDATED DATA		COMPANY DATA	
		30/6/2011	31/12/2010	30/6/2011	31/12/2010
<b>ASSETS</b>					
<b>Non-current assets</b>					
Land & Buildings	6	252.989.496	250.920.881	55.267.865	55.893.866
Machinery	6	415.904.887	434.538.422	70.942.090	74.747.833
Other tangible assets	6	73.975.082	77.134.083	4.644.682	4.005.305
Intangible assets	6	641.623	671.876	27.004	30.004
Investments in associates	7	28.581.639	29.360.776	10.929.011	10.929.011
Investments in subsidiaries	8	-	-	213.735.642	212.338.804
Available for sale financial assets		1.544.500	1.683.592	1.414.471	1.553.562
Deferred tax assets		642	14.523	-	-
Other receivables		5.721.726	15.155.540	4.809.007	4.961.288
		<b>779.359.595</b>	<b>809.479.693</b>	<b>361.769.772</b>	<b>364.459.673</b>
<b>Current Assets</b>					
Inventories		324.642.845	277.280.210	76.202.091	60.151.508
Trade and other receivables		256.842.605	194.989.169	170.789.803	141.228.275
Tax receivables		7.987.860	8.262.378	7.746.548	7.743.370
Derivative financial instruments	10	1.280.608	506.951	-	-
Financial assets at fair value through profit or loss		7.337	7.337	-	-
Cash and cash equivalents		51.462.903	69.003.735	17.750.255	30.230.061
		<b>642.224.158</b>	<b>550.049.780</b>	<b>272.488.696</b>	<b>239.353.214</b>
<b>Total Assets</b>		<b>1.421.583.753</b>	<b>1.359.529.473</b>	<b>634.258.468</b>	<b>603.812.887</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders</b>					
Share capital		39.460.002	39.460.002	39.460.002	39.460.002
Share premium		120.406.136	120.406.136	120.406.136	120.406.136
Currency translation adjustments		-2.314.140	-2.087.103	-	-
Other reserves		107.030.893	105.252.350	59.174.419	59.148.585
Retained earnings		212.516.070	229.813.631	49.317.860	58.892.458
Total		477.098.961	492.845.016	268.358.417	277.907.181
<b>Minority interest</b>		<b>101.388.384</b>	<b>107.647.864</b>	-	-
<b>Total Equity</b>		<b>578.487.345</b>	<b>600.492.880</b>	<b>268.358.417</b>	<b>277.907.181</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	11	201.763.590	186.087.467	65.750.004	67.833.336
Derivative financial instruments	10	134.615	1.028.303	-	77.480
Deferred tax liabilities		59.216.942	60.121.235	13.827.415	14.300.172
Retirement benefit obligations		5.958.741	5.764.665	1.931.147	1.778.733
Government Grants		10.259.782	10.775.945	130.677	143.373
Provisions for other liabilities and charges		3.641.218	3.232.113	914.629	914.629
Other non-current liabilities		864.801	804.656	-	-
		<b>281.839.689</b>	<b>267.814.384</b>	<b>82.553.872</b>	<b>85.047.724</b>
<b>Current liabilities</b>					
Trade and other payables		199.659.879	171.715.535	107.732.473	106.821.558
Current tax liabilities		2.062.428	3.074.370	-	-
Borrowings	11	351.807.193	313.384.443	168.903.525	132.395.807
Other current liabilities		6.507.958	1.479.707	6.507.958	1.479.707
Derivative financial instruments	10	596.176	944.024	41.314	-
Retirement benefit obligations		307.267	355.152	160.910	160.910
Provisions for other liabilities and charges		315.818	268.978	-	-
		<b>561.256.719</b>	<b>491.222.209</b>	<b>283.346.180</b>	<b>240.857.982</b>
<b>Total liabilities</b>		<b>843.096.408</b>	<b>759.036.593</b>	<b>365.900.052</b>	<b>325.905.706</b>
<b>Total equity and liabilities</b>		<b>1.421.583.753</b>	<b>1.359.529.473</b>	<b>634.258.468</b>	<b>603.812.887</b>

The notes on pages 21 to 41 form an integral part of these interim financial statements.

## Summary Income Statement

### Consolidated Data

CONSOLIDATED DATA					
<i>Amounts in Euro</i>	Note	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2010 until 30/6/2010
<b>Sales</b>		<b>621.855.947</b>	<b>350.817.571</b>	<b>472.947.000</b>	<b>265.681.026</b>
Cost of sales		-572.632.837	-324.544.583	-410.395.415	-223.947.285
<b>Gross profit</b>		<b>49.223.110</b>	<b>26.272.987</b>	<b>62.551.585</b>	<b>41.733.741</b>
Selling expenses		-40.572.611	-22.012.290	-36.474.877	-19.313.317
Administrative expenses		-15.141.360	-8.320.237	-13.715.012	-7.032.634
Other operating income		2.595.436	1.027.922	4.483.388	3.041.560
Other operating expenses		-4.778.846	-2.461.099	-6.660.379	-3.992.323
<b>Operating results</b>		<b>-8.674.271</b>	<b>-5.492.718</b>	<b>10.184.704</b>	<b>14.437.028</b>
Financial Income		736.690	25.621	850.879	203.274
Financial Expenses		-14.852.657	-7.996.688	-9.693.735	-5.583.989
Dividend income		-	-	74.445	-44.202
Profits/ (losses) from participations		-29.949	-	-34.701	-12.441
Profits/(losses) from associates	7	112.445	-138.625	201.707	335.566
<b>Profits/(losses) before taxes</b>		<b>-22.707.743</b>	<b>-13.602.410</b>	<b>1.583.299</b>	<b>9.335.236</b>
Income tax expense		639.171	659.047	5.018	-167.794
<b>Profits/(losses) after taxes</b>		<b>-22.068.573</b>	<b>-12.943.363</b>	<b>1.588.316</b>	<b>9.167.442</b>
<b>Attributable to:</b>					
Equity holders of the company		-17.996.895	-10.359.597	-211.103	7.342.078
Minority interest		-4.071.678	-2.583.766	1.799.420	1.825.364
		<b>-22.068.573</b>	<b>-12.943.363</b>	<b>1.588.316</b>	<b>9.167.442</b>

Earnings per share attributable to the equity holders of the Company during the year (expressed in Euro per share)

CONSOLIDATED DATA				
	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2010 until 30/6/2010
Basic	(0,1870)	(0,1076)	(0,0022)	0,0763
Diluted	(0,1870)	(0,1076)	(0,0022)	0,0763

### Company Data

COMPANY DATA					
<i>Amounts in Euro</i>	Note	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2010 until 30/6/2010
<b>Sales</b>		<b>142.089.378</b>	<b>79.967.643</b>	<b>127.923.204</b>	<b>69.153.752</b>
Cost of sales		-132.829.442	-75.295.936	-115.763.130	-61.160.638
<b>Gross profit</b>		<b>9.259.936</b>	<b>4.671.706</b>	<b>12.160.075</b>	<b>7.993.114</b>
Selling expenses		-9.032.201	-4.520.471	-9.484.960	-4.873.990
Administrative expenses		-5.482.477	-2.816.582	-5.768.906	-2.677.865
Other operating income		6.709.498	3.838.988	4.993.114	2.373.147
Other operating expenses		-6.011.784	-3.404.260	-4.911.157	-2.442.591
<b>Operating results</b>		<b>-4.557.029</b>	<b>-2.230.619</b>	<b>-3.011.834</b>	<b>371.815</b>
Financial Income		54.092	18.078	124.413	80.619
Financial Expenses		-5.732.071	-3.179.014	-2.377.980	-1.391.644
Dividend income		177.320	58.970	122.328	122.328
<b>Profits/(losses) before taxes</b>		<b>-10.057.688</b>	<b>-5.332.585</b>	<b>-5.143.072</b>	<b>-816.882</b>
Income tax expense		483.090	233.116	560.317	218.846
<b>Profits/(losses) after taxes</b>		<b>-9.574.598</b>	<b>-5.099.469</b>	<b>-4.582.755</b>	<b>-598.036</b>

COMPANY DATA				
	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2010 until 30/6/2010
Basic	(0,0995)	(0,0530)	(0,0476)	(0,0062)
Diluted	(0,0995)	(0,0530)	(0,0476)	(0,0062)

The notes on pages 21 to 41 form an integral part of these interim financial statements.

## Summary Statement of Comprehensive Income

### Consolidated Data

	CONSOLIDATED DATA			
	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2010 until 30/6/2010
<b>Profits/(losses) after taxes</b>	-22.068.573	-12.943.363	1.588.316	9.167.442
<b>Other Comprehensive Income after taxes</b>				
Profit / (loss) after tax from the change of the fair value of the cash flow hedging	1.600.512	331.999	-425.010	-1.219.121
Comprehensive income after tax	1.364.561	-25.448	1.969.174	261.255
<b>Cumulative Comprehensive results after taxes</b>	<b>-20.704.012</b>	<b>-12.968.811</b>	<b>3.557.490</b>	<b>9.428.697</b>
<b>Attributable to:</b>				
Equity holders of the company	-16.969.076	-10.390.822	1.516.172	7.723.520
Minority interest	-3.734.935	-2.577.989	2.041.318	1.705.176
	<b>-20.704.012</b>	<b>-12.968.811</b>	<b>3.557.490</b>	<b>9.428.697</b>

### Company Data

	COMPANY DATA			
	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2010 until 30/6/2010
<b>Profits/(losses) after taxes</b>	-9.574.598	-5.099.469	-4.582.755	-598.036
<b>Other Comprehensive Income after taxes</b>				
Profit / (loss) after tax from the change of the fair value of the cash flow hedging	25.833	54.178	-42.800	-28.600
Comprehensive income after tax	25.833	54.178	-42.800	-28.600
<b>Cumulative Comprehensive results after taxes</b>	<b>-9.548.765</b>	<b>-5.045.292</b>	<b>-4.625.556</b>	<b>-626.636</b>

The notes on pages 21 to 41 form an integral part of these interim financial statements.

