



Annual Financial Report

For the Period from 1st of January to 31st of December 2011

In accordance with Law 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

(According to article 4, par 2, of Law no. 3556/2007)

The Members of the Board of Directors of the Societe Anonyme with the trade name SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. and the 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. Papantoniou Vasilios, son of Athanasios, BoD member as per decision of the Company's Board of Directors, dated 22-03-12

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

The company and consolidated financial statements of SIDENOR SA., for the fiscal year 01.01.2011-31.12.2011, which have been compiled according to the International Financial Reporting Standards, provide a true and fair view of the assets and the liabilities, the own capital and the financial results of SIDENOR S.A., as well as the entities included in the consolidated financial statements, taken as a whole. Furthermore, it is confirmed to the best of our knowledge, that the Board of Directors' Annual Report presents in a true way the progress, the performance and the net equity position of the Company, as well as the companies included in the consolidation in total, with a description of the major risks and uncertainties they confront.

Also, the Board of Directors' Annual Report contains the Corporate Governance Statement presenting information as stated in the paragraph 3d article 43a of Codified Law 2190/1920.

Athens, March 26nd, 2012

The certifying persons,

**The Chairman of the
BoD**

**The Chief Executive &
Member of the BoD**

**The Member
designated by the BoD**

Kalfarentzos
George
ID no. F 147183

Milios
Sarantos
ID no. AI 647195

Papantoniou
Vasilios
ID no. R 717094

B. Board of Directors' Annual Report

The Annual Report of the Board of Directors, which follows (to be hereby referred as «Report»), concerns the financial year 2011 (01.01.2011 - 31.12.2011). The Report has been prepared and is in accordance with the relevant provisions of the Law 3556/2007 (GG 91A/30.4.2007) and with the executive decisions issued thereunder by the Capital Market Commission and in particular with decision nr. 7/448/11.10.2007 of the BoD of the Capital Market Commission, as well as the provisions of Law 3873/2010.

The current Report includes all information relevant and necessary by law, in order to provide material information regarding the activities of the reference period of the 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 - 2010
SOVEL S.A.	64,01%	Full consolidation	2010
DEPAL S.A.	100,00%	Full consolidation	2007 - 2010
STOMANA INDUSTRY S.A.	100,00%	Full consolidation	2005 - 2011
ERLIKON WIRE PROCESSING S.A.	98,85%	Full consolidation	2006 - 2010
AEIFOROS S.A.	90,00%	Full consolidation	2010
THERMOLITH S.A.	63,00%	Full consolidation	2010
PROSAL S.A.	100,00%	Full consolidation	2007 - 2010
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 - 2010
ETIL S.A.	69,99%	Full consolidation	2004 - 2010
PRAKSYS S.A.	51,00%	Full consolidation	2010
DIA.VI.PE.THIV. S.A.	70,10%	Full consolidation	2010
AEIFOROS BULGARIA SA	90,00%	Full consolidation	2007 - 2011
VET S.A.	63,52%	Full consolidation	2010
VEAT S.A.	41,60%	Full consolidation	2003 - 2010
SIGMA A.E.	69,28%	Full consolidation	2006 - 2011
ARGOS S.A.	69,28%	Full consolidation	2009 - 2010
CORINTH PIPEWORKS S.A.	78,55%	Full consolidation	2008 - 2010
SIDMA S.A.	24,59%	Net balance	2007 - 2010
DIAPEM S.A.	33,35%	Net balance	2010
V.EPE.M. S.A.	50,00%	Net balance	2003 - 2010
METALOURGIA ATTIKIS S.A.	50,00%	Net balance	2007 - 2010
EL.K.E.ME. S.A.	20,00%	Net balance	2010
DOMOPLEX LTD	45,00%	Net balance	2007 - 2011
DOJLAN STEEL LLCOP	100,00%	Full consolidation	2009 - 2011
SIDERAL SHPK	100,00%	Full consolidation	2005 - 2011
SIDEROM STEEL SLR	100,00%	Full consolidation	2007 - 2011
ZAO TMK-CPW	38,49%	Net balance	2010 - 2011
BIODIESEL A.E.	16,00%	Net balance	2007 - 2011
AWM SPA	34,00%	Net balance	2006 - 2011
PORT SVISHTOV WEST SA	73,09%	Full consolidation	2008 - 2011
PRISTANISHTEN KOMPLEX SVILOSA FOOD	73,09%	Full consolidation	2004 - 2011
SIDEBALK STEEL DOO	100,00%	Full consolidation	2011
PROSAL TUBES S.A.	100,00%	Full consolidation	2008 - 2011
JOSTDEX LTD	94,00%	Full consolidation	2010 - 2011

For the 2011 financial year the following companies will be granted tax audit report by the chartered auditors:

Company	Audit company
SIDENOR S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
SOVEL S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
DEPAL S.A.	HBP Certified Public Accountants Ltd
ERLIKON WIRE PROCESSING S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
AEIFOROS S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
THERMOLITH S.A.	SOL Certified Public Accountants -Auditors S.A.
PROSAL S.A.	ABACUS Chartered Accountants-Auditors S.A.
VEMET S.A.	ABACUS Chartered Accountants-Auditors S.A.
ETIL S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
PRAKSYS S.A.	ABACUS Chartered Accountants-Auditors S.A.
DIA.VI.PE.THIV. S.A.	ABACUS Chartered Accountants-Auditors S.A.
VET S.A.	SOL Certified Public Accountants -Auditors S.A.
VEAT S.A.	ABACUS Chartered Accountants-Auditors S.A.
ARGOS S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
CORINTH PIPEWORKS S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
SIDMA S.A.	SOL Certified Public Accountants -Auditors S.A.
DIAPEM S.A.	ABACUS Chartered Accountants-Auditors S.A.
V.EPE.M. S.A.	ABACUS Chartered Accountants-Auditors S.A.
METALOURGIA ATTIKIS S.A.	ABACUS Chartered Accountants-Auditors S.A.
EL.K.E.ME. S.A.	ABACUS Chartered Accountants-Auditors S.A.

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

A. Important events in the financial year 2011

The most important events that took place during the financial year 2011 are the following:

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.

In July 2011 SIDENOR strengthened its presence in the Balkan market by acquiring the entire share capital of the up till now 75% subsidiary in F.Y.R.O.M., DOJRAN STEEL Ltd.

In December 2011 the subsidiary by 90% AEIFOROS S.A. acquired 70% stake of THERMOLITH S.A., active in the field of mining and processing of industrial minerals and the production of refractories.

Decisions of the Annual General Meeting

During the Annual 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.

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- (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
 2. NIKOLAOS KOUDOUNIS
 3. SARANTOS MILIOS
 4. GEORGE SOULITZIS
 5. VASSILIOS PAPANTONIOU
 6. GEORGE PASSAS
 7. IOANNIS IKONOMOU
 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
 2. IOANNIS IKONOMOU
 3. ANDREAS KYRIAZIS, NON-EXECUTIVE AND INDEPENDENT MEMBER

B. Significant transactions with Associates

The transactions of associates primarily concern the trading 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 associated persons during 2011 have been performed under market terms and in the context of normal business activities. The transactions between associates within the context of IAS 24 are analyzed as follows:

Transactions with Subsidiaries

(amounts in thousands €.)

	Sales of goods and services	Purchases	Products - services consolidated	Receivables	Liabilities	Income from dividends
SUBSIDIARIES						
SIDENOR S.A.	171.181	60.452	718	54.206	45.722	9
SOVEL S.A.	11.953	37.656	190	42.144	4.839	-
DEPAL S.A.	975	220	-	2.665	7	153
STOMANA INDUSTRY S.A.	76.392	48.819	1.197	11.171	8.871	-
ERLIKON WIRE PROCESSING S.A.	609	11.136	3	15	4.716	-
AEIFOROS S.A.	4.224	635	19	2.758	203	-
THERMOLITH S.A.	-	-	-	462	9	-
PROSAL S.A.	-	2.202	-	-	1.364	-
TEPRO STEEL EAD	1.697	604	343	509	113	-
BOZETTI LTD	-	127	-	-	127	-
ETIL S.A.	6.777	262	-	405	284	99
PRAKSYS S.A.	442	18	-	85	109	-
DIA.VI.PE.THIV. S.A.	956	398	-	891	5.830	-
AEIFOROS BULGARIA SA	244	306	-	160	6	-
VET S.A.	4.146	48	-	2.191	2	-
SIGMA S.A.	6.170	483	-	2.207	3	-
ARGOS S.A.	4.264	60	-	433	21	-
CORINTH PIPEWORKS S.A.	1.176	8.006	6	3.757	701	-
DOJLAN STEEL LLCOP	12.066	45.562	-	514	28.583	-
SIDERAL SHPK	-	27.918	-	-	13.367	-
SIDEROM STEEL SLR	-	55.019	-	33	9.284	-
PROSAL TUBES S.A.	2.468	1.874	-	275	246	-
PORT SVISHTOV WEST SA	197	16	-	550	44	-
PRISTANISHTEN KOMPLEX SVILOSA EOOD	-	-	-	-	550	-
SIDEBALK STEEL DOO	166	1.775	-	166	597	-
	306.102	303.598	2.477	125.597	125.597	261

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

SIDENOR's dividend income is derived from ETIL (€7 thousand).

Respectively, DEPAL's dividend income is derived from ETIL (€121 thousand), and ETIL's dividend income is derived from ARGOS S.A. (€78 thousand).

Transactions with Affiliates

(amounts in thousand €)

	Sales of goods and services	Purchases	Receivables	Liabilities	Income from dividends
AFFILIATES					
SIDENOR S.A.	6.025	2.488	8.363	1.051	312
SOVEL S.A.	-	136	-	142	165
STOMANA INDUSTRY S.A.	12.093	319	2.510	161	-
ERLIKON WIRE PROCESSING S.A.	326	367	1.056	102	-
AEIFOROS S.A.	1	1	1	-	-
PROSAL S.A.	-	155	612	45	-
ETIL S.A.	45	224	6	65	-
PRAKSYS S.A.	5	-	5	-	-
VET S.A.	-	23	-	27	-
SIGMA S.A.	-	56	-	-	-
ARGOS S.A.	-	97	-	28	-
CORINTH PIPEWORKS S.A.	8	214	385	95	792
SIDERAL SHPK	21	107	21	107	-
PROSAL TUBES S.A.	32	512	6	7	-
	18.555	4.701	12.964	1.830	1.269

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 DOMOPLEX (€143 thousand), AWM (€118 thousand) and METALOURGIA ATTIKIS (€50 thousand).

SOVEL's dividend income derives from BIODISEL (€165 thousand) and CORINTH PIPEWORKS' dividend income is derived from ZAO TMK-CPW (€792 thousand).

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 €)

	Sales of goods and services	Purchases	Receivables	Liabilities
OTHER AFFILIATED				
SIDENOR S.A.	20.876	12.858	10.465	1.071
SOVEL A.E.	104	84.343	3	5.687
STOMANA INDUSTRY S.A.	6.634	21.852	2.521	2.969
CORINTH PIPEWORKS S.A.	7.061	2.437	2.321	1.253
ERLIKON WIRE PROCESSING S.A.	2.580	389	1.511	91
AEIFOROS S.A.	1.149	11	33	1
DEPAL S.A.	81	3	-	17
PROSAL S.A.	13	36	219	6
ETIL S.A.	513	48	239	14
ARGOS S.A.	-	2	-	-
VET S.A.	-	91	-	5
PRAKSYS S.A.	-	12	-	6
BOZETTI LTD	206	-	141	-
TEPRO STEEL EAD	-	51	-	19
AEIFOROS BULGARIA SA	399	1.238	16	425
SIGMA A.E.	165	54	26	-
PROSAL TUBES S.A.	-	1	-	-
DOJLAN STEEL LLCOP	-	19	-	3
DIA.VI.PE.THIV. S.A.	215	2	3	692
SIDEROM STEEL SLR	3	636	-	37
SIDERAL SHPK	155	1	155	-
PORT SVISHTOV WEST SA	-	1	-	1
SIDEBALK STEEL DOO	28	17	14	1
	40.182	124.101	17.668	12.299

Transactions with other associates are realized mainly by SIDENOR, STOMANA and DOJRAN. The companies they cooperate with are mainly METAL AGENCIES (trade in finished products), ANAMET and METAL VALUES (raw materials purchasing).

Directors and Senior Officers Remuneration

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

(amounts in € thousand)

	CONSOLIDATED		COMPANY	
	3/12/2011	31/12/2010	3/12/2011	31/12/2010
Total remuneration of Executives & Directors of the Board	2.231	2.365	662	673
Compensation for termination of employment	40	157	-	-
Obligations to Executives & Directors of the Board (earnings distribution)	109	342	-	-

C. Company Branches

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

D. Group Trends and Performance

The dramatic contraction of the Greek market coupled with the prevailing insecurity in the global market, constitute the basic characteristics of the financial year ending on the 31st of December 2011. Under these circumstances SIDENOR Group maintained its market position in the market and through increased exports strengthened its international focus. At the same time, the positive results of its subsidiary CORINTH PIPEWORKS, active exclusively in an international environment, can be taken as a serious indication that the continuous international focus of the Group, combined with the performance of the ongoing investments, will successfully overcome this unfavorable business environment.

Consolidated sales of the SIDENOR Group amounted to €1,247 million in 2011 compared to €993 million in 2010, increased by 26%. Earnings before taxes amounted in 2011 to € (59) million compared to €(30) million in 2010, while earnings before interest, taxes, depreciations and amortizations (EBITDA) amounted to €35 million compared to €50 million in 2010. Lastly, consolidated profit after taxes and minority interests amounted to € (49) million compared to €(23) million in the 2010 financial year.

The Group's administrative and selling expenses amounted to €125 million in 2011 compared to €104 million in 2010, while financial results amounted to 34 million compared to 20 million in 2010.

Regarding the parent company SIDENOR S.A., turnover amounted to €277 million, compared to €254 million in 2010, while net loss amounted to € (26) thousand compared to € (12) thousand in 2010.

With the implementation of the SIDENOR Group's investment program for 2011, it made investments totaling € 37 million. The SIDENOR Group's investment program is in accordance with the broader strategy for further improvement of production plant productivity, reinforcement of safety at the work place, and sustainable growth.

The following tables reflect the growth of the Group's major financial ratios:

	31-Dec-11	31-Dec-10
Leverage ratio	1,10	0,83
Current ratio	1,03	1,12
	31-Dec-11	31-Dec-10
EBITDA Margin	2,79%	5,04%
Gross Margin	8,18%	10,21%

The total personnel employed as at 31/12/2011 for the Group was 2,989 employees and for the parent company 298. On 31/12/2010, the Group had 3,002 employees, while the parent company had 322.

E. Primary Risks

Market Risk

Foreign exchange risk

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

To avoid this risk the Group makes use of forward contracts and pay his vendors promptly.

If, as at 31.12.2011, the EURO was appreciated by 10% (2010: 10%) compared to Russian ruble, with other variables remaining fixed, the Group's net worth would be decreased by €2,795,516 (2010: 2,519,000), while if it was depreciated by 10% (2010: 10%) the Group's net worth would be increased by € 3,416,742 (2010: 3,079,000).

If, as at 31/12/2011, USD was appreciated/ depreciated by 10% compared to the EURO, with the other variables remaining fixed, profit after taxes of the Group would be increased/ decreased by €3,576 thousand (2010: decreased by €4,297 thousand) and €4,371 thousand (2010: increased by € 5,252 thousand) respectively, mainly due to the currency losses/gains occurring from the conversion to EURO of the receivables, liabilities and cash and cash equivalents in USD. Net Assets would be respectively affected.

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 Euro.

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

Price risk

The purpose of risk management against market conditions is to control the Group's exposure to those risks, within the framework of acceptable parameters while optimizing results.

a) Products

The main market risk is the risk of fluctuations in the prices of raw materials (scrap), which determine to a great extent the final price of the products. Group policy is to show inventories at the lowest value between acquisition cost and net realizable value. In periods of price fluctuation results are affected by the depreciation of the value of stocks. The Group makes hedging using derivative financial products where available.

β) 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 acquisition. It also estimates that there will be no effect of default on these investments.

There is no risk exposure for the group from the listed companies' share price fluctuation as only a very small number of shares are held in its possession.

Cash flow and fair value interest rate risk

The Group finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that charges 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, as part of the Group's loans is subject to fixed interest rates, or directly with the use of financial instruments (interest rates Swaps).

If, as at 31/12/2011, interest rates were increased (decreased) by 0.25% / (-0.25%), the Group's profits before taxes effect would be (loss) / profit equal to (-€1,456 thousand). / €1,456 thousand. Under the same scenario, the company's profits before taxes effect would be (loss) / profit equal to (-€293 thousand) / €293 thousand. Group and Company net assets would be affected proportionally.

Respectively, if, as at 31/12/2010, interest rates were increased (decreased) by 0.25% / (-0.25%), the Group's profits before taxes effect would be (loss) / profit equal to (-€1,401 thousand). / €1,401 thousand. Under the same scenario, the company's profits before taxes effect would be (loss) / profit equal to (-€452 thousand) / €452 thousand. Group and Company net assets would be affected proportionally.

Credit risk

Credit risk refers to the Group's risk of incurring a loss in the event a customer or third party fails to fulfil his contractual obligations under a financial instrument agreement and κατά κύριο λόγοIt is related to receivables from customers. Credit risk arises from cash and cash equivalents, investments and derivative financial instruments (Note 16).

Customers 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 mainly determined based on the insurance limits set by the insurance companies based on which the company proceeds with insuring the 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. Customers and other receivables mainly concern wholesale customers of the Group. Customers characterized as "high risk" are placed on a special list and future sales have to 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 records a depreciation provision which represents its assessment of losses incurred in relation to customer liabilities, other receivables. This provision mainly consists of losses due to the devaluation of

specific receivables that were deemed realizable in relation to specific conditions but which have not as yet been finalized.

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.

Guarantees

The policy of the Group is not to offer guarantees, except only 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 fulfil 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 fulfil 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 enough cash reserves in order to cover its operational costs, including the fulfilment of its financial obligations. The effect of unforeseeable extreme circumstances is not taken into consideration in this policy.

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 preferred shares and minority interests into consideration. 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.

Debt Ratio	$\frac{\text{Long Term Liabilities}}{\text{Long Term Liabilities} + \text{Total Equities}}$	0,32
Interest Coverage Ratio	$\frac{\text{EBITDA}}{\text{Total Interest}}$	1,1
The capital to non-current assets ratio	$\frac{\text{Total Equities}}{\text{Total Non - Current Assets}}$	70%

The Group does not have a specific own share buyback plan.

No changes occurred insofar as the approach adopted by the group in relation to capital management during the fiscal period being reported.

