Annual Financial Report

as at 31 December 2016

Pursuant to article 4 of L. 3556/2007

HALCOR
METAL WORKS SA
G.C.Registry.: 303401000
SA Registry No:2836/06/B/86/48
SEAT: Athens Tower, Building B, 2-4 Mesogeion Avenue

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The annual financial statements of the Company (in consolidated and non-consolidated basis), the report of the Chartered Accountant and the management report of the Board of Directors is currently in the Company's website (www.halcor.com) and the Athens Exchange website (www.helex.gr).

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to Article 4 par. 2 of Law 3556/2007)

The members of the Board of Directors of the company with the name HALCOR S.A. - METAL PROCESSING, trading as HALCOR S.A., whose registered offices are in Athens, at 2-4 Mesogeion Avenue:

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors

2. Nikolaos Koudounis, Board of Directors Member,

3. George Passas, Board of Directors Member,

in our said capacity, do hereby declare and confirm that as far as we know:

(a) the attached annual company and consolidated financial statements for the company HALCOR S.A. for the period from 1 January to 31 December 2016, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2016 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4, paragraphs 3 to 5, of Law 3556/2007; and

(b) the attached annual report of the Board of Directors of HALCOR S.A. contains the true information required by Article 4, paragraphs 6 to 8, of Law 3556/2007.

Athens, 29th of March 2017

Confirmed by

The Chairman of the Board	The Board-appointed Member	The Board-appointed Member
THEODOSIOS PAPAGEORGOPOULOS	NIKOLAOS KOUDOUNIS	GEORGE PASSAS
ID Card No. AE 135393	ID Card No. AE 012572	ID Card No. Φ 020251

BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2015 (1 January – 31 December 2015). This report was prepared in line with the relevant provisions of Codified Law 2190/1920, as revised by Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91A/30.4.2007) and of L.4374/2016 (Government Gazette 50A/01.04.2016) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of HALCOR S.A. - METAL PROCESSING (hereinafter referred to for the purpose of brevity as "Company" or "HALCOR") for year 2015, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties which Group companies were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper and copper alloys, zinc rolling products and cables of all types.

1. Financials - Business report - Major events

Throughout 2016 the recovery in Eurozone trended slightly upwards. Recovery in the US was at slightly higher levels versus prior year, a fact which affected positively the sales of the Group. The average price of Copper reached to Euro 4,399 per ton for the fiscal year 2016 following the decline during the first six months of the year, versus Euro 4,952 per ton in 2015. Towards the end of the fiscal year, the Group proceeded to the exchange of shares of Hellenic Cables with shares of Cenergy SA incorporated in Belgium, which absorbed Hellenic Cables and Corinth Pipeworks. The new corporate structure, in which Halcor now possesses a 25.16% share, will allow better access to projects in the energy, telecommunication and construction sectors. As a consequence of the exchange was the loss of control of the Group Hellenic Cables with date 31 December 2016 when on that date the assets and liabilities of Hellenic Cables were deconsolidated from the consolidated financial figures of Halcor Group. The results were positively affected by the exchange at Consolidated level by Euro 0.6 mil., while at Company level loss of Euro 8.6 mil. was posted directly in Equity being a common control transaction with book-value accounting. Furthermore, during the first half of 2016 shares of Metal Agencies, Alurame, Steelmet Romania, Genecos and Tepro Metal, which were the commercial branches of the Group to the markets of Europe, were contributed to International Trade. The Group received as exchange shares of International Trade. Halcor participates in International Trade with a 26.00% share. The result of the transaction reached to profit of Euro 3.9 mil. and at Company level it was posted directly in Equity as common control transaction with book-value accounting, while the same amount of Euro 3.9 mil. affected the results of the Group. In addition, profit of Euro 0.9 mil. that was posted at consolidated level during the publication of the interim six month financial statements was reclassified to discontinued operations after the aforementioned exchange of shares of Hellenic Cables Group with Cenergy.

For comparability reasons financial information of the statement of profit and loss and other comprehensive income have been restated for 2015 pursuant to the implementation of IFRS 5 “Discontinued operations”.

The consolidated turnover from continued operations amounted in 2016 to Euro 693 mil. versus Euro 751 mil. in 2015 marking a decline by 7.7%. The turnover was negatively affected by the declining prices of metals and positively by the 4.4% increase of the volume of sales.

In terms of volumes in 2016 from continued operations, the sales of tubes consisted of 48% at prior year level, rolling products to 27% in an upward trend from 23% of prior year, bus bars and rods at 15% at prior year levels and brass rods to 10% slightly decreased from the 13% of 2015.

For 2016, the consolidated Gross profit from continued operations marked an increase by 146.3% and rose to Euro 39.9 mil. versus Euro 16.2 mil. in 2015. This increase by Euro 23.7 mil. is attributed to the improvement of the operational result as the gross profit was highly affected by the positive metal result of Euro 4.9 mil. versus metal losses of Euro 14.7 mil. in 2015 from continuing operations. The consolidated earnings before taxes, interest and depreciation (EBITDA) from continued operations rose in 2016 to profit of Euro 35.3 mil. versus profit of Euro 15.1 mil. the prior year, hence improved by Euro 20.2 mil., while the results before taxes and interest from continued operations (EBIT) rose to profit Euro 19.6 mil. versus losses of Euro 3.5 mil. the respective prior year. The consolidated results from continued operations (profit/loss before taxes), amounted in 2016 to losses of Euro 1.0 mil. versus losses of Euro 30.4 mil. in 2015. Finally, the result from continued operations after tax and non-controlling interest amounted to profit of Euro 2.0 mil. or Euro 0.0196 per share versus losses of Euro 30.8 mil. or loss of Euro 0.3045 per share in 2015.

Significant improvement for the results of the parent company, as the profit before tax and interest (EBIT) amounted in 2016 to profits of Euro 15.8 mil. versus profit of Euro 7.5 mil. the year before. The results before taxes amounted in 2016 to losses of Euro 22.8 mil., versus losses of Euro 9.4 mil. in 2015 mainly affected by the impairment of the participation to the subsidiary Sofia Med amount of Euro 23.0 mil. If we were to exclude this impairment the results before taxes amounted to profit of Euro 0.2 mil. versus losses of Euro 9.4 mil. in 2015.

Since the beginning of November until the end of the year the average price of Copper rose to Euro 5,200 per ton. The effect of this increase to the Group's results from the metal result of the continuing operations was positive to Euro 4.9 mil. versus negative in 2015 amounting to Euro 14.7 mil. While at Company level the positive influence amounted to Euro 3.3 mil. versus loss Euro 6.5 mil. the year before.

As regards to the cost, the decreases in prices of energy in conjunction with the optimisation of procedures in production led to a further decrease in production cost and helped in strengthening the competitiveness of Group products abroad. However, the high cost of financing continued to negatively affect the profitability of the Group versus our main competitors.

During the second half of 2016 one of Halcor's competitors in the Turkish market has filed an anti-dumping complaint for the sales of 2015. By the time of the approval of the financial statements no additional tariffs have been imposed. Halcor's exporting activity directed to the Turkish market for 2016 amounted to Euro 39.3 million at company level and Euro 59.3 million from continuing operations at consolidated level while the respective amounts for 2015 were Euro 50.3million at company level and Euro 72.5 million at consolidated level. The management of the Company cannot reliably estimate the result of the audit.

In 2016 Halcor Group carried out total investments of Euro 7.9 million. For 2016 amount of Euro 4.2 mil. was for upgrading of the production facilities of the parent company in Oinofyta, focusing on the tube plant and amount of Euro 3.7 mil. was for the subsidiary Sofia Med aiming at the production of high added-value products.