## Summary Statement of Changes in Shareholders' Equity

Amounts in Euro	Attributable to shareholders of the parent company				Consolidated currency exchange differences	Total	Minority interest	Total Shareholders Equity
	Share Capital & Share Premium Reserves	Fair Value Reserve	Other reserves	Results carried forward				
<b>CONSOLIDATED DATA</b>								
Balance as of 1 January 2010	159.866.138	-186.537	105.698.522	253.453.729	-3.132.400	515.699.452	111.110.803	626.810.255
Cumulative Comprehensive earnings after taxes	-	-323.479	-	-211.104	2.050.755	1.516.172	2.041.318	3.557.490
Transfer of reserves	-	-	24.331	-24.331	-	-	-	-
Dividend	-	-	-	-	-	-	62.801	62.801
<b>Balance as of 30 June 2010</b>	<b>159.866.138</b>	<b>-510.016</b>	<b>105.722.853</b>	<b>253.218.294</b>	<b>-1.081.645</b>	<b>517.215.625</b>	<b>113.214.922</b>	<b>630.430.547</b>
<b>Balance as of 30 June 2010</b>	<b>159.866.138</b>	<b>-510.016</b>	<b>105.722.853</b>	<b>253.218.294</b>	<b>-1.081.645</b>	<b>517.215.625</b>	<b>113.214.922</b>	<b>630.430.547</b>
Cumulative Comprehensive earnings after taxes	-	-388.698	-	-22.797.826	-1.005.457	-24.191.981	-5.520.952	-29.712.933
Share Capital issuance / (decrease)	-	-	-	-	-	-	5.460	5.460
Increase - decrease participation percentage in subsidiary	-	-	-27.435	-151.192	-	-178.627	34.198	-144.430
Transfer of reserves	-	-	455.645	-455.645	-	-	-	-
Dividend	-	-	-	-	-	-	-85.763	-85.763
	-	-	428.210	-606.837	-	-178.627	-46.106	-224.733
<b>Balance as of 31 December 2010</b>	<b>159.866.138</b>	<b>-898.713</b>	<b>106.151.064</b>	<b>229.813.631</b>	<b>-2.087.103</b>	<b>492.845.016</b>	<b>107.647.864</b>	<b>600.492.880</b>
<b>Balance as of 1 January 2011</b>	<b>159.866.138</b>	<b>-898.713</b>	<b>106.151.064</b>	<b>229.813.631</b>	<b>-2.087.103</b>	<b>492.845.016</b>	<b>107.647.864</b>	<b>600.492.880</b>
Cumulative Comprehensive earnings after taxes	-	1.254.855	-	-17.996.895	-227.037	-16.969.076	-3.734.935	-20.704.011
Increase - decrease participation percentage in subsidiary	-	-2.045	525.733	699.334	-	1.223.021	-2.447.824	-1.224.804
Dividend	-	-	-	-	-	-	-76.720	-76.720
<b>Balance as of 30 June 2011</b>	<b>159.866.138</b>	<b>354.097</b>	<b>106.676.796</b>	<b>212.516.070</b>	<b>-2.314.140</b>	<b>477.098.961</b>	<b>101.388.384</b>	<b>578.487.345</b>

The consolidated comprehensive earnings after taxes, for the periods presented, as analyzed as follows:

CONSOLIDATED DATA	Attributable to shareholders of the parent company				Consolidated currency exchange differences	Total	Minority interest	Total Shareholders Equity
	Share Capital & Share Premium Reserves	Fair Value Reserve	Other reserves	Results carried forward				
Profits/(losses) after taxes	-	-	-	-211.103	-	-211.103	1.799.420	1.588.316
Exchange differences from activities abroad	-	-	-	-	2.050.755	2.050.755	343.429	2.394.184
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-323.479	-	-	-	-323.479	-101.531	-425.010
<b>1 Jan 2010 - 30 Jun 2010</b>	<b>-</b>	<b>-323.479</b>	<b>-</b>	<b>-211.103</b>	<b>2.050.755</b>	<b>1.516.172</b>	<b>2.041.318</b>	<b>3.557.490</b>
Profits/(losses) after taxes	-	-	-	-22.797.827	-	-22.797.827	-5.264.395	-28.062.221
Exchange differences from activities abroad	-	-	-	-	-1.005.457	-1.005.457	-151.739	-1.157.196
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-388.698	-	-	-	-388.698	-104.819	-493.516
<b>1 Jul 2010 - 31 Dec 2010</b>	<b>-</b>	<b>-388.698</b>	<b>-</b>	<b>-22.797.827</b>	<b>-1.005.457</b>	<b>-24.191.981</b>	<b>-5.520.952</b>	<b>-29.712.934</b>
<b>1 Jan 2010 - 31 Dec 2010</b>	<b>-</b>	<b>-712.177</b>	<b>-</b>	<b>-23.008.930</b>	<b>1.045.298</b>	<b>-22.675.808</b>	<b>-3.479.635</b>	<b>-26.155.444</b>
Profits/(losses) after taxes	-	-	-	-17.996.895	-	-17.996.895	-4.071.678	-22.068.573
Exchange differences from activities abroad	-	-	-	-	-227.037	-227.037	-8.914	-235.951
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	1.254.855	-	-	-	1.254.855	345.657	1.600.512
<b>1 Jan 2011 - 30 Jun 2011</b>	<b>-</b>	<b>1.254.855</b>	<b>-</b>	<b>-17.996.895</b>	<b>-227.037</b>	<b>-16.969.076</b>	<b>-3.734.935</b>	<b>-20.704.012</b>

COMPANY DATA	Share Capital & Share Premium Reserves	Fair Value Reserve	Other reserves	Results carried forward	Total Shareholders Equity
<b>Balance as of 1 January 2010</b>	<b>159.866.138</b>	<b>-20.025</b>	<b>59.207.470</b>	<b>71.272.835</b>	<b>290.326.418</b>
Cumulative Comprehensive earnings after taxes	-	-42.800	-	-4.582.755	-4.625.556
<b>Balance as of 30 June 2010</b>	<b>159.866.138</b>	<b>-62.826</b>	<b>59.207.470</b>	<b>66.690.080</b>	<b>285.700.862</b>
<b>Balance as of 30 June 2010</b>	<b>159.866.138</b>	<b>-62.826</b>	<b>59.207.470</b>	<b>66.690.080</b>	<b>285.700.862</b>
Cumulative Comprehensive earnings after taxes	-	3.941	-	-7.797.622	-7.793.681
<b>Balance as of 31 December 2010</b>	<b>159.866.138</b>	<b>-58.885</b>	<b>59.207.470</b>	<b>58.892.458</b>	<b>277.907.181</b>
<b>Balance as of 1 January 2011</b>	<b>159.866.138</b>	<b>-58.885</b>	<b>59.207.470</b>	<b>58.892.458</b>	<b>277.907.181</b>
Cumulative Comprehensive earnings after taxes	-	25.833	-	-9.574.598	-9.548.765
<b>Balance as of 30 June 2011</b>	<b>159.866.138</b>	<b>-33.051</b>	<b>59.207.470</b>	<b>49.317.860</b>	<b>268.358.416</b>

The notes on pages 21 to 41 form an integral part of these interim financial statements.

The company comprehensive earnings after taxes, for the periods presented, as analyzed as follows:

COMPANY DATA	Share Capital & Share Premium Reserve	Fair Value Reserve	Other reserves	Results carried forward	Total Share holders Equity
Profits/(losses) after taxes	-	-	-	-4.582.755	-4.582.755
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-42.800	-	-	-42.800
<b>1 Jan 2010 - 30 Jun 2010</b>	-	<b>-42.800</b>	-	<b>-4.582.755</b>	<b>-4.625.556</b>
Profits/(losses) after taxes	-	-	-	-7.797.622	-7.797.622
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	3.941	-	-	3.941
<b>1 Jul 2010 - 31 Dec 2010</b>	-	<b>3.941</b>	-	<b>-7.797.622</b>	<b>-7.793.681</b>
<b>1 Jan 2010 - 31 Dec 2010</b>	-	<b>-38.859</b>	-	<b>-12.380.377</b>	<b>-12.419.236</b>
Profits/(losses) after taxes	-	-	-	-9.574.598	-9.574.598
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	25.833	-	-	25.833
<b>1 Jan 2011 - 30 Jun 2011</b>	-	<b>25.833</b>	-	<b>-9.574.598</b>	<b>-9.548.765</b>

## Summary Statement of Cash Flows

Amounts in Euro	Note	CONSOLIDATED DATA		COMPANY DATA	
		1/1 to 30/6/2011	1/1 to 30/6/2010	1/1 to 30/6/2011	1/1 to 30/6/2010
<b>Cash flows from operating activities</b>					
Cash flows from operating activities	12	-43.154.519	-11.423.627	-39.391.980	-36.513.725
Interest paid		-13.783.421	-9.357.946	-5.022.307	-2.185.226
Income tax paid		-1.672.881	-4.922.778	-	-3.889.428
<b>Net cash flows from operating activities</b>		<b>-58.610.821</b>	<b>-25.704.351</b>	<b>-44.414.288</b>	<b>-42.588.378</b>
<b>Cash Flows from investing activities</b>					
Purchase of property, plant and equipment	6	-12.549.191	-17.726.661	-1.566.107	-945.114
Purchase of intangible assets	6	-3.080	-54.264	-	-
Sale of property, plant and equipment		161.618	275.581	161.509	4.576
Dividends received		118.350	206.907	118.350	-
Interest received		-	26.488	-	-
Increase - acquisition of participation in subsidiaries		-1.335.290	-22.260	-1.268.642	-131.160
Return of subsidiary capital	8	10.895	-	10.895	-
Other		-47.802	-	-	-
<b>Net Cash Flows from investing activities</b>		<b>-13.644.499</b>	<b>-17.294.208</b>	<b>-2.543.995</b>	<b>-1.071.698</b>
<b>Cash flow from financing activities</b>					
Proceeds from borrowings		243.132.202	230.705.553	118.720.636	83.504.447
Repayment of borrowings		-189.033.330	-174.152.805	-84.296.250	-31.889.951
Dividends distributed to minority		-	-9.486	-	-
Other		735.509	971.190	54.092	124.413
<b>Net Cash flow from financing activities</b>		<b>54.834.380</b>	<b>57.514.452</b>	<b>34.478.478</b>	<b>51.738.909</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>-17.420.939</b>	<b>14.515.892</b>	<b>-12.479.805</b>	<b>8.078.833</b>
Cash and cash equivalents at the beginning of the year		69.003.735	29.145.546	30.230.061	10.506.818
Foreign exchange differences in cash and cash equivalents		-119.892	537.866	-	-
<b>Cash and cash equivalents at the end of the period</b>		<b>51.462.903</b>	<b>44.199.304</b>	<b>17.750.255</b>	<b>18.585.651</b>

The notes on pages 21 to 41 form an integral part of these interim financial statements.