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 2012

Despite the ongoing recession, the main priorities of the SIDENOR Group for the year 2012 are the preservation and further increase of its market shares, the reinforcement of its exports, the reduction of the production costs, as well as the effective management of its operating capital. The Group, with its established, strong distribution network, combined with the ongoing investments, aims to permanently and continuously reinforce its presence in the markets of Central Europe, the Balkans and the neighboring Eastern Mediterranean countries, counterbalancing in this way the considerable contraction in the construction section in the Greek market.

SIDENOR Group monitors closely the developments in the international economic scene and is ready and flexible to be adapted and exploit opportunities that arise.

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.

Information according to article 4, par. 7, of Law no. 3556/2007)

a) Structure of the Company's Share Capital

The company's share capital amounts to Euro 39,460,002.28, divided into 96,243,908 common registered shares with a nominal value of € 0.41 each. All shares are listed for trading in the Athens Stock Exchange market, in the Large Capitalization class. The Company shares are intangible, registered shares with voting rights.

Based on the Company's Articles, the shareholders' rights and obligations are as follows:

- A right on the dividend from the Company's annual profits. Each share's dividend is paid to its holder within two (2) months from the date of the General Meeting which approved the financial statements. The right to collect the dividend expires upon lapse of five (5) years from the end of the year during which the dividend allocation was approved by the General Meeting.
- A pre-emption right (option to purchase) in any share capital increase and acquisition of new shares.
- A right to participate in the General Shareholders' Meeting.
- The capacity of shareholder entails ipso jure the acceptance of the Company's Articles and the decisions taken by its administrative bodies that are consistent with them and the law.

-
- The Company shares are indivisible and the Company recognizes only one holder for each share. All indivisible co-holders of a share, as well as those enjoying the usufruct or bare ownership thereof, are represented in the General Meeting by only one person nominated by them by agreement. In case of dispute, the above share is not represented.
 - Shareholders are not involved beyond each share's nominal amount.

b) Restrictions to the transfer of Company's shares

The transfer of shares is subject to the provisions of law and no restrictions apply to transfer under the Company's Articles of Association.

c) Significant direct or indirect holdings within the meaning of articles 9 to 11 of Law no. 3556/2007

Significant (more than 5%) holdings as at 31/12/2011 (direct and indirect) were as follows:

- VIOHALKO S.A. : 74.42% of the voting rights and 74.42% of the share capital.

d) Shares granting special controlling rights

There are no company shares granting their holders special controlling rights.

e) Restrictions to Voting Rights

The Company's Articles do not provide for restrictions to the voting rights emanating from its shares. The rules of the Company's Articles of Association regulating the voting issues are included in article 24.

f) Agreements between Company Shareholders

To the Company's best knowledge, there are no agreements between shareholders entailing restrictions to the transfer of its shares or to the exercise of the voting rights emanating from its shares.

g) Rules for the appointment and replacement of BoD members and amendment to the Articles of Association.

The rules provided for by the Company's Articles both as to the nomination and replacement of BoD members and as to amendments thereto are no different from those provided for by C.L. no 2190/1920.

h) Board of Directors' competence to issue new shares or purchase own shares

In accordance with the provision of article 13, par. 1, of C.L. no. 2190/1920, article 6, par. 1, of the Articles states that, within the first five years from the Company's incorporation or within five (5) years from the General Meeting decision granting such a right, the Board of Directors, by its decision taken by majority of two thirds (2/3) of its total members, may increase in total or in part the share capital by issuing new shares by an amount not greater than the initially paid-up share capital or the share capital paid-up on the date that such a decision was taken by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period which shall not exceed five (5) years for each renewal. Such increases in the share capital shall not constitute amendments to the Articles.

The Board of Directors may proceed to the acquisition of own shares only in the context of a decision taken by the General Meeting pursuant to article 16, par. 5 to 13, of C.L. no 2190/1920.

In application of par. 9, article 13, of C.L. no. 2190/1920 and the decision taken by the General Meeting on 26/6/2002, the Company's Board of Directors, in December 2006 to 2013, shall increase the Company's share capital with no amendment to its Articles, by issuing new shares in the context of implementation of the Stock Option Plan approved by the same General Meeting, analytical data of which are laid down in note 18 to the 2011 Annual Financial Report.

i) Significant agreements that enter into effect, are modified or expire in case of a change in control.

The bank loan agreements concluded by both the Company and the companies consolidated in the Group, which are referred to in note 20 to the annual financial statements (on a consolidated basis, € 175 million of long term and € 418 million of short term loans and, at company level, €47 million of long term and €186 million of short term loans) contain a clause regarding change in the control that provides the debenture holding lenders with a right of early termination thereof.

No other agreements exist that enter into effect, are modified or expire in the event of change in the Company's control.

j) Agreements with Board of Directors' members or the Company's staff

There are no agreements between the Company and the members of its Board of Directors or its staff that provide for the payment of compensation especially in the event of resignation or dismissal without material cause or end of tenure or employment.

G. STATEMENT OF CORPORATE GOVERNANCE

The present statement has been drafted in accordance with the provisions of Law 3873/2010.

In particular, in regard to the provisions of article 2 of Law 3873/2010, we note the following:

1. Code of Corporate Governance

The Company implements Corporate Governance practices in its administration and operation, as they have been defined under the legislative framework in effect as well as in the Code of Corporate Governance recently published by SEV (Hellenic Federation of Enterprises), which is available online at:

http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

In the framework of drafting the Board of Directors' Annual Report, the Company reviewed the Code. From this review, the Company concluded that, overall, it complies with the specific practices applicable to listed companies, which are cited and described in the SEV Code of Corporate Governance, with the exception of the following practices, for which the following explanations are given:

- **Section A.II.2.2 & 2.3: Size and composition of the BoD.** The number of independent non-executive members of the current Board of Directors is two (2), out of a total of nine (9) and, as such, it represents less than one third of the total number of Board members, as stipulated under the Code. Moreover, the Board of Directors does not consist of non-executive members in its majority.

It was deemed that, at this juncture, the enlargement of the number of independent members of the board would not improve the operational efficiency of the company, while the existence of additional executive members of the Board serves the operational needs of the company better, because of its size.

- **Section A.III.3.3 - Role and mandatory capacities of the Chairperson of the BoD.** The Deputy Chairperson of the current Board of Directors does not have the capacity of independent non-executive member, despite the fact that the Chairperson is an executive member. Given the present conjuncture, the status of independent member for the Deputy

Chairperson was not deemed necessary. Beside the above mentioned status as non-executive member, it would provide a guarantee toward an improvement in the company's operations.

- **Section A.5-5.4. - Screening prospective candidates for membership of the Board of Directors.** No committee for screening prospective candidates had been set up until the drafting of the present Statement for the above mentioned reasons.
- **Section A.7.7.1.-7.3. – Evaluation of the Board of Directors and its Committees.** The Company had not applied the collective procedure for evaluating the effectiveness of the Board of Directors and its Committees until the drafting of the present Statement.
- **Section B.1.1.4.- Establishment of Internal Audit Committee** - The audit committee exclusively consists of non-executive members but the majority are not independent. This choice was made in order to reach through the persons who constitute the committee, the skills required for its adequate functioning .
- **Section C.I.1.6. Amount and structure of remuneration.** No remuneration committee had been set up until the drafting of the present Statement. This matter will be re-considered shortly.

The Company does not implement corporate governance practices beyond the specific practices of the SEV Code of Corporate Governance and the provisions laid down under applicable effective legislation.

2. **The main characteristics of the Internal Audit and Risk Management Systems in relation to the Procedure followed in Drafting the Financial Statements and financial reports.**
 - i. **Description of the main characteristics and information included in the Internal Audit and Risk Management Systems, in relation to the procedure followed in drafting financial statements**

The Company's Internal Audit System encompasses audit procedures pertaining to the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and financial reporting.

The Internal Audit Department verifies the proper implementation of every procedure and internal audit system, regardless of whether it is of an accounting nature or otherwise, and performs an evaluation of the Company through reviewing its activities, operating as a company unit reporting to Management.

The Internal Audit System aims at, among others, ensuring the comprehensiveness and reliability of the data and information required for ascertaining the financial standing of the Company, in an accurate and timely manner, and the production of reliable financial statements.

In regard to the procedure followed in drafting the financial statements, the Company states that the financial reporting system of 'SIDENOR Steel Products Manufacturing Company S.A.' makes use of an accounting system that is adequate for the purposes of reporting, both to Management as well as to external users. Financial statements, as well as other analysis reports addressed to management on a quarterly basis, are drawn up at company and consolidated level in accordance with International Financial Reporting Standards, as they have been adopted by the European Union, for the purposes of reporting to management as well as of publication, in accordance with effective regulations and on a quarterly basis. Both administrative reporting, as well as financial reporting intended for publication, include all required information foreseen under an up-to-date internal audit system, which encompasses breakdowns of sales, costs/expenses, operating profits,

as well as other data and indexes. All reports to management include the data of the current fiscal period, which are cross-checked against respective entries in the budget approved by the Board of Directors, as well as against data of the corresponding period of the financial year preceding the year of the report.

All published interim and annual financial statements include all the necessary amounts and disclosures relating to the financial statements, in accordance with International Financial Reporting Standards, as they have been adopted by the European Union. They are reviewed by the Audit Committee and approved in their entirety by the Board of Directors, respectively.

Safety measures are in place in regard to: (a) The identification and evaluation of risks as to the reliability of the financial statements; (b) administrative planning and follow-up in relation to financial figures; (c) the prevention and detection of fraud; (d) the roles/duties of executives; (e) the procedure followed for closing a fiscal year, including consolidation (such as recorded procedures, access authorisations, approvals, consistencies etc.) and (f) safeguarding the data in computerised systems.

The preparation of internal memos to Management and of reports, required under Codified Law 2190/1920 and supervisory authorities, is performed by the Financial Division, which disposes of suitable and experienced staff entrusted with this task. Management ensures that these members of staff are properly informed of any changes in accounting and taxation matters affecting the Company and the Group.

The Company has established separate procedures for the collection of necessary audit evidence from its subsidiaries. Moreover, it ensures consistency throughout all its transactions and the application of the same accounting principles by the above companies.

ii. Annual evaluation of corporate strategy, primary business risks and Internal Audit Systems

The Company's Board of Directors declares that it has examined the primary business risks to which the Company is exposed, as well as its Internal Audit Systems. The Board of Directors re-evaluates the corporate strategy, primary business risks and Internal Audit Systems on an annual basis.

iii. Provision of non-auditing services to the Company by its lawful auditors and assessment of the impact this may exert on the objectivity and effectiveness of the mandatory audit, examined in conjunction with the provisions of Law 3693/2008

The Company's lawful auditors for financial year 2011, 'PricewaterhouseCoopers Audit S.A. Company', which was elected by the Ordinary General Shareholders' Meeting of the Company held on 14 June 2011, have provided non-audit services to the Company and its subsidiaries in accordance with the provisions of applicable legislation.

The Company uses other auditors for certain of its subsidiaries, who also provided non-audit services in the total value of 41,022 Euro.

3. Public Acquisition Offers - Information

- There are no binding acquisition offers and/or regulations calling for the mandatory transfer and mandatory purchase of shares in the Company, nor any provision in the Articles of Association in regard to acquisitions.

- There have been no public offers by third parties for the acquisition of the share capital of the Company during the preceding and current financial year.
- In the event the Company participates in such a procedure, it will do so in line with effective legislation.

4. General Shareholders' Meeting and rights of shareholders

The General Meeting is convened and operates in accordance with the provisions of the Articles of Association and the relevant provisions of Codified Law 2190/1920, as amended and currently in force. The Company complies with its reporting obligations, abiding by the provisions of Law 3884/2010 and, in general, takes all necessary measures in view of ensuring the timely and comprehensive briefing of shareholders regarding the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and posting them on the Company's website. The text of these invitations includes a detailed description of shareholders' rights and the manner of the exercise thereof.

5. Composition and operation of the Board of Directors, Supervisory Bodies and Committees of the Company

Duties and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and business targets of the Company and, in general, has control and decision-making powers in the framework of the provisions of Codified Law 2190/1920 and of the Articles of Association as well as compliance with the principles of corporate governance.

The Board of Directors meets in session as frequently as required in order to effectively performing its duties.

The duties and responsibilities of the Board of Directors are summarised below:

- Supervision and monitoring the Company's operations, as well as verifying the achievement of company goals and long-term plans;
- Formulating and defining the primary principles and targets of the Company;
- Ensuring harmonisation of the adopted strategy with the targets of the Company;
- The Board of Directors, in accordance with the policies for managing conflicts of interest among its members and in the Company, ensures that there are no cases of conflict of interest and examines any such manifestations or cases of non-compliance with the Company's confidentiality policy.
- Ensuring the credibility and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Ensuring the proper day-to-day operations of the Company, through a system of special authorisations, while the performance of its other duties is implemented through special decisions.
- The Secretary of the Board of Directors has the main responsibility of supporting the Chairperson and the overall operation of the body.

The current Board of Directors of the Company consists of 9 members (9-member Board), of which:

- 5 are executive members (Chairperson & Member)
- 2 are non-executive members (Vice Chairperson and other Members)
- 2 are independent non-executive members (Remaining members)

The composition of the current Board of Directors of 'SIDENOR Steel Products Manufacturing Company S.A.', is provided below:

1. Georgios Kalfarentzos, Chairperson, Executive Member
2. Nikolaos Koudounis, Vice-Chairperson, Executive Member
3. Sarantos Milios, Executive Member
4. Vasilios Papantoniou, Executive Member
5. George Passas, Executive Member
6. George Soultzizis, Non-Executive Member
7. Ioannis Ikonomou, Non-Executive Member
8. Andreas Kyriazis, Independent Non-Executive Member
9. Efstathios Strimber, Independent Non-Executive Member

Brief Curriculum Vitae of the members of the Board of Directors are provided below.

Georgios Kalfarentzos, Chairman of the Board of Directors

Mr. Kalfarentzos has been the Chairman of SIDENOR's Board since 2004. From 1960 to 1967, Mr. Kalfarentzos was the Commercial Manager of ARIZONA S.A. and HELLASCAN S.A. From 1967 to 1996, he held senior executive positions in SIDENOR S.A. He became a member of SIDENOR's Board in 1997 and was appointed Vice-Chairman in 2001. Currently, he is a member of the Board of Directors of SOVEL and of many companies of the VIOHALCO Group.

Nikolaos Koudounis, Vice-Chairman of the Board of Directors

Mr. Koudounis is a graduate of the Athens University of Economics and Business (former ASOEE). He has worked at the VIOHALCO Group since 1968 and as Financial Manager of ELVAL S.A. (1983), as General Manager of ELVAL S.A. (2000) and as Managing Director of FITCO S.A. (2004). In addition, he is executive consultant on the Boards of Directors of ELVAL S.A., HALCOR S.A., DIAVIPETHIV S.A. (Chairman of the BoD) and of many other companies of VIOHALCO Group. He is also Chairman of the BoD of the Viotia Industries Association.

Sarantos Milios, Member of the Board of Directors

Mr. Milios is an electrical engineer, graduate of the Aristotelio University of Thessaloniki. He also holds an MSc from Imperial College, London and an MBA from the Institute of Management Development, IMD (Lausanne, Switzerland). Prior to joining VIOHALCO Group, Mr. Milios held various managerial positions, at British Petroleum (BP) International PLC in the United Kingdom from 1989 to 1994, at Emerson Electric from 1996 to 1998, at A.T. Kearney from 1998 to 1999 and at McKinsey & Company from 2000 to 2001. He was Manager of SIDENOR's Pipes & Tubes Division from 2001 to 2005 and CEO of CORINTH PIPEWORKS S.A. from 2005 to 2007. He currently holds the position of CEO of SIDENOR Group.

George Soultziz - Member of BoD

Mr. Soultziz is an Economist, graduate of the Panteion University. Previously, Mr. Soultziz held the position of Financial Manager in STALCO SA and SERVICESTEEL SA, in Magnissia. He has been the Plant Manager of SOVEL SA in Almyros from 1999 until June 2011.

Vasilios Papantoniou, Technical Director of Production Units

Mr. Papantoniou has been SIDENOR's Production Units Technical Director since 2005. He is a mechanical engineer, graduate of the Aristotelio University of Thessaloniki. Mr. Papantoniou worked as Head of the Maintenance Department of the Meltshop in Thessaloniki (1989-1990) and in the Production Department of the Meltshop in Thessaloniki (1993-1997). In 1997, he was appointed Director of the Thessaloniki Meltshop and, in 2001, Technical Manager of the Thessaloniki and Almyros Meltshops, a position he held until undertaking his current position of Technical Director of Production Units.

George Passas, Member of the Board of Directors

Mr. Passas has been a member of SIDENOR's Board since 2008. He is a graduate of AUEB (Athens University of Economics and Business). He has been working for VIOHALCO since 1969 and has occupied various managerial positions within the Group. From 1973 to 1983, he was Chief Financial Officer at ELVAL S.A., from 1983 to 1987 Chief Financial Officer at HALCOR S.A., while from 1987 to 2004 he worked as General Manager at HELLENIC CABLES S.A. Mr. Passas is also member of the Board of several other companies of the VIOHALCO Group.

Ioannis Ikonou, Member of the Board of Directors

Mr. Ikonou has been a member of SIDENOR's Board since 2005. He is a graduate of the Athens University of Economics and Business and of the Law School of Athens University. From 1960 to 1964, he worked for KERAMEIKOS S.A. and from 1964 to 1965 for TITAN S.A. He has been an executive at the VIOHALCO Group since 1965. He is General Manager and Chairman of the Board of Directors of SYMETAL S.A.

Andreas Kyriazis, Member of the Board of Directors

Mr. Kyriazis has been a member of SIDENOR's Board since 2005. He is a graduate of the Chemistry, Physics & Mathematics Faculty of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Athens Chamber of Commerce and Industry, the Hellenic Productivity Centre, the Greek Society of Business Administration and the Wood Processing Association. He was also Vice-Chairman of the Association of European Chambers of Commerce and Industry and General Secretary of the Association of Greek Chemists.

Efstathios Strimber, Member of Board of Directors

Mr. Strimber has been a member of SIDENOR's Board since 2002. He is a graduate of the Law School of Athens University. Since 2002, he has also been an independent, non-executive member of the Board of Directors of many companies of the VIOHALCO Group.

Board members are elected for a one-year term by the General Shareholders' Meeting. The current Board of Directors of the Company was elected by the Ordinary General Shareholders' Meeting of 14 June 2011, and its tenure expires on 30 June 2012.

The Board of Directors met in session fifty eight (58) times within 2011, and its sessions were attended by all its members in person.