2. Financial standing

Halcor's management has adopted, measures and reports internally and externally Ratios and Alternative Performance Measure. These measures provide a comparative outlook of the performance of the Company and the Group and constitute the framework for making decisions for the management.

Liquidity: Is the measure of coverage of the current liabilities by the current assets and can be calculated by the ratio of the current assets to current liabilities. The amounts are drawn from Statement of Financial Position. For the Group and the Company for the closing year and the comparative prior year are as follows:

GROUP		31/12/2016		31/12/2015	
Liquidity =	Current Assets / Current Liabilities	192,691,091 / 191,307,985	1.01	425,565,297 / 414,398,988	1.03

COMPANY		31/12/2016		31/12/2015	
Liquidity =	Current Assets / Current Liabilities	120,297,187 / 147,194,907	0.82	107,370,949 / 127,459,292	0.84

Leverage: Is an indication of the leverage and can be calculated by the ratio of Equity to Debt. The amounts are used as presented in the statement of financial position. For 2016 and 2015 were as follows:

GROUP		31/12/2016		31/12/2015	
Leverage =	Equity / Loans & Borrowings	99,548,749 / 346,345,732	0.29	107,667,225 / 630,689,588	0.17

COMPANY		31/12/2016		31/12/2015	
Leverage =	Equity / Loans & Borrowings	79,215,415 / 240,776,368	0.33	105,771,351 / 260,724,397	0.41

Return on Invested Capital: It is an indication of the returns of the equity and the loans invested and is measured by the ratio of the result before financial and tax to equity plus loans and borrowings. The amounts are used as presented in the statement of profit and loss and the statement of financial position. For the fiscal year 2016 as the prior year the calculation for the Group and the Company was as follows:

GROUP		31/12/2016		31/12/2015	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	19,616,679 / 445,894,480	4.4%	(3,565,626) / 738,356,813	-0.5%

COMPANY		31/12/2016		31/12/2015	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	15,836,936 / 319,991,783	4.9%	7,547,188 / 366,495,748	2.1%

Return on Equity: It is as measure of return on equity of the entity and is measured by the net profit / (loss) to the total equity. The amounts are used as presented in the Statement of Profit and Loss and the Statement of Financial Position. For the closing year 2016 and 2015 were as follows:

GROUP		31/12/2016		31/12/2015	
Return on Equity =	Net Profit / (Loss) / Equity	1,719,735 / 99,548,749	1.7%	(30,837,676) / 107,667,225	-28.6%

COMPANY		31/12/2016		31/12/2015	
Return on Equity =	Net Profit / (Loss) / Equity	(21,002,264) / 79,215,415	-26.5%	(11,225,730) / 105,771,351	-10.6%

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. And is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss.

EUR		GROUP		COMPANY	
From Continued operations		2016	2015	2016	2015
Operating profit / (loss)		**19,616,679**	**(3,565,626)**	**15,836,936**	**7,547,188**
	Adjustments for:				
	+ Depreciation	15,168,084	18,100,333	6,576,312	6,602,546
	+ Amortization	719,744	639,720	278,253	225,650
	- Amortization of Grants	(215,265)	(231,658)	(111,081)	(111,367)
EBITDA		**35,289,242**	**14,942,769**	**22,580,420**	**14,264,018**

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets, investments if included in the operational results
- Other impairment

EUR		GROUP		COMPANY	
From Continued operations		2016	2015	2016	2015
EBITDA		**35,289,242**	**14,942,769**	**22,580,420**	**14,264,018**
	Adjustments for:				
	+ Loss / - Profit from Metal Result	(4,928,017)	14,704,358	(3,310,329)	6,519,074
	+ Restructuring Expenses	232,468	-	232,468	-
a - EBITDA		**30,593,693**	**29,647,126**	**19,502,559**	**20,783,092**

The metal results stems from:

1. The time period that runs between the invoicing of the purchase, holding time and metal processing versus the invoicing of sales.
2. The effect of the beginning inventory (which is affected by the metal prices of prior periods) in the cost of sales, from the valuation method which is the weighted average.
3. Specific contracts with customers with closed prices that end in exposure to metal prices fluctuations between the period that the price was closed and the date the that the sale took place.

Halcor and its subsidiaries use derivatives to reduce the effect of the fluctuation of metal prices. However, there will always be positive or negative effect in the result due to safety stock that is held.

3. Corporate Social Responsibility and Sustainable Development

Halcor supports the United Nations Global Compact by supporting the ten universal principles relating to observance and implementation of human and employment rights, environmental protection and combating of corruption. In parallel to that, Halcor implements the ISO 26000 guideline framework as one of the most complete and comprehensive tools for Corporate Responsibility. The following table presents the corresponding ten universal principle matching with the ISO framework implemented:

Category	The Global Compact's ten principles	ISO framewok
Human Rights	1st: Business should support and respect the internationally proclaimed human rights	ISO 26000 / Human Rights
	2nd: Business should make sure that they are not complicit in human right abuses	ISO 26000 / Human Rights
Labor Conditions	3rd: Businesses should uphold the freedom of association and the efective recognition of the right to collective bargaining	ISO 26000 / Working Practices
	4th: Businesses should uphold the elimination of all forms of forced and compulsory labour	ISO 26000 / Fair Operating Practices
	5th: Businesses should upholdvthe effective abolition of child labour	ISO 26000 / Fair Operating Practices
	6th: Businesses should uphold the effective abolition of child labour	ISO 26000 / Fair Operating Practices
Environment	7th: Businesses should support a precautionary approach to environmental challenges	ISO 26000 / Environment
	8th: Businesses should undertake initiatives to promote greater protection environmental responsibility	ISO 26000 / Environment
	9th: Businesses should encourage the development and dffusion of environmentally friendly technologies	ISO 26000 / Environment
Anti-corruption	10th: Businesses should work against corruption in all its forms, including extortion and bribery	ISO 26000 / Corporate Governance ISO 26000 / Cooperation with Local communities ISO 26000 / Consumer Issues

There are detailed information on Halcor's website: www.halcor.com

Environment

Halcor, considering the major environmental problems that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and by minimizing its environmental footprint.

The protection of the environment is implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques), that have been established by the European Union. In the adoption of best available techniques, the production processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, and not only in terms of waste produced.

Human Resources

Halcor considers training and development of the human resources as an investment and a prerequisite for its own long-term and sustainable development. For this reason, Halcor offers constant training opportunities towards all employees. For the years 2016 and 2015 greater emphasis was given to the 6sigma training aiming at the systemic improvement through a system that evidences with data the root causes of the problem, the tangible contribution to the achievement of goals and the creation of corporate culture in which projects with measurable benefits are examined and materialized. The 6S approach includes the procedures analysis, aiming to cover the clients' demands, cost reduction, the increase of profitability, the acceleration and the optimization of the production procedures. In addition, Halcor and Fitco for 2016 materialized 2721 hours of training, versus 2660 for 2015, out of which 395 related to health and safety topics.

One of the main advantages of Halcor is the quality of human capital that is credited in large part for its hitherto successful course. For this reason, the company attaches great importance to the selection, evaluation and reward its staff.

Halcor's policy is to attract highly quality individuals for optimal and timely needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment, through transparent procedures.

Halcor within its responsible operation has established a code of values and behaviour of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is increased.

Moreover, Halcor seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting virtually the employment in the region.

Health and Safety

Halcor cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work, in accordance with the standards OHSAS 18001:2007 / ELOT 1801:2008.