## B. Notes on the interim financial information

### 1 General Information

SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. and its subsidiaries operate in the production and commercial sales of iron and steel products.

The Group operates in Greece, in the broader region of the Balkans and Europe, as well as in the United States of America. The Company's shares are listed on the Athens Stock Exchange. The SIDENOR Group of companies is a member of the VIOHALCO Group of companies.

The Company is registered in Athens, Greece, 2-4 Mesogheion Ave., Attiki. The Company's website address is [www.sidenor.gr](http://www.sidenor.gr).

The condensed interim financial information has been approved for publication by the company's Board of Directors on the 29th of August 2011.

### 2 Summary of significant accounting policies

The condensed interim financial information includes the condensed interim financial information of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (Company) and its subsidiaries for the first half of 2011.

Group and Company operate according to the principle of going concern, fulfilling their daily needs for working capital through the resources at their disposal, including bank loans.

#### 2.1 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

##### Standards and Interpretations effective for the current financial year

##### **IAS 24 (Revised) "Related Party Disclosures"**

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group's financial statements.

##### **IAS 32 (Amendment) "Financial Instruments: Presentation"**

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro

rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment does not affect the Group's financial statements.

**IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”**

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation does not affect the Group.

**IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”**

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

**IFRS 3 “Business Combinations”**

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

**IFRS 7 “Financial Instruments: Disclosures”**

The amendments include multiple clarifications related to the disclosure of financial instruments.

**IAS 1 “Presentation of Financial Statements”**

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

**IAS 27 “Consolidated and Separate Financial Statements”**

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

**IAS 34 “Interim Financial Reporting”**

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

**IFRIC 13 “Customer Loyalty Programmes”**

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

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Standards and Interpretations effective from periods beginning on or after 1 January 2012

**IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets** (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

**IAS 12 (Amendment) “Income Taxes”** (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”. This amendment has not yet been endorsed by the EU.

**IAS 1 (Amendment) “Presentation of Financial Statements”** (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

**IAS 19 (Amendment) “Employee Benefits”** (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits. This amendment has not yet been endorsed by the EU.

**IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 is the first Phase of the Board’s project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

**IFRS 13 “Fair Value Measurement”** (Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**Group of standards on consolidation and joint arrangements** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

**IFRS 10 “Consolidated Financial Statements”**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

**IFRS 11 “Joint Arrangements”**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

**IFRS 12 “Disclosure of Interests in Other Entities”**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

**IAS 27 (Amendment) “Separate Financial Statements”**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate financial statements.

**IAS 28 (Amendment) “Investments in Associates and Joint Ventures”**

IAS 28 “*Investments in Associates and Joint Ventures*” replaces IAS 28 “*Investments in Associates*”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

## **2.2 Basis of preparation**

This interim financial information has been prepared under IAS 34, based on the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss and derivatives.

This summary interim financial information for the six month period was prepared according to the same accounting policies followed for the preparation and presentation of the financial statements for the Company and the Group for 2010.

The summary interim financial information must be taken into account in conjunction with the audited financial statements of the Company and the Group for the year ended 31 December 2010, posted on the Company's web site, which were prepared in accordance with IFRS.

Tax on profits in the summary interim financial information is calculated by means of the tax rate which shall apply for annual profits.

The numbers contained in these financial statements have been rounded to Euros. Accordingly in certain cases, the sum of the numbers in a column may not conform to the total figure given for that column or the figure presented in the notes may differ to the number shown in the primary financial statements.

## **3 Financial Risk Management**

The Group is exposed to Credit Risk, Liquidity Risk and Market Risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures requires in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

Compared to 31 December 2010, there was no change in the liquidity risk management.

### **3.1 Fair value estimation**

Since 1<sup>st</sup> January 2009, the group has applied the revised IFRS 7 with regards to the financial data appearing in financial statements in fair value. The table in note 9 analyses the financial instruments showing their fair value and based on the valuation method used.

The different levels have been defined as follows:

- First level: Based on prices that refer to organized markets
- Second Level: Based on price inputs apart from prices in organized markets included in the first level, which inputs are used directly (as prices) or indirectly (as price results)
- Third Level: Based on inputs which are not a result of organized markets (non-observable prices)

The fair value of financial instruments traded in active markets (stock exchanges) (such as trading, bonds and available-for-sale securities) is based on quoted market prices at the balance sheet date. The offer price is used for financial assets, while the bid price is used for financial liabilities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on market conditions existing at each balance sheet date.

The nominal value less impairment provision of trade receivables is assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by the present value of the discounted future cash flows of specific contracts at the current market interest rate prices that is available to the Group for similar financial instruments.

#### 4 Accounting estimates and assumptions

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.

In the interim condensed consolidated financial statements, the same estimates and judgments, to those of December 31, 2010, were adopted.

#### 5 Segment Information

Operating segments are presented in a manner consistent with the internal reporting provided to the chief operating decision-maker (General Manager), who is responsible for assessing performance of the operating segments and allocating resources between them.

The Group is divided into two business sectors:

- (1) Steel Construction and Industrial Products
- (2) Steel Pipe Products

*The results per segment for the 6 months till 30 June 2011 are as follows:*

	<b>Steel</b>		
	<b>Construction</b>		
	<b>Products</b>	<b>Pipes</b>	<b>Total</b>
<b>6 months ended 30 June 2011 (Amounts in Euro)</b>			
<b>Total gross sales per segment</b>	<b>643.642.054</b>	<b>126.800.357</b>	<b>770.442.411</b>
Intra-company sales	-139.601.317	-8.985.148	<b>-148.586.465</b>
<b>Net sales</b>	<b>504.040.737</b>	<b>117.815.210</b>	<b>621.855.947</b>
Operating results	-12.032.481	3.358.210	<b>-8.674.271</b>
Financial income	622.306	114.383	<b>736.690</b>
Financial expenditures	-13.511.003	-1.341.655	<b>-14.852.657</b>
Profits/losses of associates	-29.949	-	<b>-29.949</b>
Share results by subsidiaries	-1.249.002	1.361.447	<b>112.445</b>
<b>Profits / (losses) before taxes</b>	<b>-26.200.129</b>	<b>3.492.386</b>	<b>-22.707.743</b>
Income tax expense	1.104.751	-465.581	<b>639.171</b>
<b>Net profits/(losses)</b>	<b>-25.095.378</b>	<b>3.026.805</b>	<b>-22.068.573</b>
	<b>Steel</b>		
	<b>Construction</b>		
	<b>Products</b>	<b>Pipes</b>	<b>Total</b>
<b>30/6/2011 (Amounts in Euro)</b>			
Assets (apart from investments in associates)	1.145.417.562	247.584.553	<b>1.393.002.114</b>
Investments in Associates	16.556.140	12.025.499	<b>28.581.639</b>
<b>Total Assets</b>	<b>1.161.973.702</b>	<b>259.610.052</b>	<b>1.421.583.754</b>
Total liabilities	746.027.669	97.068.740	<b>843.096.409</b>

*Other items per segment included in the results for the 6 months till 30 June 2011 are as follows:*

<b>6 months ended 30 June 2011 (Amounts in Euro)</b>	<b>Steel</b>		
	<b>Construction Products</b>	<b>Pipes</b>	<b>Total</b>
Depreciation of property, plant and equipment	26.496.132	6.033.059	<b>32.529.191</b>
Depreciation of intangible assets	42.926	3.191	<b>46.117</b>
<b>Total depreciation</b>	<b>26.539.058</b>	<b>6.036.250</b>	<b>32.575.308</b>
Impairment of receivables	-202.300	-8.704.992	<b>-8.907.292</b>
Impairment of inventories	962.000	-318.753	<b>643.247</b>
Investments in tangible, intangible assets and investments in fixed assets	11.810.047	742.224	<b>12.552.271</b>

*The results per segment for the 6 months till 30 June 2010 are as follows:*

<b>6 months ended 30 June 2010 (Amounts in Euro)</b>	<b>Steel</b>		
	<b>Construction Products</b>	<b>Pipes</b>	<b>Total</b>
<b>Total gross sales per segment</b>	<b>494.000.855</b>	<b>84.846.738</b>	<b>578.847.593</b>
Intra-company sales	-100.549.088	-5.351.505	<b>-105.900.593</b>
<b>Net sales</b>	<b>393.451.767</b>	<b>79.495.233</b>	<b>472.947.000</b>
Operating results	646.385	9.538.319	<b>10.184.704</b>
Financial income	832.136	18.743	<b>850.879</b>
Financial expenditures	-8.354.361	-1.339.374	<b>-9.693.735</b>
Participation income	74.445	-	<b>74.445</b>
Profits/losses of associates	-34.701	-	<b>-34.701</b>
Share results by subsidiaries	-645.344	847.051	<b>201.707</b>
<b>Profits / (losses) before taxes</b>	<b>-7.481.441</b>	<b>9.064.740</b>	<b>1.583.299</b>
Income tax expense	3.452.714	-3.447.696	<b>5.018</b>
<b>Net profit/(loss)</b>	<b>-4.028.727</b>	<b>5.617.044</b>	<b>1.588.316</b>