Audit Committee

i. Description of the composition, operation, duties, responsibilities and description of topics discussed at Committee meetings

The Audit Committee, which is elected and operates in accordance with Law 3693/2008 (no. 37), consists of three non-executive members of the Board of Directors, of which one is independent and has the primary duty, in the framework of the obligations described in the above Law, of providing support to the Company's Board of Directors in regard to the fulfilment of the latter's mandate pertaining to ensuring the effectiveness of accounting and financial systems, audit mechanisms, management systems for business risks, ensuring compliance with the legislative and regulatory framework and the effective application of the principles of Corporate Governance.

Specifically, the Audit Committee is entrusted with the following responsibilities:

Responsibilities

- Assess the effectiveness of all levels of the Management hierarchy, in relation to the latter's safeguarding of the resources under their management and their compliance with the established policy and procedures of the Company;
- Evaluate procedures and amounts for their adequacy, in regard to the achievement of goals, as well as appraise the policy and programme cited in the activity undergoing evaluation;
- Periodically audit the various operations of the different divisions or departments, in such a manner as to ensure that their diverse activities are conducted smoothly, comply with Management instructions, Company policy and procedures, and that they are aligned with Company objectives and Management best practices.
- Examine internal audit reports and, in particular:
 - Assess their adequacy, in regard to the extent of information therein provided
 - Verify the accuracy of the reports
 - Examine the adequacy of audit evidence in regard to the results of the audit

The Audit Committee receives the following reports pertaining to audit procedures:

- Extraordinary
- Quarterly financial audit reports
- Annual regular audit reports
- Corporate Governance reports

The Audit Committee examines and ensures the independence of External Auditors of the Company; it is notified of their findings as well as of the findings of the Audit Reports on the annual or interim Financial Statements of the Company. At the same time, it recommends corrective actions and measures, in view of addressing any findings or flaws in the Financial Reporting or other significant operations of the Company.

In accordance with its Internal Regulation, the Audit Committee consists of members, who dispose of the necessary knowledge and experience for fulfilling the duties of the Committee.

The current composition of the Audit Committee is the following:

Members: George Passas, Ioannis Ikononou and Andreas Kyriazis

ii. Number of meetings of the Committee and frequency of attendance of each member at meetings

The Audit Committee convened in session four (4) times within 2011, achieving full quorum, but was not attended by the regular auditors as foreseen under the Code.

iii. Assessment of the Committee's effectiveness and performance

Up to the time of drafting the present Statement, no specific procedures had been established for assessing the effectiveness of the Audit Committee of the Board of Directors. The Management of the Company will establish such procedures in the future.

Athens, 26 March 2012

The BoD Chairman

Kalfarentzos Georgios
ID Card no. F 147183

C. Independent Auditor's Report

To the Shareholders of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. which comprise the separate and consolidated statement of financial position as of 31 December 2011 and the separate and consolidated statements of income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. and its subsidiaries as at December 31, 2011, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 28 March 2012



PricewaterhouseCoopers SA

268 Kifissias Avenue, 152 32 Halandri

AM SOEL 113

Dimitris Sourbis

Chartered Accountant

AM SOEL 16891



Annual Financial Statements for the year ended 31 December 2011
Prepared in accordance to International Financial Reporting
Standards (IFRS)

SIDENOR STEEL PRODUCTS
MANUFACTURING COMPANY S.A.
S.A.Reg.No: 2310/06/B/86/20 2-4 Mesogheion Ave. Athens

D. Annual Financial Statements

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Statement of Financial Position

<i>Amounts in Euro</i>	Note	CONSOLIDATED DATA		COMPANY DATA	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
ASSETS					
Non-current assets					
Land & Buildings	6	256.434.534	250.920.881	54.074.435	55.893.866
Machinery	6	403.392.139	434.538.422	67.104.617	74.747.833
Other tangible assets	6	77.687.985	77.134.083	6.690.792	4.005.305
Intangible assets	6	1.816.481	671.876	24.004	30.004
Investments in associates	8	29.811.322	29.360.776	11.904.011	10.929.011
Investments in subsidiaries	9	-	-	214.756.642	212.338.804
Available for sale financial assets	10	1.544.500	1.683.592	1.414.471	1.553.562
Deferred tax assets	12	91.847	14.523	-	-
Other receivables	14	5.864.720	15.155.540	4.801.539	4.961.288
		776.643.528	809.479.693	360.770.511	364.459.673
Current Assets					
Inventories	13	335.914.142	277.280.210	81.663.933	60.151.508
Trade and other receivables	14	236.477.749	194.989.169	134.773.585	141.228.275
Tax receivables	14	7.874.902	8.262.378	7.746.548	7.743.370
Derivative financial instruments	15	533.516	506.951	126.926	-
Financial assets at fair value through profit or loss	11	7.337	7.337	-	-
Cash and cash equivalents	16	47.427.286	69.003.735	8.320.060	30.230.061
		628.234.932	550.049.780	232.631.053	239.353.214
Total Assets		1.404.878.460	1.359.529.473	593.401.564	603.812.887
EQUITY					
Capital and reserves attributable to equity holders					
Share capital	17	39.460.002	39.460.002	39.460.002	39.460.002
Share premium	17	120.406.136	120.406.136	120.406.136	120.406.136
Currency translation adjustments	19	-2.390.847	-2.087.103	-	-
Other reserves	19	104.443.618	105.252.350	59.282.454	59.148.585
Retained earnings		180.338.325	229.813.631	33.314.620	58.892.458
Total		442.257.234	492.845.016	252.463.212	277.907.181
Minority interest		97.909.583	107.647.864	-	-
Total Equity		540.166.817	600.492.880	252.463.212	277.907.181
LIABILITIES					
Non-current liabilities					
Borrowings	20	175.064.320	186.087.467	47.416.672	67.833.336
Derivative financial instruments	15	-	1.028.303	-	77.480
Deferred tax liabilities	12	54.488.953	60.121.235	12.732.965	14.300.172
Retirement benefit obligations	21	6.046.210	5.764.665	2.004.741	1.778.733
Government Grants	22	9.802.067	10.775.945	129.605	143.373
Provisions for other liabilities and charges	24	2.569.588	3.232.113	914.629	914.629
Other non-current liabilities	23	9.012.765	804.656	3.064.482	-
		256.983.903	267.814.384	66.263.094	85.047.724
Current liabilities					
Trade and other payables	23	181.558.011	171.715.535	87.559.094	106.821.558
Current tax liabilities		1.423.406	3.074.370	-	-
Borrowings	20	418.384.576	313.384.443	186.203.046	132.395.807
Other current liabilities	23	879.922	1.479.707	879.923	1.479.707
Derivative financial instruments	15	4.558.052	944.024	33.196	-
Retirement benefit obligations	21	126.738	355.152	-	160.910
Provisions for other liabilities and charges	24	797.036	268.978	-	-
		607.727.740	491.222.208	274.675.259	240.857.982
Total liabilities		864.711.643	759.036.593	340.938.353	325.905.706
Total equity and liabilities		1.404.878.460	1.359.529.473	593.401.565	603.812.887

The notes on pages 31 to 87 form an integral part of these annual financial statements.

Income Statement

<i>Amounts in Euro</i>	Note	CONSOLIDATED DATA		COMPANY DATA	
		12 months until 31/12/2011	12 months until 31/12/2010	12 months until 31/12/2011	12 months until 31/12/2010
Sales	5	1.247.356.894	993.418.032	276.530.121	253.867.213
Cost of sales	25	-1.145.339.651	-891.973.223	-257.242.463	-232.381.323
Gross profit		102.017.243	101.444.809	19.287.658	21.485.890
Selling expenses	25	-94.650.684	-74.320.591	-22.558.766	-19.427.836
Administrative expenses	25	-30.368.090	-30.071.861	-10.926.956	-11.890.995
Other operating income	29	5.965.165	7.117.269	13.317.971	12.055.878
Other operating expenses	29	-10.639.202	-15.066.691	-13.274.516	-12.572.042
Operating results		-27.675.567	-10.897.065	-14.154.610	-10.349.105
Financial Income	27	1.377.791	1.675.678	107.295	226.797
Financial Expenses	27	-35.133.084	-21.699.554	-13.416.865	-6.838.151
Dividend income	29	-	118.647	320.754	650.570
Profits/ (losses) from participations	29	-29.949	-49.728	-	-49.720
Profits /(losses) from associates	8	2.073.485	873.601	-	-
Profits/(losses) before taxes		-59.387.324	-29.978.420	-27.143.426	-16.359.608
Income tax expense	28	3.488.645	3.504.515	1.565.588	3.979.231
Profits/(losses) after taxes		-55.898.678	-26.473.905	-25.577.838	-12.380.377
Attributable to:					
Equity holders of the company	35	-48.932.015	-23.008.930	-25.577.838	-12.380.377
Minority interest		-6.966.664	-3.464.975	-	-
		-55.898.678	-26.473.905	-25.577.838	-12.380.377
Earnings per share attributable to the equity holders of the Company during the year (expressed in Euro per share)					
Basic	35	(0,5084)	(0,2391)	(0,2658)	(0,1286)
Diluted	35	(0,5084)	(0,2391)	(0,2658)	(0,1286)

Statement of Comprehensive Income

	CONSOLIDATED DATA		COMPANY DATA	
	12 months until 31/12/2011	12 months until 31/12/2010	12 months until 31/12/2011	12 months until 31/12/2010
Profits/(losses) after taxes	-55.898.678	-26.473.905	-25.577.838	-12.380.377
Other Comprehensive Income after taxes				
Exchange differences translation of the financial statements from international business operations	-403.405	1.236.988	-	-
Profit / (loss) after tax from the change of the fair value of the cash flow hedging	-1.950.371	-918.526	133.868	-38.859
Comprehensive income after tax	-2.353.777	318.461	133.868	-38.859
Cumulative Comprehensive results after taxes	-58.252.455	-26.155.444	-25.443.969	-12.419.236
Attributable to:				
Equity holders of the company	-50.771.753	-22.675.809	-25.443.969	-12.419.236
Minority interest	-7.480.702	-3.479.635	-	-
	-58.252.455	-26.155.444	-25.443.969	-12.419.236

The notes on pages 31 to 87 form an integral part of these annual financial statements.

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				
CONSOLIDATED DATA								
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	-	-712.177	-	-23.008.930	1.045.298	-22.675.809	-3.479.635	-26.155.444
Total recognised net profit for the year	-	-712.177	-	-23.008.930	1.045.298	-22.675.809	-3.479.635	-26.155.444
Share Capital issuance / (decrease)	-	-	-	-	-	-	5.460	5.460
Increase - decrease of participation percentage in subsidiary	-	-	-3.104	-175.523	-	-178.627	34.198	-144.429
Transfer to reserves	-	-	455.645	-455.645	-	-	-	-
Dividend	-	-	-	-	-	-	-22.962	-22.962
	-	-	452.542	-631.168	-	-178.627	16.696	-161.931
Balance as of 31 December 2010	159.866.138	-898.713	106.151.064	229.813.631	-2.087.103	492.845.016	107.647.864	600.492.880
Balance as of 1 January 2011	159.866.138	-898.713	106.151.064	229.813.631	-2.087.103	492.845.016	107.647.864	600.492.880
Cumulative Comprehensive earnings after taxes	-	-1.535.993	-	-48.932.016	-303.744	-50.771.753	-7.480.702	-58.252.455
Increase - decrease of participation percentage in subsidiary	-	-2.045	534.029	-348.013	-	183.971	-2.180.859	-1.996.889
Transfer to reserves	-	-	195.277	-195.277	-	-	-	-
Dividend	-	-	-	-	-	-	-76.720	-76.720
Balance as of 31 December 2011	159.866.138	-2.436.752	106.880.370	180.338.325	-2.390.847	442.257.234	97.909.583	540.166.816

The consolidated comprehensive earnings after taxes, for the years 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	-	-	-	-23.008.930	-	-23.008.930	-3.464.975	-26.473.905
Exchange differences from activities abroad	-	-	-	-	1.045.298	1.045.298	191.690	1.236.988
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-712.177	-	-	-	-712.177	-206.350	-918.526
1 Jan 2010 - 31 Dec 2010	-	-712.177	-	-23.008.930	1.045.298	-22.675.809	-3.479.635	-26.155.444
Profits/(losses) after taxes	-	-	-	-48.932.016	-	-48.932.016	-6.966.664	-55.898.679
Exchange differences from activities abroad	-	-	-	-	-303.744	-303.744	-99.661	-403.405
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-1.535.993	-	-	-	-1.535.993	-414.378	-1.950.371
1 Jan 2011 - 31 Dec 2011	-	-1.535.993	-	-48.932.016	-303.744	-50.771.753	-7.480.702	-58.252.455

COMPANY DATA	Share Capital & Share Premium Reserves	Fair Value Reserve	Other reserves	Results carried forward	Total Shareholders Equity
Balance as of 1 January 2010	159.866.138	-20.025	59.207.470	71.272.835	290.326.418
Cumulative Comprehensive earnings after taxes	-	-38.859	-	-12.380.377	-12.419.236
Balance as of 31 December 2010	159.866.138	-58.885	59.207.470	58.892.458	277.907.182
Balance as of 1 January 2011	159.866.138	-58.885	59.207.470	58.892.458	277.907.181
Cumulative Comprehensive earnings after taxes	-	133.868	-	-25.577.837	-25.443.969
Balance as of 31 December 2011	159.866.138	74.984	59.207.470	33.314.621	252.463.212

The notes on pages 31 to 87 form an integral part of these annual financial statements.

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

COMPANY DATA	Share Capital &	Fair Value	Other reserves	Results carried forward	Total
	Share Premium Reserve	Reserve			Shareholders Equity
Profits/(losses) after taxes	-	-	-	-12.380.377	-12.380.377
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	-38.859	-	-	-38.859
1 Jan 2010 - 31 Dec 2010	-	-38.859	-	-12.380.377	-12.419.236
Profits/(losses) after taxes	-	-	-	-25.577.837	-25.577.837
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-	133.868	-	-	133.868
1 Jan 2011 - 31 Dec 2011	-	133.868	-	-25.577.837	-25.443.969

Statement of Cash Flows

	Note	CONSOLIDATED DATA		COMPANY DATA	
		1/1 to 31/12/2011	1/1 to 31/12/2010	1/1 to 31/12/2011	1/1 to 31/12/2010
<i>Amounts in Euro</i>					
Cash flows from operating activities					
Cash flows from operating activities	30	-41.129.922	57.329.368	-36.964.888	-32.126.428
Interest paid		-33.112.015	-21.036.817	-12.624.692	-6.331.058
Income tax paid		-3.512.328	-9.916.957	-	-7.778.856
Net cash flows from operating activities		-77.754.264	26.375.594	-49.589.580	-46.236.343
Cash Flows from investing activities					
Purchase of property, plant and equipment	6	-36.741.070	-41.857.834	-4.371.883	-2.169.176
Purchase of intangible assets	6	-17.942	-165.541	-	-30.000
Sale of property, plant and equipment	6	980.389	2.057.929	937.549	1.300.399
Dividends received		1.154.866	947.925	269.791	143.095
Available for sale financial assets increase	10	-	-200.192	-	-200.192
Interest received		26.612	-	-	-
Increase - acquisition of participation in associates	8	-	-	-975.000	-
Increase - acquisition of participation in subsidiaries		-3.170.480	-22.260	-1.689.642	-2.326.544
Return of subsidiary capital		10.895	1.610	10.895	77.997
Net Cash Flows from investing activities		-37.756.729	-39.238.364	-5.818.290	-3.204.420
Cash flow from financing activities					
Proceeds from borrowings		464.771.757	398.523.426	207.870.573	164.377.741
Repayment of borrowings		-372.085.055	-347.903.827	-174.479.998	-95.440.533
Dividends distributed to minority		-55.679	-26.161	-	-
Proceeds from Share Capital increase (minority stake)		-	5.460	-	-
Other		1.204.022	1.675.678	107.295	226.797
Net Cash flow from financing activities		93.835.045	52.274.576	33.497.870	69.164.005
Net (decrease) / increase in cash and cash equivalents		-21.675.949	39.411.806	-21.910.000	19.723.242
Cash and cash equivalents at the beginning of the year	16	69.003.735	29.145.546	30.230.061	10.506.819
Foreign exchange differences in cash and cash equivalents		99.500	446.383	-	-
Cash and cash equivalents at the end of the period		47.427.286	69.003.735	8.320.060	30.230.061

The notes on pages 31 to 87 form an integral part of these annual financial statements.

1 General Information

These current financial statements include the annual separate financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the Company”) and the annual consolidated financial statements of the Company and its subsidiaries (together the “Group”).

The main activities of the Group are the production and sale of steel construction and industrial products and steel pipes.

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.

The financial statements have been approved for publication by the Board of Directors on 26/03/2012 and are subject to approval by the Annual General Meeting which will convene on 14/6/2012.

2 Summary of significant accounting policies

The principal accounting policies applied by the Group in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These annual financial statements have been prepared by the management in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), including the International Accounting Standards (“IAS”) and Interpretations issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through results as well as derivatives.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies. Moreover, it requires the use of calculations and assumptions affecting the aforementioned assets and liabilities’ amounts, the disclosure of contingent receivables and liabilities existing on the financial statements’ preparation date and of the aforementioned income and expense amounts during the reported year. Although these calculations are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates (Note 4).

The Group’s Management monitors closely the developments in the international economic scene and is ready and flexible to be adapted accordingly.

The main priorities of the SIDENOR Group are:

- the preservation and further increase of its market shares, based on its established strong distribution network

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- the permanent and continuous reinforcement of its presence in the markets of Central Europe, the Balkans and the neighboring Eastern Mediterranean countries, counterbalancing in this way the considerable contraction in the construction section in the Greek market.
 - the reduction of the production costs
 - the effective management of its operating capital

Consequently the Group and the Company continue to adopt the “principle of going concern” in preparing individual and consolidated financial statements for the year ended December 31, 2011.

2.2 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 is not relevant to the Group.

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 is not relevant to 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.

Standards and Interpretations effective from periods beginning on or after 1 January 2012**IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after 1 January 2015)

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 2015.

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.

IFRIC 20 “Stripping costs in the production phase of a surface mine” (Effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

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.

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 7 (Amendment) “Financial Instruments: Disclosures” (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment 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.

2.3 Consolidation

(a) *Subsidiary companies*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Total income is proportionally attributed to the owners of the parent company and to other shareholders, even if the balance attributed to the later ones is in debit.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. By each case of purchase the Group recognizes eventual non-controlling interest of the subsidiary either in its fair value or in the value of the share of the non-controlling interest in the net position of the subsidiary.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. In case that the contingent consideration is classified as equity item it is not re-measured until the final settlement through equity.

If Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company records its investments in subsidiary companies, in its corporate financial statements, at cost less devaluation.