In 2015, further steps were taken to improve the security culture while the training of employees to create a safe working environment intensified. Halcor's virtue is the recording and reporting of "near misses" something that is key element for improving and advancing worker safety.

Research and Development

The Group and the Company recognize research and development as one of the basic aspects of its operation and sustainability. To that end a new and innovative thermal efficiency laboratory for inner grooved tubes (IGT - Inner Grooved Tubes) is operating within the tube plant in Oinofyta.

Furthermore, Halcor participates in the Hellenic Centre for Metallurgical Research, where at its facilities the evolution of production techniques, the fortification and improvement of the final product as well as the discovery of pioneering techniques is studied.

4. Main risks and uncertainties

The Group is exposed to the following risks from the use of its financial instruments:

Credit risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales (for the Group or Company) and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of collectability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and his properties, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Investments

These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on proper classification of the investment at the time of acquisition and reviews classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

Guarantees

The Group's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The sum of the guarantees provided by Group is of low value and does not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. The average maturity of loans stands at three years while the cash and cash equivalents on 31 December 2016, amounted to Euro 23.8 million at consolidated level and Euro 8.4 million at company level.

For the avoidance of liquidity risk the Group makes a cash flow projection for one year while preparing the annual budget as well as a monthly rolling projection for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

Risk from fluctuation of metal prices (copper, zinc, other metals)

The Group bases both its purchases and sales on stock market prices/ indexes for the price of copper and other metals used and incorporated in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire working stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through the impairment of inventories.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates variation, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly the Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

Capital management

The Groups' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

Macro-economic environment

In the context of the said analysis, the Group and the Company have evaluated any impacts that may be realized in the management of financial risks due to macroeconomic conditions in the markets that they operate.

In Greece in the beginning of 2017 the negotiations with institutions is continuing with the aim of closing the evaluation of the current program. The return to economic stability is largely dependent from the actions and decisions of the institutions in the country and abroad. Considering the nature of Halcor's operations, as exporting on its greater part, namely at Company level 89.2% of the turnover for 2016 was directed to exports versus 87.4% in 2015, while at Group level 94.4% from continued operations was directed outside Greece in 2016 versus 93.9% for 2015, as well as the financial standing of the Company and the Group, any negative developments in the Greek economy are not expected to affect substantially the normal operation of the company. In regards to the production ability of the units problems are not expected considering that exports create adequate cash-flows to cover the imports of raw materials which are necessary to the production. The availability and the prices of the raw materials are determined in the international markets and thusly they are not affected by the domestic situation in Greece.

In the United Kingdom, in spite of the result of the referendum on 23rd of June of 2016, the growth rates at 2016 closing remained positive by 0.7% versus the third quarter (Q on Q) and +1.8% in relation to 2015. The announcement of the statistics contributed positively to the stabilization of the Sterling and in spite of the initial inertia the retail consumption increased in the last quarter of 2016 and the major retailers did not increase their prices. In regards to the Group activity, we don’t see our position to be marginalized by the result of the Brexit. Most of our competitors in the Copper market operate within the Eurozone and will react to the fluctuations of the currency.

In spite of that, the Management constantly evaluates the situation and its possible ramifications, in order to secure that all necessary measures and actions have been taken for the minimization of any impact to the Group’s and the Company’s activities.

5. Outlook and prospects for 2017

For 2017 the Group and the Company considering that the greater part of the sales are direct outside Greece and the fact that the Group has access to source of funding outside Greece, consider that any negative developments in the Greek economy will not negatively affect their smooth operation. Apart from that the management constantly evaluates the situation in order to secure that all necessary and possible measures and actions are taken in time for the minimization of any impacts to the activities of the Group and the Company.

For 2017 the Group and the Company considering the international economic developments maintain their optimism. As demand for industrial products is forecasted to move upwards, it is expected to be throughout 2017 the pillar for the Group’s development. Furthermore, the Group has already started to reap the rewards of the investments of last three years and there is considerable optimism based on the prospects that are provided for exports within and outside the European Union due to the resumption of the activity in the energy sector.

In overall, for 2016, given the difficult conditions still prevailing in the domestic market, the Group will continue to have the primary strategic objective of increasing market share in industrial products and high added-value products and strengthen their activity in new markets. In addition, in the current fiscal year the use of the optimal management of the working capital and net debt reduction are our main priority.

6. Important transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows:

Transactions of the parent company with subsidiaries (amounts in thousands Euro)

Company	Sales of goods, services & assets	Purchases of goods, sevices & assets	Receivables	Payables
SOFIA MED	37,419	1,839	20,183	-
FITCO	17,362	593	3,106	768
OTHER	1	290	6	434
Total	**54,782**	**2,722**	**23,295**	**1,201**

Transactions of the parent company with subsidiaries (amounts in thousands Euro)

Company	Sales of goods, services & assets	Purchases of goods, sevices & assets	Receivables	Payables
HELLENIC CABLES	8,342	9,371	1,499	594
STEELMET GROUP	5	2,273	9	218
METAL AGENCIES	45,951	32	3,636	1
Total	**54,299**	**11,676**	**5,144**	**813**

SofiaMed SA buys from Halcor raw materials and semi-finished products of copper and copper alloys, depending on its needs, as well as finished products which distributes to the Bulgarian market. In addition, Halcor provides technical, administrative and commercial support services to Sofia Med. Respectively, Halcor buys from SofiaMed raw materials, semi-finished products according to its needs, as well as finished products which distributes to the Greek market.

Fitco SA buys from Halcor raw materials. Halcor processes Fitco's materials and deliver back semi-finished products. It also provides Fitco with administrative support services.

The Hellenic Cables Group buys raw materials from Halcor according to their needs. In its turn, it sells copper scrap to Halcor from the products returned during its production process.

Steelmet S.A. provides Halcor with administration and organization services.

Transactions of the parent company with other affiliated companies (amounts in thousands Euro)

Company	Sales of goods, services & assets	Purchases of goods, sevices & assets	Receivables	Payables
MKC	33,467	174	4,183	35
REYNOLDS CUIVRE	25,820	170	3,139	20
STEELMET ROMANIA	8,597	15	-	364
INTERNATIONAL TRADE	499	-	279	-
METALVALIUS	-	2,513	-	998
ANAMET SA	453	7,785	714	520
VIANATT	240	-	42	-
HC ISITMA	51	-	149	-
TEKA SYSTEMS	40	641	16	133
VIEXAL	1	259	1	19
TEPRO METAL	-	91	-	116
ELVAL	424	2,953	344	1,922
VIOHALCO	178	170	267	173
OTHER RELATED	482	1,984	757	567
Total	**70,253**	**16,756**	**9,891**	**4,868**

International Trade acts as merchant - central distributor of Halcor's Group products in countries of Europe where they operate themselves or their subsidiaries.

Metal Agencies LTD acts as merchant - central distributor of Halcor Group in Great Britain.

MKC GMBH trades Halcor products in the German market.

Steelmet Romania trades Halcor products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for Halcor and provides consulting services in IT issues and SAP support and upgrade.

Anamet S.A. provides Halcor with considerable quantities of copper and brass scrap.

Viexal SA provides Halcor with travelling services.

CPW America CO trades Halcor products in the American market.

Viohalco S.A. rents buildings - industrial premises to Halcor .

Tepro Metall AG trades (through its subsidiary MKC) Halcor products and represents the latter in the German market.

Genecos, as well as its subsidiary Reynolds Cuivre sell Halcors products and represent Halcor in the French market.