<b>31/12/2010 (Amounts in Euro)</b>	<b>Steel</b>		
	<b>Construction Products</b>	<b>Pipes</b>	<b>Total</b>
Assets (apart from investments in associates)	1.079.586.046	250.582.651	<b>1.330.168.697</b>
Investments in Associates	17.862.975	11.497.801	<b>29.360.776</b>
<b>Total Assets</b>	<b>1.097.449.020</b>	<b>262.080.452</b>	<b>1.359.529.473</b>
Total liabilities	655.127.546	103.909.047	<b>759.036.593</b>

*Other items per segment included in the results for the 6 months till 30 June 2010 are as follows:*

<b>6 months ended 30 June 2010 (Amounts in Euro)</b>	<b>Steel</b>		
	<b>Construction Products</b>	<b>Pipes</b>	<b>Total</b>
Depreciation of property, plant and equipment	24.451.327	6.100.061	<b>30.551.387</b>
Depreciation of intangible assets	78.569	3.191	<b>81.760</b>
<b>Total depreciation</b>	<b>24.529.896</b>	<b>6.103.252</b>	<b>30.633.148</b>
Impairment of receivables	937	30.141	<b>31.078</b>
Impairment of inventories	3.020.946	6.859.626	<b>9.880.572</b>
Investments in tangible, intangible assets and investments in fixed assets	16.652.537	1.128.387	<b>17.780.925</b>

Pursuant to the provisions of IAS 2 according to which inventories are valued at the lowest price between the acquisition cost and the net realizable value, subsidiary CORINTH PIPEWORKS S.A. recognized the impairment of inventories in the amount of €(319) thousand. The above amount charged the results of the period. The amount refers to the pipe's sector.

The expenses per segment have been defined by the operating activities of each segment.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions, similar to those applicable for transactions with unrelated third parties. There are no special rules of payment for amounts due and no interest is charged.

## 6 Property, plant and equipment and intangible assets

	CONSOLIDATED DATA		COMPANY DATA	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
<b>Balance as at January 1st 2011</b>	762.593.386	671.876	134.647.004	30.004
Foreign exchange differences	144.233	12.783	-	-
Additions	12.583.570	3.080	1.566.107	-
Sales	-142.542	-	-142.542	-
Spare part consumption	-161.514	-	-17.734	-
Reclassifications	-34.379	-	-	-
Depreciation	-32.113.289	-46.117	-5.198.199	-3.000
<b>Balance as at June 30th 2011</b>	<b>742.869.465</b>	<b>641.622</b>	<b>130.854.637</b>	<b>27.004</b>

The amount of depreciation, which has been charged to the current period, amounts to € 32,575 thousand for the Group and € 5,617 thousand for the Company, and includes provision of the parent company € 416 thousand. The provision will be finalized and allocated in the value of depreciated assets at year end.

## 7 Investments in associates

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
<b>Beginning of the period</b>	<b>29.360.776</b>	<b>28.983.897</b>	<b>10.929.011</b>	<b>10.929.011</b>
Share in profit / (loss) after tax	112.445	873.601	-	-
Income from dividends (-)	-960.505	-1.419.242	-	-
Foreign exchange differences	-41.565	922.519	-	-
Instrument increase in associate	110.488	-	-	-
<b>Balance at the period end</b>	<b>28.581.639</b>	<b>29.360.776</b>	<b>10.929.011</b>	<b>10.929.011</b>

The affiliated companies that are consolidated using the equity method are the following:

Company	Country	Participation Rate	
		30-Jun-11	31-Dec-10
SIDMA S.A.	Greece	24,59%	24,23%
DIAPEM S.A.	Greece	33,35%	33,35%
V.EPE.M. S.A.	Greece	50,00%	50,00%
METALOURGIA ATTIKIS S.A.	Greece	50,00%	50,00%
EL.K.E.ME. S.A.	Greece	20,00%	20,00%
DOMOPLEX LTD	Cyprus	45,00%	45,00%
BIODIESEL S.A.	Greece	16,00%	15,69%
ZAO TMK-CPW	Russia	38,49%	38,49%
AWM SPA	Italy	29,10%	29,10%
<b>Condensed financial information of Associates</b>	<b>30-Jun-11</b>	<b>31-Dec-10</b>	<b>30-Jun-10</b>
Assets	253.409.377	254.309.160	-
Liabilities	180.370.767	177.713.227	-
Revenues (Sales)	103.538.187	-	94.918.275
Profits/ (losses) after tax	-1.113.657	-	-529.271

## 8 Investments in subsidiaries

<i>Amounts in Euro</i>	COMPANY DATA	
	30/6/2011	31/12/2010
<b>Beginning of the period</b>	<b>212.338.804</b>	<b>210.089.260</b>
Additions	1.268.642	2.326.544
Return of subsidiary's share capital	-10.895	-77.000
Transfer of Impairment provisions	139.091	-
<b>Balance at the period end</b>	<b>213.735.642</b>	<b>212.338.804</b>

Investments in subsidiaries, which are fully consolidated, are as follows:

Company	Country of Establishment	Direct Participation %	Indirect Participation %	Direct & Indirect Participation %	Activity sector
<b>2011</b>					
SOVEL S.A.	Greece	64,01%	0,00%	64,01%	Steel Construction Products
DEPAL S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
STOMANA INDUSTRY S.A.	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
ERLIKON WIRE PROCESSING S.A.	Greece	98,45%	0,40%	98,85%	Steel Construction Products
AEIFOROS S.A.	Greece	90,00%	0,00%	90,00%	Steel Construction Products
PROSAL S.A.	Greece	100,00%	0,00%	100,00%	Pipes
PROSAL TUBES S.A.	Bulgaria	0,00%	100,00%	100,00%	Pipes
TEPRO STEEL EAD	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
DOJLAN STEEL LLCOP	Skopje	75,00%	0,00%	75,00%	Steel Construction Products
BOZETTI LTD	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
VEMET S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
ETIL S.A.	Greece	3,89%	66,10%	69,99%	Steel Construction Products
PRAKSYS S.A.	Greece	51,00%	0,00%	51,00%	Steel Construction Products
DIA.VI.PE.THIV. S.A.	Greece	53,01%	17,09%	70,10%	Pipes
AEIFOROS BULGARIA SA	Bulgaria	0,00%	90,00%	90,00%	Steel Construction Products
VET S.A.	Greece	0,00%	63,52%	63,52%	Pipes
VEAT S.A.	Greece	0,00%	41,60%	41,60%	Steel Construction Products
SIGMA S.A.	Bulgaria	0,00%	69,28%	69,28%	Steel Construction Products
ARGOS S.A.	Greece	0,00%	69,28%	69,28%	Steel Construction Products
SIDERAL SHPK	Albania	100,00%	0,00%	100,00%	Steel Construction Products
SIDEROM STEEL SLR	Romania	100,00%	0,00%	100,00%	Steel Construction Products
PORT SVISHTOV WEST SA	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
PRISTANISHTEN KOMPLEX SVILOSA EOOD	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
SIDEBALK STEEL DOO	Serbia	100,00%	0,00%	100,00%	Steel Construction Products
JOSTDEX LTD	Cyprus	94,00%	0,00%	94,00%	Steel Construction Products
CORINTH PIPEWORKS S.A.	Greece	78,55%	0,00%	78,55%	Pipes

Company	Country of Establishment	Direct Participation %	Indirect Participation %	Direct & Indirect Participation %	Activity sector
<b>2010</b>					
SOVEL A.E.	Greece	62,74%	0,00%	62,74%	Steel Construction Products
DEPAL S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
STOMANA INDUSTRY S.A.	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
ERLIKON WIRE PROCESSING S.A.	Greece	98,45%	0,40%	98,85%	Steel Construction Products
AEIFOROS S.A.	Greece	90,00%	0,00%	90,00%	Steel Construction Products
PROSAL S.A.	Greece	100,00%	0,00%	100,00%	Pipes
PROSAL TUBES S.A.	Bulgaria	0,00%	100,00%	100,00%	Pipes
TEPRO STEEL EAD	Bulgaria	100,00%	0,00%	100,00%	Steel Construction Products
DOJLAN STEEL LLCOP	Skopje	75,00%	0,00%	75,00%	Steel Construction Products
ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
BOZETTI LTD	Cyprus	100,00%	0,00%	100,00%	Steel Construction Products
VEMET S.A.	Greece	100,00%	0,00%	100,00%	Steel Construction Products
ETIL S.A.	Greece	3,89%	66,10%	69,99%	Steel Construction Products
PRAKSYS S.A.	Greece	51,00%	0,00%	51,00%	Steel Construction Products
DIA.VI.PE.THIV. S.A.	Greece	53,01%	17,09%	70,10%	Pipes
AEIFOROS BULGARIA SA	Bulgaria	0,00%	90,00%	90,00%	Steel Construction Products
VET S.A.	Greece	0,00%	61,80%	61,80%	Pipes
VEAT S.A.	Greece	0,00%	40,78%	40,78%	Steel Construction Products
SIGMA S.A.	Bulgaria	0,00%	69,28%	69,28%	Steel Construction Products
ARGOS S.A.	Greece	0,00%	69,28%	69,28%	Steel Construction Products
SIDERAL SHPK	Albania	100,00%	0,00%	100,00%	Steel Construction Products
SIDEROM STEEL SLR	Romania	100,00%	0,00%	100,00%	Steel Construction Products
PORT SVISHTOV WEST SA	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
PRISTANISHTEN KOMPLEX SVILOSIA EOOD	Bulgaria	0,00%	73,09%	73,09%	Steel Construction Products
SIDEBALK STEEL DOO	Serbia	100,00%	0,00%	100,00%	Steel Construction Products
JOSTDEX LTD	Cyprus	94,00%	0,00%	94,00%	Steel Construction Products
CORINTH PIPEWORKS S.A.	Greece	78,55%	0,00%	78,55%	Pipes

During the period, the participating percentage of the parent company in the subsidiary SOVEL was increased by 1.26% and subsidiary SOVEL increased the participating percentage in the subsidiary VET by 1.73% by third party acquisitions.