(b) *Increase of equity participation in subsidiaries*

The Group handles the transactions with non-controlling interests equally with the transactions with the main shareholders of the Group. Regarding purchases made by non-controlling interests, the difference between the paid value and the book value of the acquired equity share of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, the remaining percentage of participation is re-measured to its fair value and eventual resulting differences are recorded as profit or loss. Afterwards,

this asset is recognized as an associate, joint venture or financial asset. In addition, relevant amounts previously recorded in the net position are accounted for as if the related assets or liabilities had been sold, i.e. they are transferred to be classified to profit or loss.

(c) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but the Group's significant influence is retained, only a proportionate share of the amounts previously recognised in net worth is reclassified to profit or loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are eliminated, also to the extent of the Group's interest in them, unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the parent company's financial position associates are evaluated at cost less impairment.

2.4 Segment Reporting

The operating segments are presented in a manner consistent with its internal financial reports, in accordance with the Group's management.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange differences from non-monetary items carried at their fair value are considered as the price of fair value and consequently are recorded where also its differences are recorded.

(c) *Group Companies*

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Property, Plant and Equipment

All property, plant and equipment, is shown at cost less subsequent depreciation and impairment. Acquisition cost may also include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Buildings	10-33	Years
- Machinery	5-20	Years
- Vehicles	6-7	Years
- Furniture, fittings and equipment	3-8	Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When an asset's carrying amount is greater than its estimated recoverable amount, the difference (impairment) is written down immediately to results

Upon sale of tangible fixed assets, any difference between the proceeds and their book value is recorded as profit or loss in the operating results.

Financial assets concerning the construction of assets are being capitalized for the period needed until the completion of the construction. All other financial expenses are recognized in the income statement.

2.7 Intangible Assets

Computer Software

Acquired computer software licenses are valued at the acquisition cost less any accumulated depreciation, less any accumulated impairment. These costs are amortized based on the fixed amortization method over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognized as an expense in the Income Statement as incurred.

Development Expenses

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when it is probable that the project will be successful, considering its commercial and technological feasibility, and also the costs can be measured reliably. Other development expenditures, that do not satisfy the standards above, are recognized as an expense in the income statement as incurred. Development costs that have been capitalized are amortized from the commencement of their production on a straight line basis over the period of its useful life, not exceeding 5 years.

Goodwill

Goodwill represents the difference between the acquisition cost and the fair value of the subsidiary's equity at the acquisition date. Goodwill on acquisitions of subsidiaries is recognized in intangible assets. Goodwill is not amortized and is tested annually for impairment and recognized at cost less any impairment losses. Losses of goodwill are not reversed.

Licenses

Licenses are carried at cost less amortization. The amortization using the straight-line method calculated from the date of the right until the expiration date of license.

2.8 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

2.9 Offset of Financial Data

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, in so far as there is a legal right to offset and the intention to settle them on a net basis or to recognize the asset and to settle the liability at the same time.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. (current cash flow value that is expected to be created based on the management's estimation for the future financial and operational conditions). The cost of impairment is recognized as cost at the Income Statement during the fiscal year of the impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.11 Financial assets

The Group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category includes financial assets held for sale in a short time period. Moreover, it includes derivatives, unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The purchase and sales of investments are recorded for on the trade-date, which the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Then, the available-for-sale financial assets are evaluated at fair value and the relevant profits or losses are recorded in the reserves of equity. During the sale or when designated as impaired, the profits and losses are carried over to the results. Impairment losses being recognized in profit or loss shall not be reversed through the results.

Realized and non-realized profits or losses arising from the changes in the fair values of the financial assets evaluated at fair value through profit or loss are presented in the income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. As regards non traded assets, their fair value is established using measurement techniques such as analysis of recent transactions, comparable assets traded and cash flow discounting.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If impairment is demonstrated, accumulated loss in equity which is the difference between the cost of acquisition and the fair value shall be carried over to results. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

2.12 Derivative Financial Instruments

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within other gains/(losses) – net.

2.13 Inventories

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

2.14 Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.15 Cash and equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

2.16 Share capital

Ordinary shares are classified as equity.

Direct expenses attributable to the issue of new shares appear following the subtraction of the relevant income tax, as a deduction in net worth.

Treasury share acquisition cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included as reserves in equity attributable to the Company's equity holders.

2.17 Suppliers

The trade payables are accounted for initially at fair value and later on are evaluated at the net value using the effective interest method.

2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. In this case borrowings are classified as non-current liabilities.

2.19 Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

2.20 Income Tax

Income tax is calculated based on the tax rates enacted and in effect in the countries where the Group operations take place, and is recognized as an expense during the year in which the related income arises.

2.21 Employee benefits

- (a) *Pension obligations*

The employee benefits after their retirement include defined contribution programs and defined benefit programs.

The accrued cost of defined contribution programs is recognized as expense during the relevant period.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives. Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Short term benefits

Short term employee benefits both in money and kind are accounted for as expense when they occur.

2.22 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

2.23 Share Options Plan to Employees

The company has granted prior to 2002, rights for the acquisition of shares (Share Option Plans) to certain executives which are vesting gradually from year 2002 up to year 2011. The exercise price of the right was fixed as the mid-closing price of the share on the Athens Stock Exchange. The company did not account for these Share Options in accordance with provisions of IFRS 2 "Share Based Payments", since they were granted before November 7, 2002, the effective date which IFRS 2 provisions become applicable, apart from the paragraphs 44 and 45 of the IFRS 2.

2.24 Provisions

A provision shall be recognized when:

- i. an entity has a present obligation (legal or constructive) as a result of a past event;
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.25 Revenue Recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Intercompany revenues within the Group are fully written off in the consolidated financial statements. Revenue is recognized as follows:

(a) *Sales of goods — wholesale*

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) *Sales of services*

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) *Interest income*

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Thereafter, interests are calculated by using the same rate on the impaired value (new accounting value).

(d) *Dividends*

Dividends are recognized when the right to receive payment is established.

2.26 Leases

Company Group as lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.28 Roundings

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.

2.29 Earnings per Share

The basic earnings per share calculated by dividing the profits attributable to equity holders of the 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.

The diluted earnings per share are calculated by dividing the net profit given to the shareholders of the parent company (since first subtracting the interest rate on the convertible ordinary shares, after taxes) with the weighted average number of ordinary shares (adjusted by the influence of the diluted converted shares).

3 Financial risk management

The Group is exposed to Credit Risk, Liquidity Risk and Market Risk arising from the use of its financial instruments. This memo provides information regarding the exposure of the Group to each of the above risks, the goals of the Group, its risk assessment and management policies and procedures, as well as the Group's capital management. More quantitative information on these notifications is included throughout the Financial Statements.

The Group's risk management policies are implemented in order to identify and analyse risks faced by the Group as well as to set risk-taking limits and implement controls thereon. Risk management policies and related systems are periodically monitored, in order to ensure that they incorporate the changes in market conditions and in the Group's activities.

The Internal Audit department is responsible for monitoring compliance with risk management policies and procedures. The department carries out regular as well as special audits in order to ascertain compliance with proper procedures and its findings are communicated to the Board of Directors.

3.1 Market Risk

3.1.1 Foreign exchange risk

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

To avoid this risk the Group makes use of forward contracts and pay his vendors promptly.

If, as at 31.12.2011, the EURO was appreciated by 10% (2010:10%) compared to Russian ruble, with other variables remaining fixed, the Group's net worth would be decreased by €2,795,516 (2010: 2,519,000), while if it was depreciated by 10% (2010: 10%) the Group's net worth would be increased by € 3,416,742 (2010: 3,079,000).

If, as at 31/12/2011, USD was appreciated/ depreciated by 10% compared to the EURO, with the other variables remaining fixed, profit after taxes of the Group would be increased/ decreased by €3,576 thousand (2010: decreased by €4,297 thousand) and €4,371 thousand (2010: increased by € 5,252 thousand) respectively, mainly due to the currency losses/gains occurring from the conversion to EURO of the receivables, liabilities and cash and cash equivalents in USD. Net Assets would be respectively affected.

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 Euro.

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

3.1.2 Price risk

The purpose of risk management against market conditions is to control the Group's exposure to those risks, within the framework of acceptable parameters while optimizing results.

α) Products

The main market risk is the risk of fluctuations in the prices of raw materials (scrap), which determine to a great extent the final price of the products. Group policy is to show inventories at the lower value between acquisition cost and net realizable value. In periods of price fluctuation results are affected by the depreciation of the value of stocks. The Group makes hedging using derivative financial products where available.

β) 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 re-examines said classification on each presentation date.

There is no risk exposure for the group from the listed companies' share price fluctuation as only a very small number of shares are held in its possession.

3.1.3 Cash flow and fair value interest rate risk

The Group finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that charges 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, as part of the Group's loans is subject to fixed interest rates, or directly with the use of financial instruments (interest rates Swaps).

If, as at 31/12/2011, interest rates were increased (decreased) by 0.25% / (-0.25%), the Group's profits before taxes effect would be (loss) / profit equal to (-€1,456 thousand). / €1,456 thousand. Under the same scenario, the company's profits before taxes effect would be (loss) / profit equal to (-€293 thousand) / €293 thousand. Group and Company net assets would be affected proportionally.

Respectively, if, as at 31/12/2011, interest rates were increased (decreased) by 0.25% / (-0.25%), the Group's profits before taxes effect would be (loss) / profit equal to (-€1,401 thousand). / €1,401 thousand. Under the same scenario, the company's profits before taxes effect would be (loss) / profit equal to (-€452 thousand) / €452 thousand. Group and Company net assets would be affected proportionally.

3.2 Credit risk

Credit risk refers to the Group's risk of incurring a loss in the event a customer or third party fails to fulfil his contractual obligations under a financial instrument agreement and is related primarily to receivables from customers. Credit risk arises from cash and cash equivalents, investments and derivative financial instruments (Note 16).

3.2.1 Customers 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 mainly determined based on the insurance limits set by the insurance companies based on which the company proceeds with insuring the 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. Customers and other receivables mainly concern wholesale customers of the Group. Customers characterized as "high risk" are placed on a special list and future sales have to 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 records a depreciation provision which represents its assessment of losses incurred in relation to customer liabilities, other receivables. This provision mainly consists of losses due to the devaluation of specific receivables that were deemed realizable in relation to specific conditions but which have not as yet been finalized.

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.

3.2.2 Guarantees

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

3.3 Liquidity Risk

Liquidity risk is the risk whereby the Group may be unable to fulfil 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 fulfil 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 enough cash reserves in order to cover its operational costs, including the fulfilment of its financial obligations. The effect of unforeseeable extreme circumstances is not taken into consideration in this policy.

The leverage ratio at December 31, 2011 and 2010 were as follows:

		CONSOLIDATED DATA	
	Note	31/12/2011	31/12/2010
Total borrowing	20	593.448.896	499.471.911
Less			
Cash and cash equivalents	16	-47.427.286	69.003.735
Net borrowing		546.021.610	568.475.646
Total net worth		540.166.817	600.492.880
Total employed capital		1.086.188.427	1.030.961.055
Leverage ratio		50%	42%

3.4 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 preferred shares and minority interests into consideration. 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.

Debt Ratio	$\frac{\text{Long Term Liabilities}}{\text{Long Term Liabilities} + \text{Total Equities}}$	0,32
Interest Coverage Ratio	$\frac{\text{EBITDA}}{\text{Total Interest}}$	1,1
The capital to non-current assets ratio	$\frac{\text{Total Equities}}{\text{Total Non - Current Assets}}$	70%

The Group does not have a specific own share buyback plan.

No changes occurred insofar as the approach adopted by the group in relation to capital management during the fiscal period being reported.

3.5 Fair value estimation

The Group applies the revised IFRS 7 with regards to the financial data appearing in financial statements in fair value.

The different levels are defined as follows:

<i>Amounts in Euro</i>		CONSOLIDATED DATA							
		31/12/2011				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	-	1.544.500	5.150	1.678.442	-	1.683.592	
Financial assets at fair value	-	-	7.337	7.337	-	-	7.337	7.337	
Derivative financial assets	15	533.516	-	533.516	-	506.951	-	506.951	
		5.150	2.072.866	7.337	2.085.353	5.150	2.185.393	7.337	2.197.880
Derivative financial liabilities	15	-	-4.558.052	-	-4.558.052	-	-1.972.327	-	-1.972.327
		-	-4.558.052	-	-4.558.052	-	-1.972.327	-	-1.972.327

<i>Amounts in Euro</i>		COMPANY DATA							
		31/12/2011				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	1.409.321	-	1.414.471	5.150	1.548.412	-	1.553.562	
Derivative financial assets	-	126.926	-	126.926	-	-	-	-	
		5.150	1.536.247	-	1.541.397	5.150	1.548.412	-	1.553.562
Derivative financial liabilities for cash flow hedging	15	-	-33.196	-	-33.196	-	-77.480	-	-77.480
		-	-33.196	-	-33.196	-	-77.480	-	-77.480

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.

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.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) The Group recognizes provisions for anticipated negative outcome of legal cases based on assessments performed the Group's Legal Department.

c) Also, provisions are recognized, based on historical information and past experience, for estimated losses that are expected to arise in the future due to customer claims for contractual obligations undertaken by the Group.

d) The Group recognizes provisions for impairments to investments taking into account the future gains from those investments.

e) Employee benefits

The current value of the employee benefit commitments is based on a number of factors specified actuarially using some assumptions. The assumptions used to define the net expenditure of employee benefits include discount rates, future pay raises as well as inflation rates. Possible changes in these assumptions would affect the accounting value of the commitment.

The present value of the defined benefits is calculated based on the appropriate discount rate (Bond index "iBoxx AA-rated Euro corporate bond 10+year") plus increases in staff salaries. The assumptions used are further illustrated in Note 21.

The present value of defined benefit plans is determined using the appropriate discount rate plus increases in staff salaries

4.2 Critical judgments in applying the entity's accounting policies

By application of the provisions of IAS 2, according to which inventories are valued at the lower of the acquisition cost and the net realizable value, a depreciation of €(198) thousand for the Group. The above amount burdened the results of the period.

5 Segment Information

Primary reporting format – business sectors

The Group is divided into two business sectors:

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

The results per segment for the year ended 31 December 2011 are as follows:

	Steel		
	Construction Products	Pipes	Total
12 months ended 31 December 2011 (Amounts in Euro)			
Total gross sales per segment	1.263.768.354	276.674.425	1.540.442.779
Intra-company sales	-276.094.564	-16.991.321	-293.085.884
Net sales	987.673.790	259.683.104	1.247.356.894
Operating results	-34.108.630	6.433.062	-27.675.568
Financial income	1.079.061	298.730	1.377.791
Financial expenditures	-31.273.478	-3.859.605	-35.133.084
Profits/losses of associates	-29.949	-	-29.949
Share results by subsidiaries	-989.382	3.062.867	2.073.485
Profits / (losses) before taxes	-65.322.378	5.935.054	-59.387.324
Income tax expense	4.631.231	-1.142.586	3.488.645
Net profits/(losses)	-60.691.147	4.792.468	-55.898.679
	Steel		
	Construction Products	Pipes	Total
31/12/2011 (Amounts in Euro)			
Assets (apart from investments in associates)	1.077.841.247	297.225.891	1.375.067.138
Investments in Associates	16.507.531	13.303.791	29.811.322
Total Assets	1.094.348.778	310.529.682	1.404.878.460
Total liabilities	714.409.507	150.302.136	864.711.643

Other items per segment included in the results for the year ended 31 December 2011

	Steel		
	Construction Products	Pipes	Total
12 months ended 31 December 2011 (Amounts in Euro)			
Depreciation of property, plant and equipment	50.311.831	12.086.758	62.398.590
Depreciation of intangible assets	86.461	6.383	92.844
Total depreciation	50.398.292	12.093.141	62.491.434
Impairment of receivables	-888.758	-9.679.514	-10.568.272
Impairment of inventories	962.000	-264.411	697.589
Investments in tangible, intangible assets and investments in fixed assets	34.537.792	2.221.220	36.759.012

The results per segment for the year ended 31 December 2010 are as follows:

	Steel		
	Construction Products	Pipes	Total
12 months ended 31 December 2010 (Amounts in Euro)			
Total gross sales per segment	1.054.198.363	166.755.710	1.220.954.073
Intra-company sales	-218.032.591	-9.503.450	-227.536.041
Net sales	836.165.772	157.252.260	993.418.032
Operating results	-13.881.520	2.984.455	-10.897.066
Financial income	1.629.024	46.655	1.675.678
Financial expenditures	-19.290.864	-2.408.690	-21.699.554
Participation income	118.647	-	118.647
Profits/losses of associates	-49.728	-	-49.728
Share results by subsidiaries	-972.078	1.845.679	873.601
Profits / (losses) before taxes	-32.446.519	2.468.098	-29.978.421
Income tax expense	7.911.710	-4.407.194	3.504.516
Net profits/(loss)	-24.534.810	-1.939.095	-26.473.905
	Steel		
	Construction Products	Pipes	Total
31/12/2010 (Amounts in Euro)			
Assets (apart from investments in associates)	1.079.586.046	250.582.651	1.330.168.697
Investments in Associates	17.862.975	11.497.801	29.360.776
Total Assets	1.097.449.020	262.080.452	1.359.529.473
Total liabilities	655.127.546	103.909.047	759.036.593

Other items per segment included in the results for the year ended 31 December 2010

12 months ended 31 December 2010 (Amounts in Euro)	Steel		
	Construction Products	Pipes	Total
Depreciation of property, plant and equipment	48.645.500	12.125.368	60.770.868
Depreciation of intangible assets	146.663	6.383	153.046
Total depreciation	48.792.162	12.131.751	60.923.913
Impairment of receivables	-1.833.064	33.428	-1.799.636
Impairment of inventories	2.058.946	7.091.856	9.150.802
Investments in tangible, intangible assets and investments in fixed assets	40.971.516	1.051.859	42.023.375

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

Services to and from the segments, as well as sales/purchases of goods, are conducted in accordance with prevailing market conditions. There are no special rules of payment for amounts due and no interest is charged.