Metalvalius SA buys from Halcor or the market significant quantities of copper scrap and zinc which after assortment and cleaning sells to Sofia Med or the free market.

Transactions of Halcor Group with Hellenic Cables and Steelmet (amounts in thousands Euro)

Company	Sales of goods, services & assets	Purchases of goods, sevices & assets	Receivables	Payables
HELLENIC CABLES	9,580	10,140	1,694	765
STEELMET GROUP	5	2,332	9	218
Total	**9,585**	**12,472**	**1,704**	**983**

Transactions of Halcor Group with other affiliated companies (amounts in thousands Euro)

Company	Sales of goods, services & assets	Purchases of goods, sevices & assets	Receivables	Payables
MKC	54,849	177	7,341	36
STEELMET ROMANIA	11,662	32	21	368
TEKA SYSTEMS	40	891	32	212
ANAMET	468	11,163	788	746
VIEXAL	1	543	1	29
CPW	862	190	153	86
VIOHALCO	178	170	267	173
TEPRO METAL	2,382	413	175	318
CORINTH PIPEWORKS	21	3	18	1
METALVALIUS	6,518	58,879	-	6,182
REYNOLDS CUIVRE	35,660	192	3,859	258
HC ISITMA	51	-	149	-
INTERNATIONAL TRADE	499	-	279	-
OTHER RELATED	1,360	7,073	7,119	4,228
Total	**114,552**	**79,726**	**20,202**	**12,637**

Fees of Executives and Board members (amounts in thousands Euro)

The table below sets out the fees paid to executives and members of the Board of Directors:

	Group	Company
Total fees of management executives & Board members	3,467	1,821

7. Subsequent events

There were no subsequent events after the 31st of December that have to be mentioned.

BOARD OF DIRECTORS' EXPLANATORY REPORT

(Article 4(7) and (8) of Law 3556/2007)

a) Structure of share capital

Company share capital stands at Euro 38,486,258 divided into 101,279,627 common unregistered shares with a nominal value of Euro 0.38 each. All shares are traded on the ATHEX Equities Market in the Large Cap category. Company shares are unregistered, dematerialised shares incorporating voting rights.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a divided shall be deleted after the elapse of 5 years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible and the Company only recognises one owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership are represented in the General Meeting by a single person that is appointed by the same following agreement. In case of disagreement the share of the aforementioned owners is not represented.
- Shareholder liability is limited to the nominal value of each share they hold.

b) Restrictions on the transfer of Company shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

c) Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2016 were as follows:

- VIOHALCO SA/NV: 68,28 % of voting rights

d) Shares granting special rights of control

There are no shares in the Company granting their holders special rights of control.

e) Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 24 of the Articles of Association.

f) Agreements between Company shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

g) Rules on the appointment and replacement of Board members and amendment of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in Codified Law (C.L.) 2190/1920.

h) Powers of the Board of Directors to issue new shares or purchase own shares

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.
- In pursuance of Article 13(9) of C.L. 2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 26 of the Financial Statements.

i) Major agreements which take effect have been amended or expire in the case of change in control

The bank loans of both the Company and HALCOR Group, taken out fully by Banks and set out in Note 22 of the Annual Financial Report include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

j) Agreements with Board of Directors members or Company staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Code

The Company has adopted the practices of Corporate Governance as for its management and operation, as these are specified under the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter the "code") and is available on the following website:

http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf

In the context of preparation of the Annual Report of the Board of Directors, the Company reviewed the Code. From this review, the Company concluded that it applies all special practices for listed companies and described in the Code of Corporate Governance of HCGC except the following practices with the corresponding explanations:

- **Part A.II (2.2, 2.3 & 2.5): Size and composition of the Board.** The independent non-executive members of the current Board of Directors are two (2) out of eleven (11) and therefore, their number is less than the one third of all its members, in contrast to what is indicated in the Code. An independent non-executive member has served on the Board for morethan12yearsfromthe date of the first election. It was judged, at this juncture, that the enlargement of the number of independent members or the limitation of the service of a member would not improve the efficient operation of the company.
- **PartA.III(3.3): Role and qualities required from the President of the Board.** The Vice President of this Board has not the status of independent non-executive member, although the President is an executive member. It was judged, at this juncture, that the status of an independent member in the person of Vice President beyond the aforementioned status as non-executive, would not provide more guarantees in the efficient operation of the company.
- **Part A.V(5.4, 5.8): Nomination of Board members.** There was no committee to nominate members until the time this Statement was drafted for the same reasons as above.
- **Part A.V (7.1. – 7.3): Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific method to evaluate the effectiveness of the Board of Directors and its Committees.
- **Part B.I (1.4): Composition of Audit Committee:** The Audit Committee is composed entirely of non-executive members, but which in their majority are not independent. The specific choice was made in order that the necessary technical know-how would be achieved for the sufficient operation of the Committee, through the persons that consist it.
- **Part C.I (1.6): Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee. The matter will be reviewed shortly.

The Company's management did not rule that the further adoption of practices as described by the Code is necessary, given the current negative environment.

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of HCGC and the provisions of Law 3873/2010.

Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports.

i. **Description of main characteristics and details of the Internal Control and Risk Management Systems in relation to the preparation of the consolidated financial statements**.

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department controls the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the generation of reliable financial statements.

As regards the preparation of financial statements, the Company reports that the financial reporting system of "HALCOR S.A.-METAL PROCESSING" uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of sales, cost/expenses and operating profits as well as other data and indexes. All reports to Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, and to the data of the respective period of the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and powers of executives; e) year closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc.) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required under Codified Law 2190/1920 and by the supervisory authorities are prepared by the Financial Services Division, which is staffed with adequate and experienced executives to this effect. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures as to how to collect the necessary data from the subsidiary companies, and secures the reconciliation of individual transactions and the implementation of the same accounting principles by the aforementioned companies.

ii. Annual evaluation of corporate strategy, main business risks and Internal Control Systems.

The Company's Board of Directors states that it has examined the main business risks facing the Group as well as the Internal Control Systems. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

iii. Provision of non-audit services to the Company by its legal auditors and evaluation of the effect this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008.

The statutory auditors of the Company for the fiscal year 2016, i.e. "KPMG Certified Auditors A.E.", who have been elected by the Ordinary General Meeting of the Company's Shareholders on 26th of

May 2016, do not provide non-audit services to the Company and its subsidiaries apart from those prescribed under law.

Public takeover offers - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.

- There are no third-party public offers to take over the Company's share capital during the last and current year.

- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws.

General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

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

Roles and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;

- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 11 members of whom:

- 5 are executive members (Chairman, Vice-Chairman& 3 Members)
- 4 are non-executive members (Other Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of HALCOR S.A.-METAL PROCESSING consists of the following:

- Theodossios Papageoprgopoulos, Chairman, executive member
- Nikolaos Koudounis, Vice Chairman, executive member
- Perikles Sapountzis, executive member
- Eftyhios Kotsambasakis, executive member
- Tassos Kassapoglou, executive member
- Georgios Passas, non-executive member
- Konstantinos Bakouris, non-executive member
- Ioannis Panyiotopoulos, non-executive member
- Andreas Katsanos, non-executive member
- Andreas Kyriazis, independent non-executive member
- Nikolaos Galetas, independent non-executive member

The Board Members are elected for a yearly term from the General Meeting of the Shareholders. The current Board of Directors was elected by the Ordinary General Meeting of 26th of May 2016. Upon convening on the 2nd of March 2017 the Board of Directors replaced its resigned member Mr. Christos-Alexios Komninos with Mr. Ioannis Panayiotopoulos and its term expires at the date of the General Assembly of the current year 2017.