This increase in the participating percentage in SOVEL has also led to an indirect increase in the participating percentages of VET, ERLIKON, VEAT, BIODIESEL and SIDMA.

On the 31/03/2011, the subsidiary ELMONTE HOLDINGS LIMITED based in Cyprus was wound down due to inactivity.

On 31/8/2010 the merger of its subsidiaries companies "ERLIKON SA" and "ETAL SA" was completed, which was realized through the absorption of the latter by the former pursuant to the provisions of Law 2166/1993 and Law 2190/1920. December 31, 2009 was determined as the date for the transition balance sheet accounts. Also a share capital increase for € 110 thousand was completed.

Neither the subsidiaries and associates of SIDENOR S.A., nor their subsidiaries and associates, hold any shares of the parent company.

## 9 Fair value estimation

The following table breaks down the financial instruments presented at fair value based on the valuation method.

Amounts in Euro

		CONSOLIDATED DATA							
		30/6/2011				31/12/2010			
Note		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Financial assets available for sale	5.150	1.539.350	-	<b>1.544.500</b>	5.150	1.678.442	-	<b>1.683.592</b>
	Financial assets at fair value	-	-	7.337	<b>7.337</b>	-	-	7.337	<b>7.337</b>
10	Derivative financial assets	-	1.280.608	-	<b>1.280.608</b>	-	506.951	-	<b>506.951</b>
		<b>5.150</b>	<b>2.819.958</b>	<b>7.337</b>	<b>2.832.445</b>	<b>5.150</b>	<b>2.185.393</b>	<b>7.337</b>	<b>2.197.880</b>
10	Derivative financial liabilities	-	-730.792	-	<b>-730.792</b>	-	-1.972.327	-	<b>-1.972.327</b>
		-	<b>-730.792</b>	-	<b>-730.792</b>	-	<b>-1.972.327</b>	-	<b>-1.972.327</b>

Amounts in Euro

		COMPANY DATA							
		30/6/2011				31/12/2010			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Financial assets available for sale	5.150	1.409.321	-	<b>1.414.471</b>	5.150	1.548.412	-	<b>1.553.562</b>
		<b>5.150</b>	<b>1.409.321</b>	-	<b>1.414.471</b>	<b>5.150</b>	<b>1.548.412</b>	-	<b>1.553.562</b>
10	Derivative financial liabilities for cash flow hedging	-	-41.314	-	<b>-41.314</b>	-	-77.480	-	<b>-77.480</b>
		-	<b>-41.314</b>	-	<b>-41.314</b>	-	<b>-77.480</b>	-	<b>-77.480</b>

## 10 Derivative Financial Instruments

		CONSOLIDATED DATA		COMPANY DATA	
		30/6/2011	31/12/2010	30/6/2011	31/12/2010
<i>Amounts in €</i>					
<b>Current assets</b>					
	Forward foreign exchange contracts for cash flow hedging		1.280.608	506.951	-
	<b>Total</b>		<b>1.280.608</b>	<b>506.951</b>	<b>-</b>
<b>Long term liabilities</b>					
	Interest rate swaps for cash flow hedging		134.615	291.003	-
	Forward foreign exchange contracts for cash flow hedging		-	737.300	-
	<b>Total</b>		<b>134.615</b>	<b>1.028.303</b>	<b>77.480</b>
<b>Short term liabilities</b>					
	Interest rate swaps for cash flow hedging		41.314	-	41.314
	Forward foreign exchange contracts for cash flow hedging		554.862	944.024	-
	<b>Total</b>		<b>596.176</b>	<b>944.024</b>	<b>41.314</b>
	Amounts recorded in the results as income or (expense)		<b>3.085.972</b>	<b>-4.388.515</b>	<b>-</b>
<b>Details of interest rate swaps</b>					
	Nominal value of interest rate swaps (in €)	18.750.000	18.750.000	8.750.000	8.750.000
	Nominal value of forward foreign exchange (\$)	2.111.212	-	2.111.212	-
	Nominal value of forwards (in USD)	59.664.728	75.647.393	-	-
	Nominal value of forwards (in GBP)	300.000	619.000	-	-

The above derivative financial instruments cover foreign exchange risk from purchases (US Dollar) as well as interest rate risk.

Profit and loss relating to forward foreign exchange contracts recognized in equity (hedging reserve) on 30.06.2011 will be recognized in comprehensive income during the next period. The amounts accounted for in the other comprehensive income statement after tax are € 1,601 thousand for the consolidated figures and € 26 thousand for the corresponding corporate figures.

## 11 Borrowings

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
<b>Long term borrowings</b>				
Bank loans	97.513.586	74.754.131	-	-
Bond Loans	104.250.004	111.333.336	65.750.004	67.833.336
<b>Total long term borrowings</b>	<b>201.763.590</b>	<b>186.087.467</b>	<b>65.750.004</b>	<b>67.833.336</b>
<b>Current Borrowings</b>				
Credit limits bank accounts	58.422.989	44.576.572	26.856.861	14.895.809
Bank loans	293.384.204	268.807.872	142.046.664	117.499.998
<b>Total current borrowings</b>	<b>351.807.193</b>	<b>313.384.443</b>	<b>168.903.525</b>	<b>132.395.807</b>
<b>Total borrowings</b>	<b>553.570.782</b>	<b>499.471.911</b>	<b>234.653.529</b>	<b>200.229.143</b>
Total Cash and Cash Equivalents	51.462.903	69.003.735	17.750.255	30.230.061
<b>Net Debt</b>	<b>502.107.879</b>	<b>430.468.175</b>	<b>216.903.274</b>	<b>169.999.083</b>

The maturity dates of long term loans, excluding finance lease obligations, are as follows:

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
Between 1 and 2 years	113.066.193	97.669.373	57.416.668	49.666.664
Between 2 and 5 years	88.697.396	88.418.094	8.333.336	18.166.672
	<b>201.763.590</b>	<b>186.087.467</b>	<b>65.750.004</b>	<b>67.833.336</b>

The effective weighted average interest rates on the date of the balance sheet are as follows:

	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
Bank loans (long-term)	4,75%	2,67%	-	-
Bank loans (short-term)	6,18%	5,32%	6,42%	4,25%
Bond Loans	4,05%	2,88%	4,43%	3,91%

The maturity dates of all the group's borrowings, including finance lease obligations, are as follows:

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
Up to 1 year	351.807.193	313.384.443	168.903.525	132.395.807
Between 1 and 2 years	113.066.193	97.669.373	57.416.668	49.666.664
Between 2 and 5 years	88.697.396	88.418.094	8.333.336	18.166.672
<b>Total</b>	<b>553.570.782</b>	<b>499.471.911</b>	<b>234.653.529</b>	<b>200.229.143</b>

<b>Total borrowings (per currency)</b>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
Euro	529.287.958	469.636.424	233.580.206	199.779.794
USD	58.786	290	58.786	290
GBP	1.014.536	449.060	1.014.536	449.060
BGL	23.209.502	29.386.137	-	-
<b>Total</b>	<b>553.570.782</b>	<b>499.471.911</b>	<b>234.653.529</b>	<b>200.229.143</b>

The Ordinary General Meeting that took place on 15/06/2010 decided upon the issue of € 70 m. Until 30.06.2011 the amount of €40,5 million has been received by the company.

Moreover, the Ordinary General Meeting that took place on 14/06/2011 decided upon the issue of common bond loans amounting € 100 million in order to refinance the Company's outstanding debt, which will be financed by Banks.

In addition, the subsidiary SOVEL S.A., following the respective resolution of the Extraordinary Shareholders Meeting dated 13/1/2011, proceeded on 28/2/2011 to the issue of a common bond loan amounting € 5 million with NATIONAL BANK OF GREECE S.A. and NATIONAL BANK OF GREECE (CYPRUS) LTD as bond holders, with a three year maturity in order to refinance the Company's outstanding debt. Moreover the subsidiary SOVEL S.A. proceeded on 16/3/2011 to the issue of a common bond loan amounting € 5 million with EFG EUROBANK ERGASIAS S.A. and EUROBANK EFG CYPRUS LTD as bond holders, with a two year maturity in order to refinance the Company's outstanding debt.