Secondary Reporting Format – Geographical Segment

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Sales				
Greece	219.420.709	280.960.215	88.961.731	112.256.276
European Union	682.851.921	472.062.994	115.676.712	79.533.921
Other European countries	138.767.989	122.765.186	54.452.409	46.568.138
Asia	72.323.914	20.073.510	3.968.266	142.458
America	94.062.906	50.524.893	7.950.211	9.827.937
Africa	39.929.455	47.031.234	5.520.794	5.538.483
Total	1.247.356.895	993.418.032	276.530.121	253.867.213
Analysis of sales per category				
<i>Amounts in Euro</i>	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Sales of merchandise & products	1.458.957.885	1.150.655.444	251.095.098	231.905.442
Income from services	58.031.744	49.354.119	14.917.022	15.214.776
Other	23.453.150	21.801.009	10.518.000	6.746.994
Intra-company	-293.085.884	-228.392.541	-	-
Total	1.247.356.895	993.418.032	276.530.121	253.867.213
Total assets other than Associates	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Greece	975.748.147	1.005.004.413	581.497.553	592.883.876
Abroad	399.318.989	325.164.284	-	-
Total	1.375.067.137	1.330.168.697	581.497.553	592.883.876
Investments in Associates				
Greece	11.850.404	12.598.973	8.669.659	7.694.659
Abroad	17.960.918	16.761.803	3.234.352	3.234.352
Total	29.811.322	29.360.776	11.904.011	10.929.011
Total Assets	1.404.878.459	1.359.529.473	593.401.564	603.812.887
Investments in property, plant and equipment and intangible assets	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Greece	21.230.465	25.846.750	4.371.883	2.199.176
Abroad	15.528.546	16.176.625	-	-
Total	36.759.012	42.023.375	4.371.883	2.199.176

6 Property, plant and equipment and intangible assets

Property, plant and equipment

CONSOLIDATED DATA

Amounts in Euro

	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Cost							
Balance as at January 1st 2010	91.985.432	224.038.028	693.281.645	6.332.849	16.170.758	67.212.491	1.099.021.203
Foreign exchange differences	-21.880	-128.799	-163.244	-1.666	7.333	-51.761	-360.017
Additions	49.526	1.509.415	13.790.451	78.183	913.224	25.537.035	41.877.834
Sales	-	-	-2.256.818	-90.977	-159.094	-	-2.506.890
Write-offs	-	-	-	-	-11.713	-	-11.713
Adjustments	-	-	-	-	-	-362.201	-362.201
Transfer to current assets	-	-42.878	-	-	-	-837.738	-880.616
Spare part consumption	-	-	-1.085.900	-	-	-	-1.085.900
Transfer to non-current intangible assets	-	606.237	18.004.369	520	-77.045	-18.554.082	-20.000
Sales of subsidiaries	-	-	-	-	-5.292	-	-5.292
Balance as at December 31st 2010	92.013.077	225.982.003	721.570.504	6.318.909	16.838.171	72.943.743	1.135.666.407

	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Accumulated depreciation							
Balance as at January 1st 2010	-	-56.145.876	-239.824.368	-4.254.569	-13.572.134	-	-313.796.947
Foreign exchange differences	-	8.512	21.648	312	-6.573	-	23.899
Depreciation for the year	-	-10.937.179	-48.489.677	-419.986	-924.026	-	-60.770.868
Sales	-	-	870.692	56.185	110.070	-	1.036.946
Write-offs	-	-	-	-	11.791	-	11.791
Adjustments	-	-7.073	-150.862	-	237	-	-157.697
Transfer to current assets	-	9.402	-	-	-	-	9.402
Spare part consumption	-	-	566.262	-	-	-	566.262
Reclassifications	-	-1.986	-25.776	90.078	-62.316	-	-
Sales of Subsidiaries	-	-	-	-	4.191	-	4.191
Balance as at December 31st 2010	-	-67.074.200	-287.032.082	-4.527.979	-14.438.761	-	-373.073.021

Net book value as at December 31st 2010

92.013.077 158.907.803 434.538.422 1.790.930 2.399.410 72.943.743 762.593.386

Amounts in Euro

	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Cost							
Balance as at January 1st 2011	92.013.077	225.982.003	721.570.504	6.318.909	16.838.171	72.943.743	1.135.666.407
Foreign exchange differences	6.916	70.586	77.341	727	7.430	11.206	174.207
Additions	1.769.160	8.113.092	8.633.120	217.021	727.263	17.281.413	36.741.070
Sales	-153.503	-	-1.013.013	-11.383	-63.170	-	-1.241.069
Write-offs	-	-4.418	-89.554	-22.076	-147	-14.327	-130.522
Transfer to receivables	-	-	-	-19.278	-	-	-19.278
Transfer to expenses	-	-	-	-	-	-15.439	-15.439
Spare part consumption	-	-	-1.306.307	-	-	-	-1.306.307
Reclassifications	100.454	6.408.966	9.878.333	-	41.839	-16.429.592	-
Acquisition of subsidiaries	144.006	402.031	1.205.982	13.900	2.870	-	1.768.790
Balance as at December 31st 2011	93.880.111	240.972.260	738.956.407	6.497.819	17.554.257	73.777.005	1.171.637.859

	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Accumulated depreciation							
Balance as at January 1st 2011	-	-67.074.200	-287.032.082	-4.527.979	-14.438.761	-	-373.073.021
Currency exchange differences	-	-4.356	-10.143	-232	-6.273	-	-21.003
Depreciation for the year	-	-11.342.660	-49.744.019	-408.775	-903.136	-	-62.398.591
Sales	-	-	389.882	4.506	62.005	-	456.394
Write-offs	-	3.380	89.554	22.076	147	-	115.156
Spare part consumption	-	-	797.865	-	-	-	797.865
Reclassifications	-	-	-55.326	-	55.326	-	-
Balance as at December 31st 2011	-	-78.417.836	-335.564.268	-4.910.405	-15.230.692	-	-434.123.201

Net book value as of December 31st 2010

93.880.111 162.554.423 403.392.139 1.587.415 2.323.565 73.777.005 737.514.658

COMPANY DATA
Amounts in Euro

	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Cost							
Balance as at January 1st 2010	30.704.600	36.213.556	131.397.282	500.859	6.652.952	4.219.170	209.688.418
Additions	-	3.640	1.640.076	-	213.730	331.730	2.189.176
Sales	-	-	-1.263.137	-21.064	-110.286	-	-1.394.487
Transfer to current assets	-	-42.878	-	-	-	-837.738	-880.616
Spare part consumption	-	-	-224.912	-	-	-	-224.912
Transfer to non-current intangible assets	-	-	80.576	-	-	-100.576	-20.000
Balance as at December 31st 2010	30.704.600	36.174.317	131.629.884	479.795	6.756.396	3.612.586	209.357.579
Accumulated depreciation							
Balance as at January 1st 2010	-	-9.265.574	-48.356.283	-478.389	-6.237.352	-	-64.337.599
Depreciation for the year	-	-1.728.879	-8.646.315	-7.572	-240.396	-	-10.623.162
Sales	-	-	-	21.064	99.175	-	120.238
Transfer to current assets	-	9.402	-	-	-	-	9.401,94
Spare part consumption	-	-	120.545	-	-	-	120.545,49
Balance as at December 31st 2010	-	-10.985.052	-56.882.052	-464.898	-6.378.574	-	-74.710.575
Net book value as at December 31st 2010	30.704.600	25.189.266	74.747.833	14.898	377.822	3.612.586	134.647.004

Amounts in Euro

	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Cost							
Balance as at January 1st 2011	30.704.600	36.174.317	131.629.884	479.795	6.756.396	3.612.586	209.357.579
Additions	319.073	21.834	1.153.438	20.130	125.803	2.731.606	4.371.883
Sales	-218.662	-353.400	-296.384	-	-47.605	-	-916.051
Spare part consumption	-	-	-77.393	-	-	-	-77.393
Balance as at December 31st 2011	30.805.011	35.842.751	132.409.546	499.925	6.834.594	6.344.191	212.736.018
Accumulated depreciation							
Balance as at January 1st 2011	-	-10.985.052	-56.882.052	-464.898	-6.378.574	-	-74.710.575
Depreciation for the year	-	-1.719.734	-8.463.579	-9.623	-181.265	-	-10.374.200
Sales	-	131.458	148	-	46.441	-	178.047
Spare part consumption	-	-	40.554	-	-	-	40.554
Balance as at December 31st 2011	-	-12.573.327	-65.304.929	-474.521	-6.513.398	-	-84.866.174
Net book value as of December 31st 2010	30.805.011	23.269.424	67.104.617	25.404	321.196	6.344.191	127.869.844

Mortgages and underwriting in favor of banks for loans of €42,819 thousand in the current balance sheet are outstanding on the fixed assets of subsidiary companies.

The income statement includes rents amounting to a total of €2,742 thousand (2010: €3,242 thousand) and €1,003 thousand (2010: €975 thousand) for the Group and the Company respectively, with regard to lease of vehicles, machinery and buildings (note 25).

During the financial year, the subsidiary SOVEL made a total investment of € 8,734 thousand for the construction of the new mill (Compact Mill). The investment amount was covered by € 8,700 thousand bond loans. The interest on these loans for the financial year amounted to € 418 thousand. The interest amount increased the value of the investment.

Machinery and vehicles included in the above held under finance leases:

Machinery
Amounts in Euro

	CONSOLIDATED DATA	
	31/12/2011	31/12/2010
Cost – Capitalised financial leases	9.069.380	9.069.380
Accumulated depreciation	-5.862.759	-5.313.053
Net book value	3.206.621	3.756.327

Vehicles
Amounts in Euro

	CONSOLIDATED DATA	
	31/12/2011	31/12/2010
Cost – Capitalised financial leases	377.318	377.318
Accumulated depreciation	-332.013	-294.281
Net book value	45.305	83.037

Intangible assets

<i>Amounts in Euro</i>	Trade					Total
	Goodwill	Development Expenses	marks and licences	Software	Other	
Cost						
Balance as at January 1st 2010	-	374.244	-	1.345.250	463.944	2.183.438
Foreign exchange differences	-	-	-	-988	-2.632	-3.620
Additions	-	-	-	62.491	83.050	145.541
Transfer from non-current tangible assets	-	-	-	20.000	-	20.000
Balance as at December 31st 2010	-	374.244	-	1.426.753	544.362	2.345.359
Accumulated depreciation						
Balance as at January 1st 2010	-	-360.678	-	-1.144.836	-16.223	-1.521.737
Foreign exchange differences	-	-	-	603	697	1.300
Depreciation	-	-6.383	-	-117.452	-29.211	-153.046
Balance as at December 31st 2010	-	-367.061	-	-1.261.684	-44.737	-1.673.483
Net book value as at December 31st 2010	-	7.183	-	165.069	499.624	671.876
	Development Σήματα και					Total
<i>Amounts in Euro</i>	Υπεραξία	Expenses	άρθρα και	Software	Other	
Cost						
Balance as at January 1st 2011	-	374.244	-	1.426.753	544.362	2.345.359
Foreign exchange differences	-	-	-	267	1.244	1.511
Additions	-	-	-	6.706	11.237	17.942
Acquisition of subsidiaries	779.496	-	436.188	2.832	-	1.218.516
Balance as at December 31st 2011	779.496	374.244	436.188	1.436.558	556.842	3.583.328
Accumulated depreciation						
Balance as at January 1st 2011	-	-367.061	-	-1.261.684	-44.737	-1.673.483
Foreign exchange differences	-	-	-	-137	-383	-520
Depreciation	-	-6.383	-	-60.327	-26.135	-92.844
Balance as at December 31st 2011	-	-373.444	-	-1.322.148	-71.255	-1.766.847
Net book value as of December 31st 2011	779.496	800	436.188	114.409	485.588	1.816.481

COMPANY DATA

<i>Amounts in Euro</i>	Software	Total
Cost		
Balance as at January 1st 2010	315.943	315.943
Additions	10.000	10.000
Transfer from non-current tangible assets	20.000	20.000
Balance as at December 31st 2010	345.943	345.943
Accumulated depreciation		
Balance as at January 1st 2010	-261.407	-261.407
Depreciation for the year	-54.532	-54.532
Balance as at December 31st 2010	-315.939	-315.939
Net book value as at December 31st 2010	30.004	30.004
	Software	Total
Cost		
Balance as at January 1st 2011	345.943	345.943
Balance as at December 31st 2011	345.943	345.943
Accumulated depreciation		
Balance as at January 1st 2011	-315.939	-315.939
Depreciation for the year	-6.000	-6.000
Balance as at December 31st 2011	-321.939	-321.939
Net book value as of December 31st 2011	24.004	24.004

In consolidated account of other intangible assets, value of € 449 thousand is related to land contribution to industrial area administrator.

7 Non-Current Assets Available for Sale

The Group has no non-current assets available for sale.

8 Investments in associates

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Beginning of the period	29.360.776	28.983.897	10.929.011	10.929.011
Share in profit / (loss) after tax	2.073.485	873.601	-	-
Income from dividends (-)	-1.268.733	-1.419.242	-	-
Foreign exchange differences	-464.693	922.519	-	-
Additions	-	-	975.000	-
Increase of participation percentage in associate	110.487	-	-	-
Balance at the period end	29.811.322	29.360.776	11.904.011	10.929.011

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

Company	Country	Participation Rate	
		31-Dec-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	34,00%	29,10%

Condensed financial information of Associates	31-Dec-11	31-Dec-10
Assets	234.657.314	254.309.160
Liabilities	167.124.773	177.713.227
Revenues (Sales)	196.567.447	190.036.130
Profit/ (loss) after tax	-5.212.746	-1.523.307

During the financial year, the parent company SIDENOR acquired from its subsidiary PRAKSYS, its share in the related company AWM (10%), for the amount of € 975 thousand.

9 Investments in subsidiaries

<i>Amounts in Euro</i>	COMPANY DATA	
	31/12/2011	31/12/2010
Beginning of the year	212.338.804	210.089.260
Additions	2.289.642	2.326.544
Return of subsidiary's share capital	-10.895	-77.000
Transfer of impairment provisions	139.091	-
Balance at the period end	214.756.642	212.338.804

Investments in subsidiaries which are fully consolidated are as follows:

Company	Country of Establishment	Direct Participation %	Indirect Participation %	Direct & Indirect Participation %	Activity sector
2011					
Επωνυμία					
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
THERMOLITH S.A.	Greece	0,00%	63,00%	63,00%	
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	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%	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 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

Company	Country of Establishment	Direct Participation %	Indirect Participation %	Direct & Indirect Participation %	Activity sector
2010					
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
ETAL S.A.	Greece	0,00%	0,00%	0,00%	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 financial year, the parent company SIDENOR acquired from a third party the 25% of DOJRAN and the 1.26% of SOVEL, for the amount of € 1.000 thousand and € 1.269 thousand respectively.

Sidenor also participated in the share capital increase of VEMET with the percentage (99.99%) having paid € 21 thousand.

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

The subsidiary SOVEL increased its shareholding in its subsidiary BET by 1.73% with the purchase of shares from a third party, paying the amount of € 67 thousand.

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

Acquisition of Subsidiary

Also the subsidiary AEIFOROS acquired from third parties the 70% of the company THERMOLITH S.A., active in the field of mining and processing of industrial minerals and the production of refractories

The cost of participating in the acquisition amounted to € 1.500 thousand which may amount to 1.600 thousand. From the acquisition debit goodwill amounting to €779 thousand was created and was recorded in the intangible assets.

The minimum cost of participating in the acquisition amounts to € 1.500 thousand and may go up to € 1.600 according to the terms of acquisition, if, for the years 2013 and 2014, the profitability of the company is sustained.

The finalization of the distribution of these goodwill will be completed within 12 months from the date of acquisition as required by IFRS 3.

10 Financial assets available for sale

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<u>Listed Securities</u>				
- Domestic participations	5.150	5.150	5.150	5.150
<u>Non-Listed securities</u>				
-Domestic participations	259.332	259.332	129.303	129.303
-Foreign participations	1.280.018	1.419.109	1.280.018	1.419.109
	1.544.500	1.683.592	1.414.471	1.553.562
Balance as at beginning of the year	1.683.592	1.485.009 0	1.553.562	1.354.368
Additions	-	200.192	-	200.192
Decrease due to share capital return	-	-1.610	-	-997
Impairment Transfer from subsidiaries	-139.091	-	-139.091	-
Balance as at year end	1.544.500	1.683.592	1.414.471	1.553.562
Non-Current Assets	1.544.500	1.683.592	1.414.471	1.553.562
	1.544.500	1.683.592	1.414.471	1.553.562

All participations are in Euros.

These financial assets are regularly assessed for impairment.

The fair value of non-listed securities is being determined through the expected future cash flow, based on the market interest rate and return of investments with similar risks.

The maximum exposure in credit risk at 31.12.2011 is the value in which the financial assets available for sale are being presented.

11 Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include the following:

<i>Amounts in Euro</i>	CONSOLIDATED		<u>COMPANY DATA</u>	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance as at beginning of the year	7.337	7.337	-	-
Balance as at year end	<u>7.337</u>	<u>7.337</u>	<u>-</u>	<u>-</u>
Current assets	7.337	7.337	-	-
	<u>7.337</u>	<u>7.337</u>	<u>-</u>	<u>-</u>

Financial assets at fair value through profit or loss include the following:

<u>Non-Listed securities</u>	CONSOLIDATED		<u>COMPANY DATA</u>	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
- Domestic participations	7.337	7.337	-	-
	<u>7.337</u>	<u>7.337</u>	<u>-</u>	<u>-</u>

12 Deferred Income Tax

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Deferred tax assets:				
Recoverable after 12 months	91.847	14.523	-	-
Total	<u>91.847</u>	<u>14.523</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities:				
Recoverable after 12 months	-54.488.953	-60.121.235	-12.732.965	-14.300.172
Total	<u>-54.488.953</u>	<u>-60.121.235</u>	<u>-12.732.965</u>	<u>-14.300.172</u>
Net deferred tax (liability)/ asset	<u>-54.397.106</u>	<u>-60.106.712</u>	<u>-12.732.965</u>	<u>-14.300.172</u>

The total change in deferred income tax is as follows:

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance at beginning of fiscal year	-60.106.713	-67.293.122	-14.300.173	-18.291.324
Foreign exchange differences	2.818	7.806	-	-
Acquisition of subsidiaries	8.707	-	-	-
Income statement (debit)/ credit	5.224.100	6.954.598	1.604.548	3.979.231
Tax (debited)/ credited to equity	473.981	224.004	-37.341	11.920
Balance at end of fiscal year	-54.397.106	-60.106.713	-12.732.966	-14.300.173

The movements in deferred tax assets and liabilities prior to offsetting are as follows:

CONSOLIDATED DATA	Depreciation difference	Difference in provisions	Non recognizable intangible assets	Tax losses	Other	Total
Balance as at January 1st 2010	-72.080.190	3.575.832	748.209	1.171.817	-708.789	-67.293.121
Foreign exchange differences	-	8.746	-	-940	-	7.806
(Debit)/credit to income statement	9.506.724	-1.488.330	-97.731	-1.116.338	150.271	6.954.598
(Debit)/ credit to Equity	-	-	-	-	224.004	224.004
Balance as at December 31st 2010	-62.573.466	2.096.249	650.478	54.540	-334.514	-60.106.712
Balance as at January 1st 2011	-62.573.466	2.096.249	650.478	54.540	-334.514	-60.106.713
Foreign exchange differences	-	3.314	-	-496	-	2.818
(Debit)/credit to income statement	3.874.657	-59.902	-29.295	-14.809	1.453.450	5.224.100
(Debit)/ credit to Equity	-	-	-	-	473.981	473.981
Acquisition of subsidiary	5.100	4.531	-924	-	-	8.707
Balance as at December 31st 2011	-58.693.709	2.044.192	620.259	39.235	1.592.917	-54.397.106
Deferred tax liabilities:						
COMPANY DATA						
<i>Deferred tax liabilities:</i>						
Balance as at January 1st 2010	-18.537.337	110.210	-12.542	-	148.346	-18.291.324
(Debit)/credit to income statement	3.340.458	754.710	12.542	-	-128.479	3.979.231
(Debit)/ credit to Equity	-	-	-	-	11.920	11.920
Balance as at December 31st 2010	-15.196.880	864.920	-	-	31.788	-14.300.172
Balance as at January 1st 2011	-15.196.880	864.920	-	-	31.788	-14.300.172
(Debit)/credit to income statement	981.943	50.309	-600	-	572.896	1.604.548
(Debit)/ credit to Equity	-	-	-	-	-37.341	-37.341
Balance as at December 31st 2011	-14.214.937	915.229	-	-	567.343	-12.732.965

Deferred tax is determined using tax rates that are expected to apply when the deferred income tax asset is realised or liability is settled.