The Board of Directors met 62 times during 2016 and all members attended.

<u>Audit Committee</u>

i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and operates according to Law 3693/2008 (Article 37), consists of three non-executive members of the Board of Directors, one of which is independent, and his main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfil its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and effectively implement Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To control periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management instructions, Company policy and procedures, and that they abide by Company objectives and standards of management practice;
- To review internal audit reports and specifically:
    - to evaluate the adequacy of their scope;
    - to confirm the accuracy of reports;
    - to examine the adequacy of documentation of the results.

The Audit Committee receives the following reports on audit activity:

- Extraordinary reports
- Quarterly financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognisance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Operation Regulation, the Audit Committee consists of one independent and non-executive member of the Board of Directors and two non-executive members who have the necessary knowledge and experience for the Committee's work.

The existing Audit Committee consists of the following persons:

Members: Andreas Kyriazis: independent non-executive member of the Board.

Georgios Passas: non-executive member of the Board

Andreas Katsanos: non-Executive member of the Board

ii. Number of Committee meetings and frequency of each member's participation in meetings

The Audit Committee met 4 times during 2016 having full quorum.

iii. Evaluation of effectiveness and performance of the Committee

Until the time this Statement was drafted, no special procedures had been established to evaluate the effectiveness of the Board's Committee. Company Management will establish such procedures in the future.

CURRICULUM VITAE OF THE BOARD MEMBERS

Theodossios Papageorgopoulos, Chairman (Executive Member)

Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for the Viohalco's subsidiaries since 1962 and has served as General Manager in Halcor SA from 1973 to 2004. Between 2004 and this date he is the Chairman of the Board of Halcor SA.

Nikolaos Koudounis, Vice-Chairman (Executive Member)

Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for the Viohalco Group since 1968 and he has been the Financial Manager of Elval SA (1983), General Manager of Elval SA (2000) and Managing Director of Fitco SA (2004). He already participates as an executive director in the Boards of Elval SA, Halcor SA, DIA.VI.PE.THI.V SA (Chairman of BoD), Fitco SA (Chairman of BoD) and other Group companies. He is also the Chairman of the Board of Viotia Association of Industries.

Perikles Sapountzis, (Executive Member)

Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been working for the subsidiaries of Viohalco since 1995 when hired as a sales manager in Hellenic Cables SA. From 1997 to 2000 he was Commercial Director of Tepro Metall AG. In 2000 he became General Manager of ICME ECAB SA and in 2004 took the same position in the parent company Hellenic Cables SA. Between 2008 and currently holds the position of General Director and Board Member of Halcor SA.

Tassos Kassapoglou, (Executive Member)

Graduate Engineer - Electrical Engineer of National Technical University of Athens. He has been working for the Viohalco Group since 1972. He was Production Manager of Hellenic Cables SA. From 1983 until 2006, he served as Technical Director at the tubes plant of Halcor SA. From middle 2006 until end of 2007 he served as General Manager of Sofia Med. From 2009 he is Board Member of Halcor SA.

Eftyhios Kotsambasakis, (Executive Member)

Mr. Kotsampasakis holds the position of Administrative Director of Halcor. He has been working for the Viohalco Group since 1965. He serves on the Board of DIA.VI.PE.THIV. SA as a Vice-President and is treasurer of the Federation of Industries of Viotia.

Andreas Katsanos, (Non-executive Member)

Mr. Katsanos is a graduate of Piraeus University of Economics and Business and has been working for the Viohalco Group since 1960. He was senior officer in various group companies while from 1978 to 1980 he held the position of General Manager in the company Viotias Cables SA Between 1989 and now is Director of the metals department of Viohalco. Mr. Katsanos was instrumental in the adoption and implementation in Greece, from the Bank of Greece, the Hedging process (hedging of metal price volatility), through the London Metal Exchange (LME). He is also on the Board of Hellenic Cables SA.

Georgios Passas, (Non-executive Member)

Mr. Passas is a graduate of Athens University of Economics and Business. He joined Viohalco in 1969 and has served in senior positions of the Group. From 1973 to 1983 he served as CFO of Elval SA, from 1983 to 1987 as Financial Director of Halcor SA, while from 1987 to 2004 was General Manager of Hellenic Cables SA. Mr. Passas is a member of the Board of Directors in several companies of the Viohalco Group.

Konstantinos Bakouris, (Non-executive Member)

Mr. Konstantinos Bakouris is member on the Boards of ELVAL and HALCOR. Mr. Bakouris has been the Chairman of Corinth Pipeworks since 2005. He started his career in 1968 in ESSO PAPPAS. Two years later he became Financial Manager of UNION CARBIDE in Athens and six years later he became Managing Director. In 1985 he took over the responsibility for the company's consumer products as Europe Vice-chairman. In 1986 he was elected Chairman of RALSTON PURINA for Europe. In 1998 he returned to Greece as Managing Director of the Olympic Games Organizational Committee "Athens 2004". From 2001 to 2002 he was the Chairman of the Hellenic Centre for Investment (EKE). From 2004 to 2008 he also served as Chairman of NET MED N.V., the parent company of NOVA subscribers' television. He is Chairman of International Transparency Hellas and Chairman of the Greek-Russian Business Council. He has a MBA from DE PAUL University in Chicago.

Panayiotopoulos Ioannis (Non-executive Member)

Mr. Panayiotopoulos is a graduate of Athens University of Economics and Business and the Training Institute in Business Administration of the same University. He has been working for VIOHALCO Group of companies since 1968 in the Financing Division of Group companies. From 2005 to 2008, he was the Chairman of Elval SA. Since 2005 he is the vice-chairman of ERLIKON SA and also a Board member of SOVEL SA and other companies of Viohalco.

Andreas Kyriazis, (Independent non-executive member)

Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice-chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists.

Nikolaos Galetas, (Independent non-executive member)

Mr. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES SA, and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group which was appointed as Chairman of the Board during the years of his career to this organization. In addition in 1990-92 offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also member of the Board of Directors in several companies of Viohalco.

The Chairman of the Board

of HALCOR SA

Theodossios Papageorgopoulos

Independent Auditor's Report

(Translated from the original in Greek)

To the Shareholders of
HALCOR METAL WORKS S.A.

Report on the Financial Statements

We have audited the accompanying Stand-alone and Consolidated Financial Statements of HALCOR METAL WORKS S.A. (the "Company") which comprise the Stand-alone and Consolidated Statement of Financial Position as of 31 December 2016 and the Stand-Alone and Consolidated Statements of Income and Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Stand-alone 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 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 stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as incorporated in Greek Law. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of stand-alone and consolidated the 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 Stand-alone and Consolidated Financial Statements give a true and fair view of the financial position of HALCOR METAL WORKS S.A. as of 31 December 2016 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement which is incorporated in this report, pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by article 43bb of C.L. 2190/1920.

(b) In our opinion, the Board of Directors' report has been prepared in accordance with the applicable legal requirements of articles 43a and 107a and paragraphs 1c and 1d of Article 43bb of C.L. 2190/1920 and its content corresponds with the accompanying Stand-alone and Consolidated Financial Statements for the year ended 31 December 2016.

(c) Based on the knowledge acquired during our audit, for HALCOR METAL WORKS S.A. and its environment, we have not identified material misstatements in the Board of Directors' Report.