## 12 Operating Cash Flows

<i>Amounts in Euro</i>	Note	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
		<b>1/1 to 30/6/2011</b>	<b>1/1 to 30/6/2010</b>	<b>1/1 to 30/6/2011</b>	<b>1/1 to 30/6/2010</b>
Profit for the Period		-22.068.573	1.588.316	-9.574.598	-4.582.755
Adjustments for:					
Income tax		-639.171	-5.018	-483.090	-560.317
Depreciation of tangible fixed assets		32.529.191	30.551.387	5.614.099	5.335.067
Depreciation of intangible assets		46.117	81.760	3.000	27.268
Impairment of inventories		252.810	166.287	-	-
(Profits)/losses from the sale of tangible assets		-19.076	-141.138	-18.968	-4.575
Interest (income)		-736.690	-1.017.671	-54.092	-124.413
Interest expenses		14.852.657	9.860.527	5.732.071	2.377.980
Dividend (income)		-	-74.445	-177.320	-122.328
Amortisation of grants		-516.163	-542.689	-12.696	-39.818
(Profit) / losses from the acquisition of a affiliated companies	7	-112.445	-201.707	-	-
Loss from fixed asset destruction		-	-170.310	-	-
Fixed asset impairment		-	39.483	-	-
Other		236.129	158.143	17.734	13.879
		<b>23.824.786</b>	<b>40.292.925</b>	<b>1.046.140</b>	<b>2.319.987</b>
<b>Changes in working capital</b>					
(Increase)/Decrease in inventory		-47.514.027	-36.157.358	-16.050.583	-13.838.013
(Increase)/Decrease in receivables		-51.298.477	-43.293.806	-29.503.454	-39.426.113
Increase /(decrease) of liabilities		31.010.972	27.198.504	4.813.503	14.346.434
Increase /(decrease) of provisions		676.037	433.569	150.000	-
Increase / (decrease) in personnel benefits due to retirement		146.191	102.538	152.413	83.980
		<b>-66.979.305</b>	<b>-51.716.553</b>	<b>-40.438.120</b>	<b>-38.833.712</b>
<b>Net cash flows from operating activities</b>		<b>-43.154.519</b>	<b>-11.423.627</b>	<b>-39.391.980</b>	<b>-36.513.725</b>
<i>Profits (losses) from sale of tangible assets include:</i>					
<i>Amounts in Euro</i>					
Net book value	6	142.542	134.443	142.542	1
Profit /(losses) from sale of tangible assets		19.076	141.138	18.968	4.575
Income from sale of tangible assets		<b>161.618</b>	<b>275.581</b>	<b>161.509</b>	<b>4.576</b>

## 13 Commitments

### Contractual commitments

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
Tangible assets	567.781	236.784	-	-
	<b>567.781</b>	<b>236.784</b>	<b>-</b>	<b>-</b>

The above contractual commitments regard contracts with suppliers in the context of investments made in the subsidiary Stomana Industry S.A.

The Group leases motor vehicles and buildings under operating leases agreements. The future aggregate minimum lease payments are as follows:

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
Under 1 year	790.344	800.884	405.562	414.885
From 1-5 years	2.201.875	2.048.055	1.196.296	1.071.065
More than 5 years	2.195.455	2.464.669	564.817	564.817
	<b>5.187.674</b>	<b>5.313.608</b>	<b>2.166.675</b>	<b>2.050.768</b>
<b>Burden to Results</b>	<b>1.285.186</b>	<b>756.967</b>	<b>263.839</b>	<b>233.458</b>

### Capital commitments

CORINTH PIPEWORKS' capital expenditures in progress at 30/06/2011 amounting to € 401,098 are related to software and other fixed assets.

## 14 Contingent Liabilities - Assets

The Group has contingent liabilities and receivables in respect of banks, other guarantees and other matters arising in the ordinary course of business, as follows:

<i>Amounts in €</i>	CONSOLIDATED DATA		COMPANY DATA	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
<b>Liabilities</b>				
Guarantees for securing payables to suppliers	45.019.134	30.951.030	5.883.929	5.937.709
Good performance guarantees to customers	990.725	990.355	777.696	777.696
Counter-guarantees of loan from the European Investment Bank	8.286.755	12.218.511	-	-
Other contingent liabilities	5.464.948	6.248.957	914.629	914.629
<b>Total</b>	<b>59.761.562</b>	<b>50.408.853</b>	<b>7.576.255</b>	<b>7.630.035</b>
<i>Amounts in €</i>				
	CONSOLIDATED DATA		COMPANY DATA	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
Lawsuits of employees	114.543	131.490	-	-
Other lawsuits	153.156	248.985	-	-
Contractual obligations	1.591.882	1.642.194	-	-
Bank Letters of Guarantee	1.907.340	2.734.062	-	-
Tax liabilities	1.050.027	844.227	266.629	266.629
Other contingent liabilities	648.000	648.000	648.000	648.000
<b>Total</b>	<b>5.464.948</b>	<b>6.248.957</b>	<b>914.629</b>	<b>914.629</b>
<b>Receivables</b>				
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
Guarantees to secure receivables from clients	59.260.403	46.166.265	26.210.111	2.169.500
Other receivables	1.680.017	1.681.342	1.534.130	1.534.130
<b>Total</b>	<b>60.940.420</b>	<b>47.847.608</b>	<b>27.744.241</b>	<b>3.703.630</b>

On the 1st of January 2011, subsidiary Stomana Industry S.A. had recognized a provision of €129 thousand against lawsuits by former employees due to dismissals and labour accidents. During the year, €17 thousand have been used. The current amount of the provision is €112 thousand.

Moreover subsidiary Corinth Pipeworks S.A. on 30.06.2011 recognized a provision of €2,267 thousand. (of which €144 thousands regards cases in court or under arbitration of a total amount of €144 thousand). The formed provision is sufficient and no additional burden is expected to arise. On the 30/6/2011, the subsidiary Corinth Pipeworks S.A. had pending lawsuits against third parties. It is not possible to reliably estimate the economic for the Company and the Group of a positive outcome for these cases.

A provision of €867 thousand for the Group and €267 thousand for the Company respectively has been formed for unaudited tax years.

There is also a balance of other provisions amounting to €710 thousand related to receivables of the parent company of € 648 and general expenses of subsidiaries SIGMA S.A. of € 57 thousand and ETIL S.A. of € 5 thousand.

During 2010 the subsidiary CORINTH PIPEWORKS S.A. proceeded to an impairment of receivables € 18,627,586 (Valuated amount at 30/06/2011: € 17,203,419) (\$ 24,864,102), being the result of delay in its collection. A set of legal and non legal actions have been undertaken in Greece and abroad in order to ensure the prompt collection of due amount. Based on the information available, the subsidiary company's Management estimates that potential loss will not exceed the impaired amount of € 9,497,740 (Valuated amount at 30/06/2011: € 8,698,641).

Due to the estimation that collection of the aforementioned receivable will not take place within the next 12 months, the company discounted the non impaired portion of the receivable amounting to € 9,313,793, with a rate of 1,58% for 15 months. The discounting cost amounting to € 183,947 (Valuated amount at 30/06/2011: € 110,368), is recognised in the distribution expenses and is included in the provision for impairment of trade receivables.

In 2010, the said amounts are recognized in the non current assets. In the first half of 2011 they were transferred in the current assets due to a lower collection time (from 15 months to 9 months) of due amount. For the said receivables the company has in its possession, a type of collateral valuated at 30/06/2011: € 15,793,720 (31/12/2010 amounting to € 18,254,482).

For the six months period of 2011 there were no changes regarding the collection of the due amount.

For the six months period of 2011 and 2010, all variations in the above mentioned amounts are related to foreign exchange differences.

The total amount of provisions that have been formed is deemed sufficient and additional burden is not expected to arise.

## **15 Existing Collaterals**

There are mortgages and liens on the immovable property of subsidiary Corinth Pipeworks S.A. amounting to €73,200 thousand in favour of banks for loans with outstanding balance €8,287 thousand and STOMANA S.A. amounting to €80,001 thousand in favour of banks for loans with outstanding balance €42,987 thousand.

## **16 Related Parties**

The under mentioned transactions are mostly being referred to transactions with companies of VIOHALCO Group.

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>	<b>30/6/2011</b>	<b>30/6/2010</b>
<b>Sales of goods</b>				
Subsidiaries	-	-	76.029.627	47.818.432
Affiliates	9.746.482	7.870.904	4.314.209	1.807.087
Other Related Parties	20.356.649	12.756.742	11.896.836	8.528.019
	<b>30.103.131</b>	<b>20.627.646</b>	<b>92.240.672</b>	<b>58.153.537</b>
<b>Sales of services</b>				
Subsidiaries	-	-	12.278.725	5.253.514
Affiliates	22.094	62.889	1.550	1.550
Other Related Parties	540.502	485.828	106.358	72.946
	<b>562.597</b>	<b>548.717</b>	<b>12.386.633</b>	<b>5.328.010</b>
<b>Sales of fixed assets</b>				
Subsidiaries	-	-	160.275	100
Other Related Parties	900	2.221	800	403.758
	<b>900</b>	<b>2.221</b>	<b>161.075</b>	<b>403.858</b>
<b>Purchases of goods</b>				
Subsidiaries	-	-	29.254.868	30.015.919
Affiliates	734.263	242.598	-	922
Other Related Parties	46.445.088	39.086.463	4.550.541	4.838.115
	<b>47.179.351</b>	<b>39.329.061</b>	<b>33.805.409</b>	<b>34.854.957</b>
<b>Purchases of services</b>				
Subsidiaries	-	-	2.215.049	355.508
Affiliates	1.704.602	1.728.346	1.151.076	1.168.585
Other Related Parties	4.294.667	4.731.619	2.024.629	2.186.340
	<b>5.999.269</b>	<b>6.459.966</b>	<b>5.390.753</b>	<b>3.710.433</b>
<b>Purchases of fixed assets</b>				
Subsidiaries	-	-	40.559	58.562
Affiliates	21.241	44.349	-	-
Other Related Parties	1.585.427	1.331.466	2.069	584.942
	<b>1.606.668</b>	<b>1.375.815</b>	<b>42.628</b>	<b>643.504</b>
<b>Board of Directors' and Senior Officers' Remuneration</b>				
<i>Amounts in €</i>				
Salaries and other benefits to directors and key management	828.586	940.926	315.282	306.414
	<b>828.586</b>	<b>940.926</b>	<b>315.282</b>	<b>306.414</b>
<b>Liabilities to senior Management and Board Members</b>	<b>30/6/2011</b>	<b>30/6/2010</b>	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>275.704</b>	<b>341.791</b>	<b>-</b>	<b>-</b>