The income tax rate applicable to companies transacting in Greece is 20%.

For the companies transacting in Cyprus, Bulgaria, Former Yugoslavic Republic of Macedonia, Albania and Serbia, the applicable tax rate is 10%.

Lastly, for the company transacting in Romania, the tax rate is 16%.

The deferred tax recognized in the net position relates to deferred tax arising from the change in the fair value of corresponding derivatives designated as cash flow hedge instruments.

13 Inventories

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Merchandise	18.102.332	11.022.140	6.836.220	3.905.448
Finished products	145.848.094	101.754.533	43.758.600	29.355.258
Semi-finished products	36.279.383	46.347.916	7.178.406	7.583.404
By-products & residues	2.382.693	2.679.697	989.890	1.228.353
Work in progress	296.855	299.134	-	-
Raw materials-consumables-spare parts & packaging materials	132.765.441	114.897.313	22.720.278	18.903.632
Advance payments for purchase of inventories	437.812	1.175.536	180.539	137.413
Total	336.112.610	278.176.267	81.663.933	61.113.508
Minus: Provisions for inventory impairment:				
Finished products	-198.468	-896.057	-	-962.000
	-198.468	-896.057	-	-962.000
Total net realizable value	335.914.142	277.280.210	81.663.933	60.151.508

Cost of inventories recorded as an expense in the cost of sales amounts to €897,206 thousand (2010: €662,259) and €207,199 thousand (2010: €181,482 thousand) for the Group and the Company respectively.

By application of the provisions of IAS 2, according to which inventories are valued at the lower of the acquisition cost and the net realizable value, a depreciation of EUR (198) thousand for the Group took place. The above amount burdened the results of the period.

The amount of impairment reserves arose from its subsidiary CORINTH PIPEWORKS S.A..

14 Trade & Other Receivables

<i>Current Assets</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euro</i>				
Trade Receivables	160.652.301	105.004.619	52.252.463	47.759.348
Minus: Impairment provisions	-10.368.453	-1.445.119	-92.127	-999.517
Net Trade Receivables	150.283.848	103.559.500	52.160.337	46.759.831
Other Advances	101.310	191.988	66.792	64.204
Notes receivable	7.384.366	10.679.493	5.426.260	8.373.157
Receivables from related parties	29.349.578	38.842.580	70.821.952	83.069.420
Receivables from other affiliates	-	2.264	-	-
Current tax receivables	12.368.234	10.116.777	2.706.739	37.448
Other Debtors	25.388.887	28.611.490	7.880.972	5.606.292
Other current receivables concerning financial institution	16.018.911	5.835.300	-	-
Receivables from related parties dividends	784.518	760.282	-	-
Income tax prepayment	255.082	201.541	-	-
Minus: Impairment provisions	-5.456.985	-3.812.045	-4.289.468	-2.682.077
Total	236.477.749	194.989.170	134.773.585	141.228.275
Income tax receivables	7.874.902	8.262.378	7.746.548	7.743.370
<i>Non-current assets</i>				
Non-current trade receivables	-	18.627.586	-	-
Minus: Provisions	-	-9.497.740	-	-
Non-current receivables from related parties	498.781	647.116	2.213.629	2.213.629
Buildings on third parties land	2.038.617	2.272.576	1.285.860	1.430.068
Other non-current receivables	3.327.322	3.106.002	1.302.050	1.317.591
Total	5.864.720	15.155.540	4.801.539	4.961.288
Total Receivables	250.217.371	218.407.088	147.321.672	153.932.933
<i>Receivables</i>				
Guarantees to secure receivables from Customers	60.843.680	46.166.265	29.382.741	2.169.500
Other receivables	1.680.017	1.681.342	1.534.130	1.534.130
Total	62.523.697	47.847.608	30.916.871	3.703.630

Trade receivables (only for overdue receivables – there have not been made provisions for bad debt)
Maturities

Trade receivables

	<u>31/12/2011</u>	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2010</u>
0-3 months	15.010.479	10.611.098	182.146	55.476
3-6 months	1.362.951	763.168	194.837	509.452
>6 months	11.224.696	9.263.679	5.340.619	6.174.749
Total	27.598.127	20.637.946	5.717.602	6.739.677

The other consolidated amounts € 122.686 thousand (2011) and € 82.922 thousand (2010) represent receivables from customers within the credit limit. The corresponding company's amounts are € 46.443 thousand (2011) and € 40.020 thousand (2010).

During FY 2010 the Company proceeded to an impairment of receivables (\$ 24.864.102 or € 18.627.586) being the result of delay in its collection. On 31/12/2011, the same amount is valued at € 19.216.402. 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, Management estimates that potential loss will not exceed the impaired amount of EUR € 9.641.291 (2010: € 9.497.740).

During FY 2010, due to the estimation that collection of the aforementioned receivable would not have taken place within the next 12 months, the company discounted the non - impaired portion of the receivable with a rate of 1,58% for 15 months.

For the said receivables the company has in its possession a type of collateral amounting to € 17.642.252.

The non-current receivables from buildings on third parties land, worth € 2.039 thousand for the Group and € 1.286 for the Company, are related to the undepreciated part of expenses regarding improvements made in Company's buildings installations and are on operational lease. Because of these improvements, the Company's is charged with reduced lease. The expenses in question are amortized according to the length of the lease, which will cease at 01/07/2021, and are recognized in the statement of profit and loss as leasing fees.

The other non-current receivables relate to guarantees given to third parties in the normal course of business and have an indefinite maturity date. The Group and the Company estimate that the remaining amounts receivable approximate to their fair values.

Trade receivables of the subsidiary CORINTH PIPEWORKS S.A., which have expired more than 6 months and have impaired, amounted to €19,486 thousand.

Financial instruments per Category
CONSOLIDATED DATA
Balances as at 31/12/2011
Amounts in Euro

Assets	Loans and Receivables	Assets at fair value through results	Derivatives for hedging	Available for sale	Total
Non-current financial assets available for sale	-	-	-	1.544.500	1.544.500
Trade and other receivables	159.238.321	-	-	-	159.238.321
Cash and cash equivalents	47.427.286	-	-	-	47.427.286
Current Derivative Financial Instruments	-	-	533.516	-	533.516
Current financial assets at fair value through profit or loss	-	7.337	-	-	7.337
Other current receivables concerning financial institution	16.018.911	-	-	-	16.018.911
Total	222.684.518	7.337	533.516	1.544.500	224.769.871

CONSOLIDATED DATA
Balances as at 31/12/2010
Amounts in Euro

Assets	Loans and Receivables	Assets at fair value through results	Derivatives for hedging	Available for sale	Total
Non-current financial assets available for sale	-	-	-	1.683.592	1.683.592
Trade and other receivables	172.302.005	-	-	-	172.302.005
Cash and cash equivalents	69.003.735	-	-	-	69.003.735
Current Derivative Financial Instruments	-	-	506.951	-	506.951
Current financial assets at fair value through profit or loss	-	7.337	-	-	7.337
Current receivables concerning financial institution	5.835.300	-	-	-	5.835.300
Total	247.141.041	7.337	506.951	1.683.592	249.338.920

COMPANY DATA
Balances as at 31/12/2011
Amounts in Euro

Assets	Loans and Receivables	Assets at fair value through results	Derivatives for hedging	Available for sale	Total
Non-current financial assets available for sale	-	-	-	1.414.471	1.414.471
Trade and other receivables	108.775.297	-	-	-	108.775.297
Cash and cash equivalents	8.320.060	-	-	-	8.320.060
Current Derivative Financial Instruments	-	-	126.926	-	126.926
Total	117.095.358	-	126.926	1.414.471	118.636.755

COMPANY DATA
Balances as at 31/12/2010
Amounts in Euro

Assets	Loans and Receivables	Assets at fair value through results	Derivatives for hedging	Available for sale	Total
Non-current financial assets available for sale	-	-	-	1.553.562	1.553.562
Trade and other receivables	141.990.619	-	-	-	141.990.619
Cash and cash equivalents	30.230.061	-	-	-	30.230.061
Total	314.211.298	-	-	1.553.562	173.774.242

15 Derivative Financial Instruments

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euro</i>				
Current assets				
Forward foreign exchange contracts for cash flow hedging	533.516	506.951	126.926	-
Total	533.516	506.951	126.926	-
Long term liabilities				
Interest rate swaps for cash flow hedging	-	291.003	-	77.480
Forward foreign exchange contracts for cash flow hedging	-	737.300	-	-
Total	-	1.028.303	-	77.480
Short term liabilities				
Interest rate swaps for cash flow hedging	196.369	-	33.196	-
Forward foreign exchange contracts for cash flow hedging	4.361.683	944.024	-	-
Total	4.558.052	944.024	33.196	-
Amounts recorded in the results as income or (expense)	-719.767	-4.388.515	-	-
Forward foreign exchange contracts for cash flow hedging				
	CONSOLIDATED DATA 31/12/2011		CONSOLIDATED DATA 31/12/2010	
	<1 year	1 - 2 years	<1 year	1 - 2 years
Inflows	53.236.483	-	18.648.310	12.088.142
Outflows	-55.630.341	-	-18.568.159	-12.491.045
Total	-2.393.858	-	80.151	-402.903
Details of interest rate swaps				
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Nominal value of interest rate swaps (in €)	15.000.000	18.750.000	5.000.000	8.750.000
Nominal value of forward foreign exchange (\$)	14.174.047	-	6.702.241	-
Nominal value of forwards (in USD)	105.449.075	75.647.393	-	-
Nominal value of forwards (in GBP)	140.000	619.000	-	-

The derivative financial asset rating based on the FITCH credit rating is as follows:

3. Derivative financial assets	CONSOLIDATED DATA		COMPANY DATA	
	Balance as at 31/12/11		Balance as at 31/12/11	
	Interest Rate Swaps	Currency Forwards	Interest Rate Swaps	Currency Forwards
B-	-	533.516	-	126.926
Total	-	533.516	-	126.926
	Balance as at 31/12/10		Balance as at 31/12/10	
	Interest Rate Swaps	Currency Forwards	Interest Rate Swaps	Currency Forwards
BB+	-	506.951	-	-
Total	-	506.951	-	-

The above derivative financial instruments cover foreign exchange market risks (US Dollars) as well as interest rate fluctuation risks.

Profits and losses relating to forward foreign exchange contracts recognized in equity (hedging reserve) on 31/12/2011 will be recognized in profit or loss during the next financial year.

Foreign exchange forwards

The notional principal amounts of the outstanding forward foreign exchange contracts on 31/12/2011 were USD 105.449.075 and GBP 140.000 compared to USD 75.647.393 and GBP 619.000 on 31/12/2010. Gains and losses from forward foreign exchange contracts recognised, in equity, on 31/12/2010 will be transferred to the Statement of Comprehensive Income in various dates, between one to five months from the Balance Sheet date.

16 Cash & Cash Equivalents

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash in hand and in banks	46.246	38.137	14.606	16.367
Short-term bank deposits	47.381.040	68.965.599	8.305.454	30.213.694
Total	47.427.286	69.003.735	8.320.060	30.230.061

Cash rating based on FITCH credit rating is as follows:

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
AAA	-	167.171	-	79.924
AA+	-	1.584.461	-	-
AA	51.406	34.552	-	4.860
AA-	-	62.702	-	22.277
A+	133.605	1.641.084	54.932	8.226
A	7.484.107	-	8.226	-
BBB+	-	43.209	-	10.657
BBB	-	14.164	-	-
BBB-	248.149	15.136	122.993	3.630
BB+	-	65.403.121	-	30.084.119
B-	39.463.773	-	8.119.303	-
Total	47.381.040	68.965.599	8.305.454	30.213.694

Cash and cash equivalents per currency

EURO	38.995.299
USD	6.525.328
BGN	378.858
LEU	701.527
LEK	42.884
MKD	526.365
RSD	220.623
GBP	437
ZLOTY	35.306
OTHER	661
Total	47.427.286

17 Share Capital

CONSOLIDATED DATA

<i>Amounts in Euro</i>	Number of shares	Common shares	Share premium	Total
1 January 2010	96.243.908	39.460.002	120.406.136	159.866.138
31 December 2010	96.243.908	39.460.002	120.406.136	159.866.138
31 Δεκεμβρίου 2011	96.243.908	39.460.002	120.406.136	159.866.138

18 Share Option Plan

The annual general meeting of the Company's shareholders on 26.06.2002 approved a stock option plan (the "Plan") relating to the offering of SIDENOR S.A. shares to the management and employees of the Company (and its associates). The Plan provided for the number of shares that will potentially be issued if all share options granted are exercised.

Every year, beginning in November 2002, the Company's Board of Directors has granted share purchase options which are assigned in a percentage of 10% per year, with the first year in which options may be exercised being 2006. The share options are granted to directors, key management and other executive employees. The options are cancelled if the beneficiary's employment with the Company or the Group is terminated before these are vested or exercised.

The precise number of share options granted to each beneficiary is fixed by a decision of the Company's Board of Directors, based on the beneficiary's position and performance.

Exercise period: The options may exercised during November, following a written notification by the beneficiary to the Company, and simultaneous payment of the exercise price.

Total consideration is paid in full at the exercise of the options.

No vested options were exercised during 2011. An analysis of the share options is presented below:

Year	Share Options provided for by the Plan	Options Vested	Options Exercised	Options to be exercised	Exercise Price	SCI	Share capital	Share Premium
2006	901.900	521.400	500.207	-	3,55	1.775.735	205.085	1.570.650
2007	401.693	76.100	122.658	-	3,55	435.436	50.290	385.146
2008	279.035	76.100	-	50.735	3,55	-	-	-
2009	279.035	76.100	114.417	76.100	3,55	406.180	46.911	359.269
2010	164.618	76.100	-	76.100	3,55	-	-	-
2011	164.618	76.100	-	76.100	3,55	-	-	-
		901.900	737.282	279.035		2.617.351	302.286	2.315.065

19 Other Reserves

CONSOLIDATED DATA

	Statutory reserve	Fair Value Reserve	Untaxed reserves	Other reserves	Total	Currency exchange difference consolidation for foreign subsidiaries	Total
<i>Amounts in Euro</i>							
Balance as of January 1st 2010	22.305.595	-186.537	80.622.271	2.770.630	105.511.985	-3.132.400	102.379.585
Currency translation differences	-	-	-	-	-	1.045.298	1.045.298
Transfer to reserves	437.980	-	-	-	437.980	-	437.980
Capitalization	8.726	-	-	-	8.726	-	8.726
Reserves distributed	8.939	-	-	-	8.939	-	8.939
Percentage increase of equity participation in subsidiaries	-113	-	-2.935	-	-3.104	-	-3.104
Other	-	-712.177	-	-	-712.177	-	-712.177
Balance as of December 31st 2010	22.761.127	-898.714	80.619.337	2.770.630	105.252.350	-2.087.103	103.165.248
Balance as of January 1st 2011	22.761.127	-898.714	80.619.337	2.770.630	105.252.350	-2.087.103	103.165.248
Currency translation differences	-	-	-	-	-	-303.744	-303.744
Transfer to reserves	195.277	-	-	-	195.277	-	195.277
Percentage increase / (decrease) of equity participation in subsidiaries	61.059	-2.045	470.508	2.461	531.989	-	531.989
Other	-	-1.535.993	-	-	-1.535.993	-	-1.535.993
Balance as of December 31st 2011	23.017.463	-2.436.752	81.089.845	2.773.062	104.443.624	-2.390.847	102.052.777

COMPANY DATA

	Statutory reserve	Fair Value Reserve	Untaxed reserves	Other reserves	Total
<i>Amounts in Euro</i>					
Balance as of January 1st 2010	14.511.503	-20.025	44.550.406	145.561	59.187.445
Other	-	-38.859	-	-	-38.859
Balance as of December 31st 2010	14.511.503	-58.885	44.550.406	145.561	59.148.585
Balance as of January 1st 2011	14.511.503	-58.885	44.550.406	145.561	59.148.585
Other	-	133.868	-	-	133.868
Balance as of December 31st 2011	14.511.503	74.984	44.550.406	145.561	59.282.454

Based on Greek tax legislation, tax-free reserves are exempted from income tax, provided that they are not distributed to the shareholders. The Group does not intend to distribute the tax-free reserves; therefore income tax that would arise if the tax-free reserves were distributed has not been estimated.

The amount from the currency differences for the consolidation of foreign enterprises, includes €-404 thousand from subsidiary companies and €100 thousand from affiliated companies.