Athens, 30 March 2017

KPMG Certified Auditors AE
AM SOEL 114

Nikolaos Vouniseas, Certified Auditor Accountant
AM SOEL 18701

HALCOR

Annual Financial Statements (Group and Company)

as at 31 December 2016

according to International Financial Reporting Standards

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE GROUP FINANCIAL MANAGER
THEODOSSIOS PAPAGEORGOPOULOS ID Card No. AE 135393	GEORGE PASSAS ID Card No. Φ 020251	PERIKLIS SAPOUNTZIS ID Card No. AK 121106	SPYRIDON KOKKOLIS ID Card No. X701209

HALCOR SA

G.C.Registry.: 303401000

SA Registry No: 2836/06/B/86/48

SEAT: Athens Tower, Building B, 2-4Mesogeion Avenue

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HALCOR

I. Statement of Financial Position

EUR	Note	GROUP 2016	GROUP 2015	COMPANY 2016	COMPANY 2015
ASSETS					
Non-current assets					
Property, plant and equipment	10	288,749,487	532,663,929	128,732,854	131,821,887
Intangible assets and goodwill	**11**	1,502,276	16,815,649	770,350	455,934
Investment property	**12**	5,443,805	6,426,268	3,697,501	3,742,166
Equity-accounted investees	**13**	71,862,661	9,382,740	39,855,888	5,966,131
Investments in subsidiaries	**13**	-	-	113,866,113	185,149,163
Other investments	**14**	2,508,672	3,396,168	2,508,672	2,854,772
Deferred income tax assets	**15**	3,681,104	3,870,184	-	-
Trade and other receivables	**17**	915,571	2,194,969	857,301	827,370
		374,663,577	**574,749,906**	**290,288,678**	**330,817,423**
Current Assets					
Inventories	**16**	119,258,774	209,937,102	63,246,954	48,798,460
Trade and other receivables	**17**	48,654,787	180,574,353	48,551,633	46,762,678
Derivatives	**18**	934,132	267,462	51,257	-
Cash and cash equivalents	**19**	23,843,398	34,786,380	8,447,342	11,809,811
		192,691,091	**425,565,297**	**120,297,187**	**107,370,949**
Total assets		**567,354,668**	**1,000,315,203**	**410,585,865**	**438,188,372**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	**20**	38,486,258	38,486,258	38,486,258	38,486,258
Share premium		67,138,064	67,138,064	67,138,064	67,138,064
Other reserves	**20**	149,051,103	178,546,387	103,201,233	105,152,475
Retained earnings/(losses)		(164,512,637)	(201,561,080)	(129,610,140)	(105,005,446)
Equity attributable to owners of the company		**90,162,789**	**82,609,630**	**79,215,415**	**105,771,351**
Non-Controlling Interest		9,385,960	25,057,595	**-**	**-**
Total equity		**99,548,749**	**107,667,225**	**79,215,415**	**105,771,351**
LIABILITIES					
Non-current liabilities					
Loans and Borrowings	**22**	239,603,953	394,509,140	155,673,116	174,512,842
Obligations under financial lease		-	720,584	-	-
Deferred tax liabilities	**15**	30,856,578	46,701,023	25,496,011	27,431,379
Employee benefits	**23**	2,501,083	5,050,801	1,658,441	1,554,450
Grants	**24**	3,446,320	20,703,918	1,257,979	1,369,060
Provisions	**25**	90,000	329,984	90,000	90,000
Trade and other payables	**26**	-	10,233,541	-	-
		276,497,935	**478,248,991**	**184,175,548**	**204,957,731**
Current liabilities					
Trade and other payables	**26**	82,272,027	168,478,679	60,112,023	39,456,027
Current tax liabilities	**26**	1,207,979	7,071,068	893,988	1,208,201
Loans and Borrowings	**22**	106,741,778	236,180,448	85,103,252	86,211,556
Obligations under financial lease		-	75,844	-	-
Derivatives	**18**	1,086,200	2,592,949	1,085,645	583,509
		191,307,985	**414,398,988**	**147,194,907**	**127,459,292**
Total liabilities		**467,805,920**	**892,647,979**	**331,370,455**	**332,417,024**
Total equity and liabilities		**567,354,668**	**1,000,315,203**	**410,585,865**	**438,188,372**

The notes on pages 11 to 71 constitute an integral part of these Financial Statements.

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II. Income Statement

EUR	Note	GROUP 2016	GROUP 2015	COMPANY 2016	COMPANY 2015
Continued Operations					
Revenue	6	**692,897,826**	**751,059,760**	**420,501,734**	**451,690,228**
Cost of sales	8	(652,963,574)	(734,869,505)	(391,378,364)	(432,433,201)
Gross profit		**39,934,252**	**16,190,254**	**29,123,370**	**19,257,027**
Other Income	7	7,916,002	7,757,559	3,560,333	3,341,585
Selling and Distribution expenses	8	(8,031,420)	(7,559,161)	(5,116,674)	(4,989,492)
Administrative expenses	8	(13,019,932)	(11,896,258)	(9,078,482)	(8,238,965)
Other Expenses	7	(7,182,224)	(8,058,020)	(2,651,611)	(1,822,967)
Operating profit / (loss)		**19,616,679**	**(3,565,626)**	**15,836,936**	**7,547,188**
Finance Income	9	3,887,113	32,132	42,512	25,287
Finance Costs	9	(25,017,333)	(26,749,119)	(15,714,261)	(17,242,935)
Dividend		37,600	-	78,400	248,658
Net Finance income / (cost)		**(21,092,620)**	**(26,716,987)**	**(15,593,348)**	**(16,968,990)**
Impairment of participations	13	-	-	(23,016,253)	-
Share of profit/ (loss) of equity-accounted investees, net of tax		509,953	(154,761)	-	-
Profit/(Loss) before income tax		**(965,987)**	**(30,437,374)**	**(22,772,665)**	**(9,421,802)**
Income tax expense	15	2,685,723	(400,302)	1,770,401	(1,803,928)
Profit/(Loss) for the year from continued operations		**1,719,735**	**(30,837,676)**	**(21,002,264)**	**(11,225,730)**
Discontinued Operations					
Profit / (Loss) from Discontinued Operations	33	(9,092,340)	(1,989,720)	-	-
Total Profit / (Loss) for the period)		**(7,372,605)**	**(32,827,396)**	**-**	**-**
Attributable to:					
Owners of the Company					
From Continuing Operations		1,980,322	(30,837,676)	(21,002,264)	(11,225,729)
From Discontinued Operations		(6,816,823)	(1,671,393)	-	-
Attributable to owners of the Parent		**(4,836,501)**	**(32,509,069)**	**(21,002,264)**	**(11,225,729)**
Non-controlling Interests					
From Continuing Operations		(260,586)	-	-	-
From Discontinued Operations		(2,275,518)	(318,327)	-	-
Attributable to non controling interests		**(2,536,104)**	**(318,327)**	**-**	**-**
Shares per profit to the shareholders for period					
(expressed in € per share)					
Basic and diluted		(0.0478)	(0.3210)	(0.2074)	(0.1108)
Shares per profit to the shareholders for period					
(expressed in € per share)					
Continuiing Operations					
Basic and diluted		0.0196	(0.3045)	-	-

The notes on pages 11 to 71 constitute an integral part of these Financial Statements.