**Balances, as of period end, that relate to the sales and purchases of goods, services, fixed assets, etc. with the companies of VIOCHALCO Group.**

<i>Amounts in €</i>	<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>	<b>30/6/2011</b>	<b>30/6/2010</b>
<b>Receivables from related parties:</b>				
Subsidiaries	-	-	69.146.140	53.907.252
Affiliates	17.229.595	14.151.581	10.946.952	10.292.341
Other associates	22.160.666	26.053.827	14.826.097	14.483.455
	<b>39.390.260</b>	<b>40.205.408</b>	<b>94.919.188</b>	<b>78.683.049</b>
<b>Prepayments for Share Capital Increase</b>				
Subsidiaries	-	-	6.600.000	6.600.000
	-	-	<b>6.600.000</b>	<b>6.600.000</b>
<i>Amounts in €</i>				
<b>Advances for inventory purchases</b>				
Subsidiaries	-	-	-	-
Other associates	4.801.155	44.571	1.155	-
	<b>4.801.155</b>	<b>44.571</b>	<b>1.155</b>	<b>-</b>
<b>Liabilities to associates:</b>				
Subsidiaries	-	-	49.794.280	63.210.004
Affiliates	1.251.991	1.247.489	663.819	633.293
Other associates	11.376.415	10.543.627	2.010.060	1.695.597
	<b>12.628.406</b>	<b>11.791.115</b>	<b>52.468.159</b>	<b>65.538.894</b>

The Group's commercial transactions with its associates (persons or entities) during the 1st half of 2011 have been performed under market terms and in the context of the usual business activity. There are no specific terms of payment.

The majority of the transactions with subsidiary companies have been carried out by SIDENOR, SOVEL, STOMANA, DOJRAN and SIDEROM and concern purchase and sell transactions on finished and semi-finished steel products.

Respectively, the most important transactions with affiliates are carried out by SIDENOR and STOMANA with the SIDMA Group. The latter operates as a commercial intermediary for part of the products of the steel group.

In addition, the transactions with the other affiliates are mainly carried out by SIDENOR, STOMANA and CORINTH PIPEWORKS. The companies they mainly cooperate with are TEPROMETAL AG and METAL AGENCIES (trade of readymade products), ANAMET and METAL VALUES (raw material purchases).

SIDENOR's dividend income is derived from ETIL and METALOURGIA ATTIKIS, DEPAL's dividend income derives from ETIL and ETIL's dividend income is derived from ARGOS. Also, PRAKSYS' dividend income derives from AWM and CORINTH PIPEWORKS' dividend income is derived from ZAO TMK-CPW.

## 17 Earnings per share

### Continued operations

#### Basic

	CONSOLIDATED DATA				COMPANY DATA			
	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2011 until 30/6/2010	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2011 until 30/6/2010
<i>Amounts in Euro</i>								
Profits attributable to parent company shareholders	-17.996.895	-10.359.597	-211.103	7.342.078	-9.574.598	-5.099.469	-4.582.755	-598.036
Weighted average number of shares	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908
Basic earnings per share (Euros per share)	(0,1870)	(0,1076)	(0,0022)	0,0763	(0,0995)	(0,0530)	(0,0476)	(0,0062)

#### Diluted

	CONSOLIDATED DATA				COMPANY DATA			
	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2011 until 30/6/2010	6 months until 30/6/2011	3 months 1/4/2011 until 30/6/2011	6 months until 30/6/2010	3 months 1/4/2011 until 30/6/2010
<i>Amounts in Euro</i>								
Profits attributable to parent company shareholders	-17.996.895	-10.359.597	-211.103	7.342.078	-9.574.598	-5.099.469	-4.582.755	-598.036
Weighted average number of shares	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908
<i>Adjustments for rights in shares</i>								
Total weighted average number of shares for diluted earnings per share	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908	96.243.908
Diluted earnings per share (Euro per share)	(0,1870)	(0,1076)	(0,0022)	0,0763	(0,0995)	(0,0530)	(0,0476)	(0,0062)

The basic and diluted earnings per share are calculated by dividing the profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

## 18 Fiscal Years non-audited by tax authorities

Several of the Group's subsidiary companies have not been audited by tax authorities for various fiscal years from 2003 until 2011.

Company	Unaudited years
SIDENOR S.A.	2007 - 2011
SOVEL S.A.	2010 - 2011
DEPAL S.A.	2007 - 2011
STOMANA INDUSTRY S.A.	2005 - 2011
ERLIKON WIRE PROCESSING S.A.	2006 - 2011
AEIFOROS S.A.	2010 - 2011
PROSAL S.A.	2007 - 2011
TEPRO STEEL EAD	2008 - 2011
BOZETTI LTD	2008 - 2011
VEMET S.A.	2003 - 2011
ETIL S.A.	2004 - 2011
PRAKSYS S.A.	2010 - 2011
DIA.VI.PE.THIV. S.A.	2010 - 2011
AEIFOROS BULGARIA SA	2007 - 2011
VET S.A.	2010 - 2011
VEAT S.A.	2003 - 2011
SIGMA S.A.	2006 - 2011
ARGOS S.A.	2009 - 2011
CORINTH PIPEWORKS S.A.	2008 - 2011
SIDMA S.A.	2007 - 2011
DIAPEM S.A.	2010 - 2011
V.EPE.M. S.A.	2003 - 2011
METALOURGIA ATTIKIS S.A.	2007 - 2011
EL.K.E.ME. S.A.	2010 - 2011
DOMOPLEX LTD	2007 - 2011
DOJLAN STEEL LLCOP	2010 - 2011
PROSAL TUBES S.A.	2008 - 2011
SIDERAL SHPK	2006 - 2011
SIDEROM STEEL SLR	2007 - 2011
ZAO TMK-CPW	2007 - 2011
BIODIESEL S.A.	2009 - 2011
AWM SPA	2006 - 2011
PORT SVISHTOV WEST SA	2008 - 2011
PRISTANISHTEN KOMPLEX SVILOSA EOOD	2004 - 2011
SIDEBALK STEEL DOO	2009 - 2011
JOSTDEX LTD	2010 - 2011

On a regular basis, Group's companies calculate the annual income tax according to the relevant tax laws. Under these circumstances, the Group management believes that there will be no significant additional taxes imposed in the future due to audits carried out by the tax authorities.

## **19 Number of Personnel**

Number of personnel employed at the end of the current period: Group: 3,059 and Company: 325. In the respective 2010 period, Group's personnel amounted to 3,031 employees and Company's to 332 employees.

## **20 Events after the Balance Sheet date**

Following the strategy for its expansion in the Balkan markets, the parent company SIDENOR increased its participation to 100% in the subsidiary in FYROM, DOJRAN STEEL, in which participated until now by 75%.

## **21 Significant Events**

The most important events that took place during the three months of 2011 are the following:

### *Investments in subsidiaries*

In February 2011 the scheduled tax audit of the subsidiary company SOVEL S.A. for the fiscal year of 2009 was completed. No tax liability resulted from the audit, only reduced losses.

### *Decisions of the Annual General Meeting*

During the Annual Ordinary General Meeting of the Company's Shareholders that took place in Athens, on June 14th, 2011 at 11.00 pm, the following were decided:

- (i) Approval of the annual financial statements of financial year 2010 and the relevant Board of Directors Report and the Chartered Accountant/ Auditor's Report.
- (ii) Release of the BoD members and the Chartered Accountant-Auditor from any compensation liabilities for financial year 2010.
- (iii) Appointment of audit firm "PriceWaterHouseCoopers" as auditors for financial year 1/1-31/12/2011 with their remuneration to be fixed following their pertinent proposal.
- (iv) Approval of the following parties as new members of the new Board of Directors for one year (this tenure of the members of the Board of Directors will begin on the day following the election and will end on the day that the 2012 Annual General Meeting is convened).

1. GEORGE KALFARENTZOS, BOD CHAIRMAN, EXECUTIVE MEMBER
2. NIKOLAOS KOUDOUNIS, BOD VICE-CHAIRMAN, EXECUTIVE MEMBER
3. SARANTOS MILIOS, EXECUTIVE MEMBER
4. GEORGE SOULITZIS, NON-EXECUTIVE MEMBER
5. VASSILIOS PAPANTONIOU, EXECUTIVE MEMBER
6. GEORGE PASSAS, EXECUTIVE MEMBER
7. IOANNIS IKONOMOU, NON-EXECUTIVE MEMBER
8. ANDREAS KYRIAZIS, NON-EXECUTIVE AND INDEPENDENT MEMBER
9. EFSTATHIOS STRIMBER, NON-EXECUTIVE AND INDEPENDENT MEMBER

- (v) The General Meeting also approved the amounts to be paid to the Board members as remuneration, pursuant to the stipulations of paragraphs 2, of article 24 of Law no. 2190/1290.
- (vi) The General Meeting approved the issuance of common bond loans, according to Law 3156/2003, up to a total amount of hundred million euro that will be covered totally by banks. The objective of the loans is to refinance part of the Company's debt obligations.
- (vii) Members of the monitoring committee under article 37 of Law no. 3693/2008 were appointed the following:
  1. GEORGE PASSAS, EXECUTIVE MEMBER
  2. IOANNIS IKONOMOU, NON-EXECUTIVE MEMBER
  3. ANDREAS KYRIAZIS, NON-EXECUTIVE AND INDEPENDENT MEMBER

## 22 Reclassifications

The subsidiary CORINTH PIPEWORKS S.A. during 2010, changed the following accounting principles regarding:

- i) The presentation of the effective part of the financial derivatives, used as hedging tool. Profit/Loss from above is recognized in Selling Expenses or Cost of Sales, depending on the nature of the risk being hedged. During the period 01/01/2010 – 30/06/2010, Profit/Loss from derivatives was recognized in Other Gains/Losses net.
- ii) The presentation of profit from foreign exchange differences related to receivables and liabilities. Foreign exchange differences are recognized in Selling Expenses (receivables related) and in Cost of Sales (liabilities related). During the period 01/01/2010 – 30/06/2010, profit was recognized in Other Gains/Losses net.
- iii) The presentation of foreign exchange differences related to cash and cash equivalent. They are recognized as financial expenses, while in the period 01/01/2010 – 30/06/2010 it was recognized as financial income.