20 Borrowings

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long term borrowings				
Bank loans	93.007.648	74.754.131	-	-
Bond Loans	82.056.672	111.333.336	47.416.672	67.833.336
Total long term borrowings	175.064.320	186.087.467	47.416.672	67.833.336
Current Borrowings				
Credit limits bank accounts	62.935.376	44.576.572	27.691.382	14.895.809
Bank loans	355.449.201	268.807.872	158.511.664	117.499.998
Total current borrowings	418.384.576	313.384.443	186.203.046	132.395.807
Total borrowings	593.448.896	499.471.911	233.619.718	200.229.143
Total Cash and Cash Equivalents	47.427.286	69.003.735	8.320.060	30.230.061
Net Debt	546.021.610	430.468.175	225.299.658	169.999.083

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

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Between 1 and 2 years	116.085.864	97.669.373	40.750.002	49.666.664
Between 2 and 5 years	52.737.158	88.418.094	6.666.670	18.166.672
Over 5 years	6.241.298	-	-	-
	175.064.320	186.087.467	47.416.672	67.833.336

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

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Bank loans (long-term)	4,64%	2,67%	-	-
Bank loans (short-term)	6,68%	5,32%	7,24%	4,25%
Bond Loans	4,80%	2,88%	5,30%	3,91%

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

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Up to 1 year	418.384.576	313.384.443	186.203.046	132.395.807
Between 1 and 2 years	116.085.864	97.669.373	40.750.002	49.666.664
Between 2 and 5 years	52.737.158	88.418.094	6.666.670	18.166.672
Over 5 years	6.241.298	-	-	-
Total	593.448.896	499.471.911	233.619.718	200.229.143

Total borrowings (per currency)	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Euro	562.605.792	469.636.424	232.736.966	199.779.794
USD	-	290	-	290
GBP	882.752	449.060	882.752	449.060
BGN	29.960.352	29.386.137	-	-
Total	593.448.896	499.471.911	233.619.718	200.229.143

The exposure of the Group's loans to interest rate changes and contractual reset dates are as follows:

Contractual reset dates	31/12/2011	31/12/2010	31/12/2011	31/12/2010
< 6 months	316.732.743	107.051.895	71.250.002	51.666.668
6 to 12 months	85.671.223	195.772.612	45.833.334	75.416.666

The Ordinary General Meeting that took place on 15/06/2010 decided upon the issue of € 70 m. Until 31/12/2011 the amount of €49.25 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.

21 Employee Retirement Obligations

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euro</i>				
Balance sheet liabilities for:				
Retirement benefits	6.172.948	6.119.817	2.004.741	1.939.643
<i>Amounts in Euro</i>				
Income statement charge				
Retirement benefits	1.388.750	1.369.364	336.191	283.433
Present value of unfunded obligations	4.701.818	6.162.092	1.617.176	2.229.918
Unrecognized actuarial (gains)/losses	1.657.420	147.247	417.524	-257.933
Unrecognised past service cost	-186.290	-189.522	-29.959	-32.342
	6.172.948	6.119.817	2.004.741	1.939.643
Balance sheet liability	6.172.948	6.119.817	2.004.741	1.939.643
Changes in the net liability recognised in the Balance Sheet				
Net liability at the beginning of the year	6.119.817	5.846.947	1.939.643	1.868.584
Benefits Paid	-1.358.276	-1.096.494	-271.093	-212.374
Acquisition of subsidiaries	22.657	-	-	-
Total expenditure recognized in the income statement	1.388.750	1.369.364	336.191	283.433
Net liability at end of year	6.172.948	6.119.817	2.004.741	1.939.643
Additional expenses or (income)	174.423	154.769	29.959	32.342
Actuarial loss or (gains)	-1.645.553	-147.247	-417.524	257.933
Present value of liability at end of year	4.701.817	6.127.339	1.617.176	2.229.918
Analysis of expenses recognized in the income statement				
Current service	553.413	649.836	206.763	222.845
Interest cost	291.602	321.627	103.605	116.095
Cost of additional benefits	272.484	71.447	21.759	-42.723
Arrangement costs from employee transfers	287.772	346.469	-	-
Cutback profit from employee transfers	-22.189	-36	-	-
Actuarial loss or (gains)	10.051	-9.313	1.681	-15.167
Expenses	-19.862	-28.065	-	-
Past Service Cost during the year	15.480	17.399	2.383	2.383
Total expenditure recognized in the income statement	1.388.750	1.369.364	336.191	283.433
The main actuarial assumptions used for accounting purposes are the following:				
Discount interest rate	4,6% - 6%	4,7% - 6%	4,6%	4,7%
Future salary increases	1% - 4,5%	2% - 4,5%	1,5%	3,5%

22 Government Grants

<i>Amounts in Euro</i>	CONSOLIDATED		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance at beginning of year	10.775.945	11.863.613	143.373	223.010
Amortization of grants	-1.020.701	-1.087.668	-13.768	-79.637
Acquisition of subsidiary	46.823	-	-	-
Balance at end of year	9.802.067	10.775.945	129.605	143.373

Government grants relate to investments in property, plant and equipment.

23 Trade & Other Payables

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade payables	125.087.927	122.691.132	27.876.180	22.348.946
Notes Payable	-	85.656	-	-
Checks Payable	514.482	-	-	-
Customer prepayments	20.716.356	23.641.575	6.427.058	14.878.062
Social security funds	3.353.476	3.103.908	671.717	678.554
Amounts owed to related parties	14.129.654	11.791.115	48.038.795	65.538.894
Liabilities to other associated companies	-	10.461	-	-
Dividends payable	27.390	27.390	27.390	27.390
Minority portion on dividends	1.671	1.671	-	-
Sundry creditors	4.274.944	2.974.086	933.134	1.003.032
Deferred income	15.968	29.000	150	22.300
Accrued expenses	10.382.145	5.397.091	2.449.200	1.557.695
Other accruals and deferred income	1.344.201	636.798	789.751	287.979
Other taxes and duties	2.476.726	1.996.431	345.714	478.706
Other current liabilities concerning financial institution	879.923	1.479.707	879.923	1.479.707
Other liabilities	8.245.835	133.877	3.064.485	-
Total	191.450.699	173.999.899	91.503.499	108.301.265
Long term liabilities	938.104	804.656	-	-
Trade and other payables	8.074.661	-	3.064.482	-
Current liabilities concerning financial institution	181.558.011	171.715.535	87.559.094	106.821.559
Current liabilities concerning financial institution	879.923	1.479.707	879.923	1.479.707
Total liabilities	191.450.699	173.999.898	91.503.499	108.301.265

The parent company and its subsidiary SOVEL have issued Greenhouse Gas Emission Allowances with the right to repurchase. The consolidated and company financial statements have recorded the obligation of the cost of the repurchase right.

Financial instruments
CONSOLIDATED DATA
31/12/2011

Liabilities	<1 year	1 - 2 years	2-5 years	> 5 years
Borrowings	418.384.576	144.014.714	57.958.485	6.418.986
Trade and other creditors	156.829.480	8.074.661	-	-
Derivatives	1.904.705	-	-	-
Other current liabilities concerning financial institution	879.923	-	-	-
Total	577.998.684	152.089.375	57.958.485	6.418.986

31/12/2010

Liabilities	<1 year	1 - 2 years	2-5 years	> 5 years
Borrowings	313.385.202	101.531.545	90.220.108	-
Trade and other creditors	145.257.984	-	-	-
Derivatives	532.007	382.937	-	-
Other current liabilities concerning financial institution	1.479.707	-	-	-
Total	460.654.900	101.914.482	90.220.108	-

COMPANY DATA
31/12/2011

Liabilities	<1 year	1 - 2 years	2-5 years	> 5 years
Borrowings	186.203.046	42.523.746	7.150.681	-
Trade and other creditors	80.114.605	3.064.482	-	-
Derivatives	33.196	-	-	-
Other current liabilities concerning financial institution	879.923	-	-	-
Total	267.230.770	45.588.228	7.150.681	-

31/12/2010

Liabilities	<1 year	1 - 2 years	2-5 years	> 5 years
Borrowings	132.395.807	51.668.152	19.198.600	-
Trade and other creditors	90.786.236	-	-	-
Other current liabilities concerning financial institution	1.479.707	-	-	-
Total	224.661.750	51.668.152	19.198.600	-

Financial Instruments per category
CONSOLIDATED DATA
Balances as at 31/12/2011
Amounts in Euro

Liabilities	Derivatives for hedging	Other financial liabilities	Total
Long term loans	-	175.064.320	175.064.320
Long term Derivatives	-	-	-
Short term loans	-	418.384.576	418.384.576
Other current liabilities concerning financial institution	-	879.923	879.923
Trade and other creditors	-	164.904.141	164.904.141
Short term Derivatives	4.558.052	-	4.558.052
Total	4.558.052	759.232.961	763.791.013

Balances as at 31/12/2010
Amounts in Euro

Liabilities	Derivatives for hedging	Other financial liabilities	Total
Long term loans	-	186.087.467	186.087.467
Long term Derivatives	1.028.303	-	1.028.303
Short term loans	-	313.384.443	313.384.443
Other current liabilities concerning financial institution	-	1.479.707	1.479.707
Trade and other creditors	-	145.257.984	145.257.984
Short term Derivatives	944.024	-	944.024
Total	1.972.327	646.209.601	648.181.928

COMPANY DATA
Balances as at 31/12/2011
Amounts in Euro

Liabilities	Other financial liabilities	Other financial liabilities	Total
Long term loans	-	47.416.672	47.416.672
Short term loans	-	186.203.046	186.203.046
Other current liabilities concerning financial institution	-	879.923	879.923
Trade and other creditors	-	83.179.087	83.179.087
Short term Derivatives	33.196	-	33.196
Total	33.196	317.678.728	317.711.924

Balances as at 31/12/2010
Amounts in Euros

Liabilities	Other financial liabilities	Total
Long term loans	67.833.336	67.833.336
Long term Derivatives	77.480	77.480
Short term loans	132.395.807	132.395.807
Other current liabilities concerning financial institution	1.479.707	1.479.707
Trade and other creditors	90.786.236	90.786.236
Total	292.572.566	292.572.566

24 Provisions

Long-term Provisions

CONSOLIDATED DATA

<i>Amounts in Euro</i>	Pending court cases	Compensation to customers	Other provisions	Total
January 1st 2010	601.429	4.682.940	997.157	6.281.527
Additional provisions for the fiscal year	16.574	1.089.821	723.457	1.829.852
Transfer to short term provisions	-	2.040.111	-	2.040.111
Reversal of unused provisions	-111.638	-6.150.000	-	-6.261.638
Used provisions for the fiscal year	-376.920	-24.585	-256.233	-657.739
December 31st 2010	129.445	1.638.288	1.464.381	3.232.113
Currency translation differences	-	-	782	782
Additional provisions for the fiscal year	127.549	-	15.586	143.135
Acquisition of subsidiaries	-	-	46.526	46.526
Reversal of unused provisions	-	-628.779	-	-628.779
Used provisions for the fiscal year	-96.701	-9.509	-117.978	-224.188
December 31st 2011	160.293	1.000.000	1.409.296	2.569.588

COMPANY DATA

<i>Amounts in Euro</i>	Other provisions	Total
January 1st 2010	914.629	914.629
December 31st 2010	914.629	914.629
December 31st 2011	914.629	914.629

Short-Term provisions

CONSOLIDATED DATA

<i>Amounts in Euro</i>	Pending court cases	Compensation to customers	Other provisions	Total
January 1st 2010	322.424	2.665.717	205.300	3.193.441
Additional provisions for the fiscal year	-	-	55.155	55.155
Transfer to non-current provisions	-	-2.040.111	-	-2.040.111
Reversal of unused provisions	-151.435	-	-109.520	-260.955
Used provisions for the fiscal year	-12.364	-625.606	-40.582	-678.552
December 31st 2010	158.625	110.353	268.978	268.978
Additional provisions for the fiscal year	-	541.000	57.214	598.214
Reversal of unused provisions	-15.000	-	-	-15.000
Used provisions for the fiscal year	-	-	-55.155	-55.155
December 31st 2011	143.625	541.000	112.411	797.036

Pending litigations

Pending litigations

The amount of the said provision is based on estimations of the Group's Legal Department. The additional provisions have been recognised as Administration Expenses of the statement of comprehensive income, while reversal of provisions as other income. The remaining provision is expected to be used within the next year. The Management of the Company considers that the formed provision is sufficient and no

additional burden is expected to arise.

Indemnification to counterparties

The provision that has been formed refers to losses that may arise as a result of the Company's contractual obligations. The provision was estimated based on historical figures and statistics for the settlement of similar cases in the past. The additional provisions of the balance year are recognised in the "distribution expenses".

During 2010 the Group reassessed the amount of provisions against potential liabilities and based on IAS 37, proceeded with a reduction of Eur 6.150.000 for the following reasons:

- a) There was a considerable improvement in the company's operations on multiple levels (production, logistics etc.) so that in the last 5 years, there was no any major claim related to contractual obligations.
- b) The amount, the geographical breakdown and the nature of the current contractual obligations do not require provisions beyond the formed amount.

Moreover, based on the principle of conservatism, the Group evaluates periodically the nature of the contractual obligations and proceeds with adjustments when required. The reverse of the said amount (Eur 6.150.000) has decreased distribution expenses.

25 Expenses per category

CONSOLIDATED DATA

<i>Amounts in Euro</i>	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee Benefits	26	-46.001.865	-8.295.210	-11.750.317	-66.047.391
Cost of inventories recognised as an expense		-897.205.772	-1.404.924	-358.029	-898.968.725
Energy		-93.903.082	-218.534	-133.623	-94.255.239
Depreciation		-55.976.421	-1.792.041	-1.533.043	-59.301.505
Insurance Cost		-1.601.479	-9.286.113	-194.204	-11.081.796
Rents		-985.673	-485.557	-1.270.991	-2.742.221
Transportation		-3.349.995	-54.438.636	-325.963	-58.114.594
Third Parties Expenses		-38.058.287	-14.462.377	-10.555.462	-63.076.126
Provisions			-777.982	-431	-778.413
Other Expenses		-8.257.077	-3.489.312	-4.246.026	-15.992.415
Total		-1.145.339.651	-94.650.684	-30.368.090	-1.270.358.425

<i>Amounts in Euro</i>	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee Benefits	26	-44.355.882	-8.280.119	-11.906.012	-64.542.014
Cost of inventories recognised as an expense		-662.258.715	-761.689	-84.913	-663.105.317
Energy		-81.232.967	-195.880	-83.142	-81.511.989
Depreciation		-52.418.899	-1.303.999	-1.669.142	-55.392.040
Insurance Cost		-1.622.939	-3.849.367	-175.975	-5.648.281
Rents		-1.287.624	-585.015	-1.369.841	-3.242.480
Transportation		-3.377.658	-39.839.423	-284.200	-43.501.280
Third Parties Expenses		-38.617.596	-10.444.812	-10.273.036	-59.335.444
Provisions		-	3.743.272	-150.000	3.593.272
Other Expenses		-6.800.942	-3.305.818	-4.075.602	-14.182.362
Impairments		-	-9.497.740	-	-9.497.740
Total		-891.973.223	-74.320.591	-30.071.861	-996.365.675

COMPANY DATA

<i>Amounts in Euro</i>	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee Benefits	26	-6.691.547	-3.286.634	-4.062.399	-14.040.580
Cost of inventories recognised as an expense		-207.198.539	-216.246	-30.002	-207.444.787
Energy		-14.122.793	-	-	-14.122.793
Depreciation		-9.184.098	-151.135	-542.321	-9.877.554
Insurance Cost		-332.743	-4.976.357	-30.939	-5.340.039
Rents		-83.371	-181.929	-737.214	-1.002.515
Transportation		-515.802	-6.626.007	-97.866	-7.239.675
Third Parties Expenses		-18.779.721	-4.463.917	-4.225.805	-27.469.442
Provisions		-	-700.000	-	-700.000
Other Expenses		-333.849	-1.956.542	-1.200.409	-3.490.800
Total		-257.242.463	-22.558.766	-10.926.956	-290.728.186

31/12/2010

<i>Amounts in Euro</i>	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee Benefits	26	-7.233.866	-3.152.639	-4.900.234	-15.286.739
Cost of inventories recognised as an expense		-181.481.945	-89.819	-1.136	-181.572.900
Energy		-13.259.955	-	-	-13.259.955
Depreciation		-9.398.840	-126.710	-656.823	-10.182.373
Insurance Cost		-335.637	-1.393.304	-42.257	-1.771.198
Rents		-82.599	-208.111	-684.691	-975.402
Transportation		-516.537	-6.814.456	-97.952	-7.428.945
Third Parties Expenses		-19.699.258	-4.850.862	-4.015.548	-28.565.668
Provisions		-	-1.500.000	-	-1.500.000
Other Expenses		-372.686	-1.291.935	-1.492.354	-3.156.974
Total		-232.381.323	-19.427.836	-11.890.995	-263.700.154

The analysis of depreciation for Group and Company operations is as follows:

Depreciation	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cost of sales	-55.976.421	-52.418.899	-9.184.098	-9.398.840
Selling expenses	-1.792.041	-1.303.999	-151.135	-126.710
Administrative expenses	-1.533.043	-1.669.142	-542.321	-656.823
Other Expenses	-3.189.930	-5.531.872	-502.646	-495.322
Total	-62.491.435	-60.923.911	-10.380.200	-10.677.694

26 Employee Benefit Expense

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Wages & salaries	54.427.759	51.956.488	13.869.253	13.422.779
Social security expenses	15.236.156	14.534.745	3.022.013	3.041.177
Pension cost - defined contribution plans	3.811	-	-	-
Pension cost - defined benefit plans	1.388.750	1.369.364	336.191	283.433
Total	71.056.476	67.860.597	17.227.456	16.747.389

According to Article 109 of Law 2238 (codified in N.4051/2012), the current tax rate for domestic companies is 20%. The tax rate on distributed profits, in accordance with Article 54, paragraph 1 of that Act, is 25%.

For the companies transacting in Cyprus, Bulgaria, Former Yugoslav Republic of Macedonia, Albania and Serbia, the applicable tax rate is 10%.

Lastly, for the company transacting in Romania, the tax rate is 16%.

The income tax of the previous financial year includes an Extra-ordinary one-off Social Contribution Tax on the profits of 2009, according to the Law 3845/2010, which comes to € 2,657 thousand. The amounts burdened income tax and equity of the Group as referred only to subsidiaries. The Extra-ordinary one-off Social Contribution Tax contribution has been paid during the financial year 2011.