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III. Statement of Comprehensive Income

	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Profit / (Loss) of the period	**(7,372,605)**	**(32,827,396)**	**(21,002,264)**	**(11,225,730)**
Items that will never be reclassified to profit or loss				
Profit from Revaluation of Fixed Assets to Fair Value	(663,142)	361,910	(663,142)	361,910
Remeasurements of defined benefit liability	(381,064)	154,210	(117,971)	216,397
Related tax	256,257	(1,823,599)	226,523	(1,821,894)
Total	**(787,949)**	**(1,307,480)**	**(554,590)**	**(1,243,588)**
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences	13,105	-	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	4,258,824	(4,119,806)	(36,587)	(1,519,469)
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(2,009,806)	829,992	(414,292)	388,615
Gain / (Loss) of changes in fair value of Available-for-sale - net change in fair value	-	(876,000)		(876,000)
Related Tax	(437,571)	877,859	130,755	581,988
Total	**1,824,552**	**(3,287,955)**	**(320,124)**	**(1,424,866)**
Total comprehensive income / (expense) after tax	**(6,336,002)**	**(37,422,831)**	**(21,876,978)**	**(13,894,183)**
Discontinued Operations				
Other comprehensive income related to discontinued operations (net-of tax)	5,445,331	(1,693,295)	-	-
Total Profit / (Loss) for the period) after discontinued	**(890,672)**	**(39,116,125)**	**(21,876,978)**	**(13,894,183)**
Attributable to Onwers of the company				
From Continuing Operations	(6,259,185)	(37,422,832)	(21,876,978)	(13,894,183)
From Discontinued Operations	5,826,421	(1,142,617)	-	-
Attributable to owners of the Parent	**(432,764)**	**(38,565,450)**	**(21,876,978)**	**(13,894,183)**
Attributable to non-controlling interests				
From Continuing Operations	(76,817)	-	-	-
From Discontinued Operations	(381,091)	(550,677)	-	-
Attributable to owners of the Parent	**(457,908)**	**(550,677)**	**-**	**-**

The notes on pages 11 to 71 constitute an integral part of these Financial Statements.

IV. Statement of Changes in Equity

EUR	Share capital	Share premium	Reserves at Fair Value	Other reserves	Reserves for Revaluation of Fixed Assets to Fair Value	Results carried forward	Foreign exchange differences due to consolidation	Total	Non-Controlling Interest	Total Equity
GROUP										
Balance as at 1 January 2015	**38,486,258**	**67,138,064**	**1,782,335**	**74,160,759**	**120,553,816**	**(174,957,916)**	**(6,336,214)**	**120,827,103**	**26,513,210**	**147,340,313**
Net Profit / (Loss) for the period	-	-	-	-	-	(32,509,070)	-	(32,509,070)	(318,327)	(32,827,398)
Other comprehensive income	-	-	(3,267,229)	-	(1,639,403)	(576,755)	(572,992)	(6,056,379)	(232,350)	(6,288,729)
Total comprehensie income	-	-	(3,267,229)	-	(1,639,403)	(33,085,825)	(572,992)	(38,565,450)	(550,677)	(39,116,127)
Transactions with the shareholder's directly in equity										
Transfer of reserves	-	-	-	(25,160)	(5,900,855)	5,926,015	-		-	-
Dividend	-	-	-	-	-	-	-	-	(230,760)	(230,760)
Liquidation of subsidiaries	-	-	-	(208,670)	-	556,646	-	347,976	(674,177)	(326,201)
Total transactions with the shareholders	-	-	-	(233,830)	(5,900,855)	6,482,661	-	347,976	(904,937)	(556,961)
Balance as at 31 December 2015	**38,486,258**	**67,138,064**	**(1,484,893)**	**73,926,929**	**113,013,558**	**(201,561,080)**	**(6,909,206)**	**82,609,630**	**25,057,595**	**107,667,225**
Balance as at 1 January 2016	**38,486,258**	**67,138,064**	**(1,484,893)**	**73,926,929**	**113,013,558**	**(201,561,080)**	**(6,909,206)**	**82,609,630**	**25,057,595**	**107,667,225**
Net Profit / (Loss) for the period	-	-	-	-	-	(7,112,019)	-	(7,112,019)	(260,586)	(7,372,605)
Other comprehensive income	-	-	1,603,151	-	(663,142)	(100,281)	13,105	852,834	183,769	1,036,603
Total comprehensie income	-	-	1,603,151	-	(663,142)	(7,212,300)	13,105	(6,259,185)	(76,817)	(6,336,002)
Transactions with the shareholder's directly in equity										
Transfer of reserves	-	-	-	-	(9,722,509)	9,722,509	-	-	-	-
Dividend	-	-	-	-	-	(43,904)	-	(43,904)	(45,696)	(89,600)
Total transactions with the shareholders	-	-	-	-	(9,722,509)	9,678,605	-	(43,904)	(45,696)	(89,600)
Change of participation in subsidiaries										
Increase / (Decrease) and loss of control to participation in subsidiaries	-	-	(886)	(5,282,398)	(22,231,201)	34,582,139	6,788,594	13,856,248	(15,549,122)	(1,692,874)
Total	-	-	(886)	(5,282,398)	(22,231,201)	34,582,139	6,788,594	13,856,248	(15,549,122)	(1,692,874)
Balance as at 31 December 2016	**38,486,258**	**67,138,064**	**117,372**	**68,644,531**	**80,396,707**	**(164,512,637)**	**(107,507)**	**90,162,789**	**9,385,960**	**99,548,746**

The notes on pages 11 to 71 constitute an integral part of these Financial Statements.

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EUR	Share capital	Share premium	Reserves at Fair Value	Other reserves	Reserves for Revaluation of Fixed Assets to Fair Value	Results carried forward	Total
COMPANY							
Balance as at 1 January 2015	**38,486,258**	**67,138,064**	**388,614**	**68,499,331**	**40,803,235**	**(95,649,969)**	**119,665,534**
Net Profit / (Loss) for the period	-	-	-	-	-	(11,225,729)	**(11,225,729)**
Other comprehensive income	-	-	(1,424,866)	-	(1,397,229)	153,642	**(2,668,454)**
Total comprehensie income	-	-	(1,424,866)	-	(1,397,229)	(11,072,087)	**(13,894,183)**
Transactions with the shareholder's directly in equity							
Transfer of reserves	-	-	-	-	(1,716,609)	1,716,609	**-**
Total transactions with the shareholders	-	-	-	-	(1,716,609)	1,716,609	**-**
Balance as at 31 December 2015	**38,486,258**	**67,138,064**	**(1,036,252)**	**68,499,331**	**37,689,396**	**(105,005,446)**	**105,771,351**
Balance as at 1 January 2016	**38,486,258**	**67,138,064**	**(1,036,252)**	**68,499,331**	**37,689,396**	**(105,005,446)**	**105,771,351**
Net Profit / (Loss) for the period	-	-	-	-	-	(21,002,264)	**(21,002,264)**
Other comprehensive income	-	-	(320,124)	-	-	(554,590)	**(874,714)**
Total comprehensie income	-	-	(320,124)	-	-	(21,556,854)	**(21,876,978)**
Transactions with the shareholder's directly in equity							
Loss of Controll of Subsidiary	-	-	-	-	-	(4,678,958)	**(4,678,958)**
Transfer of reserves	-	-	-	-	(1,631,118)	1,631,118	**-**
Total transactions with the shareholders	-	-	-	-	(1,631,118)	(3,047,840)	**(4,678,958)**
Balance as at 31 December 2016	**38,486,258**	**67,138,064**	**(1,356,376)**	**68,499,331**	**36,058,278**	**(129,610,140)**	**79,215,415**

The notes on pages 11 to 72 constitute an integral part of these Financial Statements.