For the period 01/01/2010 – 30/06/2010 foreign exchange differences related to assets, liabilities, Cash & Cash equivalent and gain/(losses) from fx forwards are reclassified, as follows:

<b>Description</b>	<b>Group</b>
Reclassification from:	
Other profit/(loss) reducing cost of sales (profit/loss from derivatives)	1.678.959
Other profit/(loss) increasing selling expenses (profit/loss from derivatives)	-6.457.883
Other income reducing selling expenses (foreign exchange differences)	3.939.457
Other income reducing cost of sales (foreign exchange differences)	256.969
Finance income reducing finance expenses (foreign exchange differences)	166.792

The reclassifications for the 3 months period (01/04/2010 – 30/06/2010) are as follows:

<b>Description</b>	<b>Group</b>
Reclassification from:	
Other profit/(loss) reducing cost of sales (profit/loss from derivatives)	1.339.780
Other profit/(loss) increasing selling expenses (profit/loss from derivatives)	-3.263.987
Other income reducing selling expenses (foreign exchange differences)	2.026.391
Other income reducing cost of sales (foreign exchange differences)	119.836
Finance income reducing finance expenses (foreign exchange differences)	153.488

Athens, August 29 2011

The Chairman  
of the Board of  
Directors

The Chief Executive  
Officer

The Financial Manager

Kalfarentzos Georgios  
ID Card no. F 147183

Milios Sarantos  
ID Card no. AI 647195

Thomadakis Stratos  
LICENCE NO. 0065081  
CLASS A

### E. Figures and Information



Societe Anonyme Register No. 2310/06/B/06/20

2-4 Mesogion str, Athens 115 27

Summary Financial Results for the period 01/01/11 - 30/06/2011

(In terms of article 45/07/2004/2009 of the H.C.M.C.'s Board of Directors)

The figures illustrated below, aim at providing summary information about the financial position and results of "SIDENOR Steel Products Manufacturing Company SA" and the "SIDENOR Group". Readers are suggested before making any transaction with the company to be informed by the company's website where the interim financial statements and the auditors report, where needed, are posted.

Company's Website: www.sidenor.gr

Date of approval of the financial statements from the Board of Directors: August 29 2011

Auditor: Deloitte Touche Tohmatsu (Reg. No. SRL 14091)

Audit Firm: PWC/TWATERHOUS/SCOPEPERS S.A.

Type of Audit Report: Without qualification

CONDENSED STATEMENT OF FINANCIAL POSITION (Group & Company) Amounts in €					CONDENSED INCOME STATEMENT (Group & Company) Amounts in €				
	Group		Company		Continuing Operations				
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2010	1 Apr - 30 Jun 2011	1 Apr - 30 Jun 2010	
<b>ASSETS</b>									
Land and Buildings	252,989,496	250,920,841	55,267,865	55,803,866					
Machinery	415,904,887	414,538,422	70,942,000	74,247,833					
Other Assets for own use	73,973,082	77,134,083	4,644,682	4,085,355					
Intangible Assets	641,623	671,876	27,004	30,004					
Investments in Associates	28,581,639	29,560,776	234,664,653	223,267,815					
Available for sale financial assets	1,544,500	1,683,392	1,414,471	1,553,362					
Other Tangible Assets	7,722,368	15,170,063	4,809,007	4,991,208					
Investments	226,642,848	271,290,210	76,202,991	60,191,908					
Trade Receivables	160,703,507	107,230,232	54,841,345	38,994,056					
Cash and cash equivalents	51,462,903	69,003,735	17,750,255	30,200,061					
Other Assets	107,414,903	95,545,783	123,694,806	109,970,689					
<b>TOTAL ASSETS</b>	<b>1,421,583,753</b>	<b>1,359,529,473</b>	<b>634,258,408</b>	<b>610,812,387</b>					
<b>EQUITY AND LIABILITIES</b>									
Share Capital	39,460,002	39,460,002	39,460,002	39,460,002					
Share Premium	120,406,136	120,406,136	120,406,136	120,406,136					
Other Shareholders Equity	317,232,823	312,978,878	108,492,279	118,041,943					
Total Shareholders Equity (a)	477,098,961	472,845,016	268,358,417	277,907,181					
Minority Interest (b)	108,268,284	107,647,854	268,358,417	277,907,181					
Total Equity (a) + (b) = (c)	585,367,245	580,492,870	536,716,834	555,814,362					
Long Term Borrowings	206,763,960	384,607,467	65,780,004	67,833,336					
Deferred Tax Liabilities	59,216,942	60,121,235	13,827,415	14,300,172					
Provisions / Other Long Term Liabilities	20,839,157	21,605,682	2,976,453	2,914,215					
Short Term Borrowings	551,807,193	313,584,443	168,903,525	132,295,807					
Other Short Term Liabilities	200,469,756	177,077,566	114,442,805	108,042,127					
Total Liabilities (d)	840,090,406	755,010,919	300,500,052	325,485,726					
Total Liabilities (e) = (c) + (d)	1,421,583,753	1,359,529,473	634,258,408	610,812,387					
<b>CONDENSED STATEMENT OF CHANGES IN EQUITY (Group &amp; Company) Amounts in €</b>									
	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2010	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2010					
Equity balance at the beginning of the period (1/1/2011 & 1/1/2010 respectively)	600,492,800	624,930,254	277,907,181	290,326,416					
Total comprehensive income after taxes (continuing operations)	-20,704,012	3,557,490	-9,148,765	-6,235,556					
Dividend	570,788,868	630,167,745	268,358,416	285,740,802					
Dividend	-76,720	62,801	-	-					
Income % of participation in subsidiaries	-1,234,000	-	-	-					
Total Equity of the period (30/6/2011 & 30/6/2010 respectively)	673,487,345	658,630,547	268,568,416	285,740,802					
<b>CASH-FLOW STATEMENT (Group &amp; Company) Amounts in € - Indirect Method</b>									
	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2010	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2010					
Cash Generated from operations	-22,707,743	1,583,290	-10,037,668	-5,143,072					
Adjustments for:									
Depreciation	32,573,308	30,633,148	5,617,099	5,362,335					
Fixed asset impairment	-	39,483	-	-					
Provisions	822,238	1,566,097	302,413	413,800					
Electronification & profits/losses from investment activities	-19,076	-383,993	-196,288	-126,963					
Interest payable & related expenses	14,852,657	9,860,827	5,732,071	2,377,900					
Other adjustments	-876,359	-1,437,638	-49,085	-150,353					
Plus/minus adjustments for working capital changes or related to operating activities:									
(Decrease) / (Increase) in investments	-47,544,027	36,187,158	-16,690,063	-13,816,013					
(Decrease) / (Increase) in receivables	-51,298,477	-43,299,804	-29,503,544	-39,426,113					
(Decrease) / (Increase) in liabilities (except banks)	31,010,972	27,198,904	4,813,303	14,346,434					
Minor:									
Interest payable & related expenses	-13,783,421	-9,557,946	-5,022,307	-2,185,226					
Tax paid	-1,072,081	-4,022,798	-	-3,800,420					
<b>Total Cash Generated from Operating Activities (a)</b>	<b>-68,418,851</b>	<b>-25,796,951</b>	<b>-44,814,286</b>	<b>-45,546,774</b>					
<b>Cash generated from Investment Activities</b>									
Acquisition - sale of subsidiaries, associates, joint ventures and other investments	-1,335,290	-22,260	-1,268,642	-131,160					
Returns of associates' share capital	10,895	-	10,895	-					
Purchase of tangible and intangible assets	-12,552,271	-17,780,925	-1,566,307	-945,114					
Other	-47,302	-	-	-					
Sale income from tangible and intangible assets	161,618	275,581	161,309	4,876					
Interest Income	-	36,488	-	-					
Dividends received	118,390	206,907	118,350	-					
<b>Total cash generated from investing activities (b)</b>	<b>-13,644,899</b>	<b>-17,294,208</b>	<b>-2,643,995</b>	<b>-1,071,690</b>					
<b>Cash generated from Financing Activities</b>									
Proceeds from borrowings	243,132,202	250,705,553	118,720,636	83,304,447					
Repayment of Borrowings	-189,033,330	-174,152,805	-84,296,250	-31,889,951					
Income from securities	735,509	971,190	54,992	124,413					
Dividends paid	-	-9,480	-	-					
<b>Total Cash Generated from financing activities (c)</b>	<b>54,834,381</b>	<b>77,514,458</b>	<b>34,478,377</b>	<b>51,738,909</b>					
Net Income / (Decrease) in cash & cash equivalents for the period (a) + (b) + (c)	<b>-17,427,569</b>	<b>24,833,892</b>	<b>-12,479,866</b>	<b>8,979,833</b>					
Cash & cash equivalents at the beginning of the period	60,003,000	29,145,446	30,200,061	10,506,813					
Foreign Exchange differences in Cash and cash equivalents	-119,903	537,856	-	-					
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>41,465,528</b>	<b>44,190,304</b>	<b>17,750,255</b>	<b>18,286,646</b>					

THE CHAIRMAN OF THE BOARD OF DIRECTORS

GEORGE X.KALFARENTZOS

ID No. P 147183

Athens, August 29, 2011

CHIEF EXECUTIVE OFFICER

SARANTOS K. MELIOS

ID No. AT 687105

THE FINANCIAL MANAGER

STRATOS P. THOMADAKIS

ID No. AE351391

18/2006 - Register A. No. 086/0001