Taxable (expenses)/ income relating to other total incomes are broken down as follows:

	CONSOLIDATED DATA					
	31/12/2011			31/12/2010		
	Before taxes	Tax (debit)/ credit	After taxes	Before taxes	Tax (debit)/ credit	After taxes
Currency exchange differences of foreign companies	-403.405	-	-403.405	1.236.988	-	1.236.988
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	-2.424.353	473.981	-1.950.371	-694.522	224.004	-918.526
	31/12/2011			31/12/2010		
	Before taxes	Tax (debit)/ credit	After taxes	Before taxes	Tax (debit)/ credit	After taxes
Profit / (Loss) after taxes from change in the fair value of cash flow hedging	171.210	-37.341	133.868	-50.779	11.920	-38.859

29 Other Operating income (expenses)

Amounts in Euro	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other income				
Subsidies for the year	308.392	17.074	39.222	3.935
Income from other activities	2.666.424	2.324.565	12.608.405	11.908.580
Interest income (operating activity)	2.036	-	-	-
Depreciation of grants	1.020.701	1.042.101	-	79.637
Foreign exchange differences	850.467	2.664.496	386.874	-
Consultancy fees	6.000	9.000	-	-
Other Income	862.516	449.008	17.169	37.575
Total other income	5.716.536	6.506.243	13.051.669	12.029.727
Profits from sale of fixed assets	248.629	611.026	252.534	26.152
Other operating income	5.965.165	7.117.269	13.317.971	12.055.878
Other Expenses				
Production Expenses not Costed	-1.279.605	-3.844.430	-	-
Other Expenses	-9.306.681	-11.199.221	-13.221.527	-12.572.041
Total	-10.586.286	-15.043.651	-13.221.527	-12.572.041
Losses from sale of fixed assets	-52.916	-23.040	-52.989	-1
Other operating expenses	-10.639.202	-15.066.691	-13.274.516	-12.572.042
Other operating income - expenses (net)	-4.674.037	-7.949.422	43.455	-516.164
Dividend income				
Profit / Loss from related companies				
Dividend (income)	-	118.647	320.754	650.570
Profits from related companies	5.615.190	1.514.346	-	-
Losses from related companies	-3.541.705	-640.744	-	-
Expenses associated with participating interests	-29.949	-49.728	-	-49.720
Total	2.043.536	942.520	320.754	600.850

30 Operating Cash Flows

<i>Amounts in Euro</i>	Note	CONSOLIDATED DATA		COMPANY DATA	
		1/1 to 31/12/2011	1/1 to 31/12/2010	1/1 to 31/12/2011	1/1 to 31/12/2010
Profit for the Period		-55.898.679	-26.473.905	-25.577.837	-12.380.377
Adjustments for:					
Income tax	28	-3.488.645	-3.504.516	-1.565.588	-3.979.231
Depreciation of tangible fixed assets	6	62.398.590	60.770.867	10.374.200	10.623.162
Depreciation of intangible assets	6	92.845	153.046	6.000	54.532
Impairment of inventories	13	198.468	896.057	-	962.000
(Profits)/losses from the sale of tangible assets	6	-195.714	-587.986	-199.545	-26.151
Interest (income)	27	-1.377.791	-1.675.678	-107.295	-226.797
Interest expenses	27	35.133.084	21.699.554	13.416.865	6.838.151
Dividend (income)	29	-	-118.647	-320.754	-650.570
Amortisation of grants	22	-1.020.701	-1.087.668	-13.768	-79.637
(Profit) / losses from the acquisition of a affiliated companies	7	-2.073.485	-873.601	-	-
Loss from fixed asset destruction	6	15.366	-78	-	-
(Profit) / losses from subsidiary liquidation (minus cash and cash equivalents)		-	-170.310	-	-
Impairment of receivables from customers	14	-	9.497.740	-	-
Other		766.062	1.374.787	36.839	975.581
		34.549.400	59.899.661	-3.950.883	2.110.662
Changes in working capital					
(Increase)/Decrease in inventory		-58.832.400	297.971	-21.512.425	7.295.981
(Increase)/Decrease in receivables		-32.437.311	-30.665.489	5.923.264	-25.474.868
Increase /(decrease) of liabilities		14.708.375	30.834.200	-18.189.941	-18.277.262
Increase /(decrease) of provisions		828.883	-3.309.846	700.000	2.148.000
Increase / (decrease) in personnel benefits due to retirement		53.131	272.870	65.098	71.059
		-75.679.322	-2.570.293	-33.014.005	-34.237.090
Net cash flows from operating activities		-41.129.921	57.329.368	-36.964.888	-32.126.428
<i>Profits /(losses) from sale of tangible assets include:</i>					
<i>Amounts in Euro</i>					
Net book value	6	784.675	1.469.943	738.004	1.274.248
Profit /(losses) from sale of tangible assets		195.714	587.986	199.545	26.151
Income from sale of tangible assets		980.389	2.057.929	937.549	1.300.399

31 Commitments

Contractual commitments

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Tangible assets	1.380.356	236.784	-	-
	1.380.356	236.784	-	-

The aforementioned contractual commitments relate to contracts with suppliers in the context of investments made in the subsidiary company STOMANA INDUSTRY S.A. and CORINTH PIPEWORKS S.A..

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

Amounts in Euro

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Under 1 year	804.829	800.884	412.564	414.885
From 1-5 years	2.742.716	2.048.055	1.245.745	1.071.065
More than 5 years	1.950.382	2.464.669	420.608	564.817
	5.497.927	5.313.608	2.078.917	2.050.768
	31/12/2011	31/12/2008	31/12/2011	31/12/2008
Burden to Results	1.626.778	1.454.046	598.545	496.472

Capital commitments

The Group has no significant capital commitments as at the balance sheet date.

32 Contingent Liabilities

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 Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Liabilities				
Guarantees for securing payables to suppliers	22.382.202	30.951.030	6.795.979	5.937.709
Good performance guarantees to customers	979.933	990.355	777.696	777.696
Counter-guarantees of loan from the European Investment Bank	2.981.370	12.218.511	-	-
Other contingent liabilities	5.181.580	6.248.957	914.629	914.629
Total	31.525.085	50.408.853	8.488.305	7.630.035
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euro</i>				
Lawsuits of employees	160.293	131.490	-	-
Other lawsuits	143.622	248.985	-	-
Contractual obligations	1.596.295	1.642.194	-	-
Bank Letters of Guarantee	2.313.444	2.734.062	-	-
Tax liabilities	319.927	844.227	266.629	266.629
Other contingent liabilities	648.000	648.000	648.000	648.000
Total	5.181.580	6.248.957	914.629	914.629

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, a new provision of €128 thousand has been recognized and €17 thousand have been used. The current amount of the provision is €160 thousand.

The subsidiary Corinth Pipeworks S.A. on 31/12/2011 recognised a provision of €1,735 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 31/12/2011, 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 €811 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 €711 thousand related to receivables of the parent company of € 648 and general expenses of subsidiaries SIGMA S.A. of € 57 thousand, ETIL S.A. of € 5 thousand and AEIFOROS S.A. € 1 thousand.

During FY 2010 the Company proceeded to an impairment of receivables (\$ 24.864.102 or € 18.627.586) being the result of delay in its collection. On 31/12/2011, the same amount is valued at € 19.216.402, 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, Management estimates that potential loss will not exceed the impaired amount of EUR € 9.641.291 (2010: € 9.497.740).

During FY 2010, due to the estimation that collection of the aforementioned receivable would not have taken place within the next 12 months, the company discounted the non impaired portion of the receivable with a rate of 1.58% for 15 months.

For the said receivables the company has in its possession a type of collateral amounting to € 17.642.252.

In order to ensure its rights, according to the decision taken by the First Instance Court of Athens during the procedures related to insurance measures, the company imposed a prudent attachment on property of third party involved in the mentioned case.

33 Existing Collateral

There are mortgages and underwritten amounts in favor of banks on the fixed assets of the subsidiary company CORINTH PIPEWORKS S.A. amounting to €73,200 thousand against loans with an outstanding balance of €2,981 thousand, whilst for STOMANA INDUSTRY S.A. this amounts to €80,001 thousand in favor of banks for loans with an outstanding balance of €39,838 thousand.

34 Related Parties

The transactions below mostly relate to transactions with other companies of the VIOHALCO Group.

<i>Amounts in Euro</i>	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Sales of goods				
Subsidiaries	-	-	144.549.525	98.334.485
Affiliates	18.472.830	16.873.518	6.005.501	4.792.977
Other Related Parties	38.426.231	29.507.260	20.375.089	18.786.146
	56.899.062	46.380.778	170.930.115	121.913.609
Sales of services				
Subsidiaries	-	-	26.631.452	26.445.609
Affiliates	82.106	71.997	19.889	3.100
Other Related Parties	1.755.966	1.166.603	501.022	216.799
	1.838.072	1.238.600	27.152.362	26.665.508
Sales of fixed assets				
Subsidiaries	-	-	820.801	1.293.533
Other Related Parties	15.900	1.496.443	15.800	1.496.443
	15.900	1.496.443	836.601	2.789.976
Purchases of goods				
Subsidiaries	-	-	56.097.967	47.713.476
Affiliates	1.098.281	671.592	1.107	76.991
Other Related Parties	105.764.386	81.916.396	8.478.030	7.181.157
	106.862.668	82.587.988	64.577.105	54.971.623
Purchases of services				
Subsidiaries	-	-	4.353.727	3.907.074
Affiliates	3.590.972	3.278.602	2.487.161	2.255.370
Other Related Parties	9.002.514	9.552.691	4.374.041	4.497.369
	12.593.486	12.831.293	11.214.929	10.659.813
Purchases of fixed assets				
Subsidiaries	-	-	718.325	120.822
Affiliates	25.716	204.604	-	-
Other Related Parties	9.334.161	2.080.238	6.020	757.151
	9.359.877	2.284.842	724.345	877.973

Board of Directors' and Senior Officers' Remuneration
Amounts in Euro

 Salaries and other benefits to directors and key management
 Compensations due to termination of employment

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	2.231.296	2.364.972	661.953	672.890
	40.000	156.750	-	-
	2.271.296	2.521.722	661.953	672.890
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Liabilities to senior Management and Board Members	109.290	341.791	-	-

Amounts in Euro
Receivables from related parties:

Subsidiaries

Affiliates

Other associates

	CONSOLIDATED DATA		COMPANY DATA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	-	-	34.005.339	53.907.252
	12.964.108	14.151.581	8.362.704	10.292.341
	17.668.769	26.053.827	10.467.134	14.483.455
	30.632.877	40.205.408	52.835.177	78.683.049

Prepayments for Share Capital Increase

Subsidiaries

	-	-	20.200.404	6.600.000
	-	-	20.200.404	6.600.000

Amounts in Euro
Advances for inventory purchases

Subsidiaries

Other associates

	-	-	-	-
	-	44.571	-	-
	-	44.571	-	-

Liabilities to associates:

Subsidiaries

Affiliates

Other associates

	-	-	45.721.761	63.210.004
	1.830.821	1.247.489	1.050.817	633.293
	12.298.832	10.543.627	1.266.218	1.695.597
	14.129.654	11.791.115	48.038.795	65.538.894

Income from dividends

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.

The Group's commercial transactions with its associates (persons or entities) during the 2011 financial year 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.

35 Earnings per share

Basic	CONSOLIDATED DATA		COMPANY DATA	
	12 months until 31/12/2011	12 months until 31/12/2010	12 months until 31/12/2011	12 months until 31/12/2010
<i>Amounts in Euro</i>				
Profits attributable to parent company shareholders	-48.932.015	-23.008.930	-25.577.838	-12.380.377
Weighted average number of shares	96.243.908	96.243.908	96.243.908	96.243.908
Basic earnings per share (Euro per share)	(0,5084)	(0,2391)	(0,2658)	(0,1286)
Diluted	CONSOLIDATED DATA		COMPANY DATA	
	12 months until 31/12/2011	12 months until 31/12/2010	12 months until 31/12/2011	12 months until 31/12/2010
<i>Amounts in Euro</i>				
Profits attributable to parent company shareholders	-48.932.015	-23.008.930	-25.577.838	-12.380.377
Weighted average number of shares	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
Diluted earnings per share (Euro per share)	(0,5084)	(0,2391)	(0,2658)	(0,1286)

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.

36 Audit Tax certificate

From the 2011 financial year and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

Unaudited tax years

The Company has not been audited by tax authorities for the financial years 2007 to 2010.

For the 2011 financial year, the tax audit is being performed by PricewaterhouseCoopers S.A. The Company's management does not expect that additional tax liabilities will arise, in excess of those disclosed in the financial statements, upon the completion of the 2011 tax audit.

As regards the Company's subsidiaries and affiliates, they have not been audited by the tax authorities for the following financial years and therefore their tax liabilities for these years have not been finalized.

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

For the Greek subsidiaries and affiliates, the tax audit for the 2011 financial year is being performed by the following companies:

Company	Audit company
SIDENOR S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
SOVEL S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
DEPAL S.A.	HBP Certified Public Accountants Ltd
ERLIKON WIRE PROCESSING S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
AEIFOROS S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
THERMOLITH S.A.	SOL Certified Public Accountants -Auditors S.A.
PROSAL S.A.	ABACUS Chartered Accountants-Auditors S.A.
VEMET S.A.	ABACUS Chartered Accountants-Auditors S.A.
ETIL S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
PRAKSYS S.A.	ABACUS Chartered Accountants-Auditors S.A.
DIA.VI.PE.THIV. S.A.	ABACUS Chartered Accountants-Auditors S.A.
VET S.A.	SOL Certified Public Accountants -Auditors S.A.
VEAT S.A.	ABACUS Chartered Accountants-Auditors S.A.
ARGOS S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
CORINTH PIPEWORKS S.A.	PRICEWATERHOUSECOOPERS Audit Company S.A.
SIDMA S.A.	SOL Certified Public Accountants -Auditors S.A.
DIAPEM S.A.	ABACUS Chartered Accountants-Auditors S.A.
VEPEM. S.A.	ABACUS Chartered Accountants-Auditors S.A.
METALOURGIA ATTIKIS S.A.	ABACUS Chartered Accountants-Auditors S.A.
EL.K.E.ME. S.A.	ABACUS Chartered Accountants-Auditors S.A.

The Company's management does not anticipate that significant additional tax liabilities will arise, in excess of those disclosed in the financial statements of the Group.

The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes.

37 Number of Personnel

Number of personnel employed at the end of the current period: Group: 2,977 and Parent Company: 298. In the corresponding period of 2010, the Group's personnel was 3,002 employees and the Company's 322 employees.

38 Auditors' remunerations

The total remuneration charged in 2011 by the chartered auditors amounted to €498 thousand and €101 thousand for the Group and the Company respectively. The remuneration related to:

<i>(amounts in thousands €)</i>	Concolidated Company	
Fees for annual audit of financial statements	712	76
Fees for other audit services	25	25
Tax consulting fees	19	-
Fees for non-audit services	41	-
	498	101

39 Events after the Balance Sheet date

There are no significant events after the Balance Sheet date.

40 Important events in the financial year 2010

The most important events that took place during the financial year 2011 are the following:

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.

In July 2011 SIDENOR strengthened its presence in the Balkan market by acquiring the entire share capital of the up till now 75% subsidiary in F.Y.R.O.M., DOJRAN STEEL Ltd.

In July 2011 SIDENOR strengthens its presence in the Balkan market by acquiring the entire share capital up to now 75% subsidiary, in P.G.D.M., DOJRAN STEEL Ltd.

In December 2011 the subsidiary by 90% AEIFOROS S.A. acquired 70% stake of THERMOLITH S.A., active in the field of mining and processing of industrial minerals and the production of refractories.

Decisions of the Annual General Meeting

During the Annual 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
2. NIKOLAOS KOUDOUNIS
3. SARANTOS MILIOS
4. GEORGE SOULITZIS
5. VASSILIOS PAPANTONIOU
6. GEORGE PASSAS
7. IOANNIS IKONOMOU
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
2. IOANNIS IKONOMOU
3. ANDREAS KYRIAZIS

41 Reclassifications

The financial data of the previous year were not reclassified.

Athens, March 26nd, 2012

The BoD
Chairman

The Chief Executive
Officer

The Chief Finance
Officer

Kalfarentzos Georgios
ID Card no. F 147183

Milios Sarantos
ID Card no. AI 647195

Thomadakis stratos
LICENCE NO. 0065081
CLASS A

E. Information as per article 10 of Law no. 3401/2005

This document contains the information provided for by article 10 of Law no. 3401/2005, which has been published by SIDENOR S.A. during the fiscal year 2011.

The complete text of the announcements is available at SIDENOR S.A.'s website at <http://www.sidenor.gr> (<http://www.sidenor.gr/PlainText.aspx?menutxtid=171&lang=GR>)

Notification on the Change of the Participation in a Listed Company	1564	25/1/2011
Announcement of other important information	1565	25/1/2011
Issue of Bond Loan	4505	1/3/2011
Announcement of other important information	4924	8/3/2011
Financial Calendar 2011	6444	28/3/2011
Financial Statements under IFRS	6603	28/3/2011
Financial Statements under IFRS	6607	28/3/2011
Announcement on financial statement commentary	6608	28/3/2011
Announcement of other important information	7003	30/3/2011
Issue of Bond Loan (correction 25/1/2011)	8813	14/4/2011
Issue of Bond Loan (correction 30/3/2011)	8816	14/4/2011
Issue of Bond Loan	8854	14/4/2011
Announcement of other important information	9924	4/5/2011
Announcement of other important information	10605	12/5/2011
Preannouncement on general shareholders meeting	11513	23/5/2011
Preannouncement on general shareholders meeting (correction with English translation)	11594	24/5/2011
Financial Statements under IFRS	11786	25/5/2011
Financial Statements under IFRS	11788	25/5/2011
Announcement of other important information	11801	25/5/2011
Announcement on financial statement commentary	11803	25/5/2011
Announcement of other important information	14474	14/6/2011
Resolution of the annual ordinary general shareholders meeting	14478	14/6/2011
Resolution of the annual ordinary general shareholders meeting in english	14535	15/6/2011
Announcement of other important information	15570	27/6/2011
Announcement of other important information (not included in other categories)	17451	18/7/2011
Announcement of other important information (not included in other categories)	18371	1/8/2011
Financial Statements under IFRS	20228	29/8/2011
Financial Statements under IFRS	20233	29/8/2011
Financial Statements (PDF format)	20236	29/8/2011
Financial Statements (PDF format)	20238	29/8/2011
Financial Statements (PDF format)	20241	29/8/2011
Financial Statements (PDF format)	20244	29/8/2011
Financial Statements (PDF format)	20245	29/8/2011
Financial Statements (PDF format)	20247	29/8/2011
Announcement on financial statement commentary	20252	29/8/2011
Financial Statements (PDF format)	20450	30/8/2011
Financial Statements (PDF format)	20451	30/8/2011
Announcement of other important information (not included in other categories)	20454	30/8/2011
Announcement of other important information (not included in other categories)	20457	30/8/2011
Announcement of other important information (not included in other categories)	20466	30/8/2011
Announcement of other important information (not included in other categories)	24044	6/10/2011
Announcement of other important information (not included in other categories)	25936	3/11/2011
Announcement of other important information (not included in other categories)	27079	17/11/2011
Financial Statements under IFRS	27957	28/11/2011
Financial Statements under IFRS	27959	28/11/2011
Announcement on financial statement commentary	27962	28/11/2011
Financial Statements (PDF format)	27965	28/11/2011
Financial Statements (PDF format)	27966	28/11/2011
Financial Statements (PDF format)	27967	28/11/2011
Financial Statements (PDF format)	27970	28/11/2011
Announcement of other important information (not included in other categories)	27973	28/11/2011
Announcement of other important information (not included in other categories)	27974	28/11/2011
Financial Statements under IFRS	29131	1/12/2011
Financial Statements under IFRS	29133	1/12/2011
Announcement of other important information (not included in other categories)	29314	5/12/2011
Announcement concerning the financial and business development of the company	30316	19/12/2011