V. Statement of Cash-Flows

		GROUP		COMPANY	
EUR	Note	2016	2015	2016	2015
Cash flows from operating activities					
Profit / (loss) after taxes		(7,372,605)	(32,827,397)	(21,002,264)	(11,225,729)
Adjustments for:					
Tax		(2,685,723)	400,302	(1,770,401)	1,803,928
Depreciation and Amortization		15,672,562	18,508,395	6,743,484	6,716,830
Depreciation of tangible assets		15,168,084	18,100,333	6,576,312	6,602,546
Depreciation of intangible assets		719,744	639,720	278,253	225,650
Depreciation of grants		(215,265)	(231,658)	(111,081)	(111,367)
Investing activities result (income, expenses, profits and losses)		(553,896)	(6,845)	(120,912)	(248,658)
Interest charges & related expenses		25,017,333	26,421,130	15,714,261	17,217,648
(Profit) / loss from sale of tangible & Intangible assets		-	224,472	3,440	2,823
(Profit) / loss from sale of investments		(3,893,718)	-	-	-
Loss from the destruction of Assets		-	(216,308)	-	-
Impairment of participations		-	-	23,016,253	-
Decrease / (increase) in inventories		(6,817,817)	3,334,533	(14,448,495)	7,836,202
Decrease / (increase) in receivables		2,358,801	(6,156,163)	(1,788,954)	6,803,226
(Decrease) / Increase in liabilities (minus banks)		32,851,497	11,248,067	20,687,801	7,466,078
Increase/ (decrease) in other provisions		(8,515,957)	8,549,951	(106,636)	2,158,744
Interest charges & related expenses paid		(21,619,297)	(24,608,545)	(15,820,692)	(16,747,092)
Income tax paid		(16,655)	(22,153)	-	-
Discontinued operations	33	16,830,469	10,290,330	-	-
Net Cash flows from operating activities		**41,254,995**	**15,139,769**	**11,106,885**	**21,784,000**
Cash flows from investing activities					
Purchase of tangible assets		(7,942,189)	(12,010,041)	(4,201,631)	(6,667,801)
Purchase of intangible assets		(375,822)	(358,333)	(353,649)	(273,172)
Purchase of Investment Propertty		-	(131,837)	-	-
Sales of Fixed Assets and Intangible Asset		120,799	1,255,972	(4,501)	1,400,941
Dividends received		-	-	-	248,658
Interest received		43,942	-	42,512	25,287
Acquisition of other investments/available for sale investments		(3,900)	-	(3,900)	-
Sales of Participations in subsidiaries		-	-	9,999,844	-
Decrease / (Increase) in paricipation in other investments and joint-venture		9,999,844	(1,441,549)	-	(11,447,498)
Cash consideration contributed	33	(7,111,318)	-	-	-
Discontinued operations	33	(12,688,051)	(11,401,874)	-	-
Net Cash flows from investing activities		**(17,956,696)**	**(24,087,662)**	**5,478,675**	**(16,713,585)**
Cash flows from financing activities					
Loans received		-	23,579,579	-	13,000,000
Loans settlement		(37,262,508)	(17,249,563)	(19,948,029)	(13,087,463)
Grand proceeds		-	1,743,070	-	-
Discontinued operations	33	3,026,947	17,059,292		
Net cash flows from financing activities		**(34,235,561)**	**25,132,378**	**(19,948,029)**	**(87,463)**
Net (decrease)/ increase in cash and cash equivalents		**(10,937,262)**	**16,184,485**	**(3,362,468)**	**4,982,951**
Cash and cash equivalents at the beginning of period		34,786,381	18,578,837	11,809,811	6,826,859
Foreign exchange effect on Cash and Cash equivalents		(5,720)	23,058	-	-
Cash and cash equivalents at the end of period		**23,843,399**	**34,786,381**	**8,447,342**	**11,809,810**

The notes on pages 11 to 71 constitute an integral part of these Financial Statements.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

1. Incorporation and Group Activities:

HALCOR S.A.-METAL PROCESSING (former VECTOR S.A.-Metal processing) ("HALCOR" or the "Company") was established in 1977 and has No 2836/06/B/86/48 in the Register of Societes Anonyme. In 1997, a merger of VECTOR S.A. and (former) HALCOR S.A. took place, which was completed by way of decision dated 5 June 1997 of the Ministry of Development.

The term of the Company has been set at 50 years from publication of its Articles of Association, namely until 2027. It is listed on Athens Stock Exchange since 1996 and is a subsidiary and member of Viohalco.

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2014 include the individual financial statements of Halcor and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 15 of the Financial Statements.

The Financial Statements of Halcor are included in the consolidated Financial Statements Viohalco SA/NV that is traded on the EURONEXT stock exchange in Belgium.

The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper and copper alloys, zinc rolling products and cables of all types. The Group is operating in Greece, Bulgaria and Turkey.

The Company is seated in Greece, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525, Athens. The central offices of the Company and its contact address are located at the 62nd km of "Athens-Lamia" National Highway, Inofyta (Pref. of Viotia), GR-32011. The company's website is www.halcor.com.

2. Basis of preparation of the Financial Statements

(a) Compliance note

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the IASB may differ from those adopted by the European Union.

The financial statements ended 31 December 2016 were approved for publication by the Company's Board of Directors on 29th of March, 2016.

(b) Measurement basis

The Financial Statements have been prepared in accordance with the fair value principle for the Property, Plant and Equipment, the Investments in Property, the financial assets and liabilities that it can be determined and the historical cost for all the rest.

(c) Functional exchange rate and presentation

The Financial Statements are presented in Euro, which is the Company's functional currency. The amounts indicated in the Financial Statements are denominated in Euro and are rounded up/down to the nearest unit (any differences in sums are due to rounding up/down).

(d) Application of estimates and judgments

Preparing financial statements in line with the IFRS requires that Management take decisions, make assessments and assumptions which affect the implementation of accounting policies, and the book amounts of assets, liabilities, income and expenses. The actual results may finally differ from such estimates.

Estimates and related assumptions are continuously revised. These revisions are recognized in the period they were made and any subsequent ones.

Specific information about the areas for which estimates are uncertain and vital decisions must be made with respect to the application of accounting policies having a considerable effect on the amounts posted in financial statements is given in the notes below:

- Valuation of assets in fair value (notes 10 and 12): At the end of 2014, the Group adopted the Fair Value approach in the valuation of Property, Plant and Equipment. In addition the investment property is presented in Fair Value. The measurement are performed by independent valuators who are members of accredited unions and institutions and have the necessary experience and expertise in the fair value approach of real estate and machinery.
- Inventory valuation (note 16): The Group makes estimates to calculate the realizable value
- Valuation of assets not measured at fair value (notes 11 and 13): The Group makes estimates on the impairment of assets not measured at fair value (investments in subsidiaries and associates, intangible assets).
- Valuation of other investments (note 14): The fair values of financial assets that are traded in active markets are determined by the current market price. For non-traded assets, fair values are determined using valuation methods such as recent transactions, reference to other instruments that are traded and discounted cash flows.
- Impairment of Intangible Assets that their useful life is indefinite (note 11): The Management examines in annual basis if there is any indication of impairment for the assets that their useful life is indefinite and makes estimates according to the Groups policies. These intangible assets are examined as a part of a respective CGU.
- Recoverable tax assets (note 15): The Group makes estimates for the future profits in order to make calculate the recoverable amount recognized as deferred tax assets.
- Accounting for defined staff leaving indemnity plans (note 23): The present value of the liability of a defined benefit contribution plan is based on actuarial assumptions that are carried out from the Management. Any changes in the assumptions will affect the carrying value of the liability.

3. New principles

New principles that have not been put in effect

The following standards and amendment of standards have not been put in effect, have not been adopted by the Group and have not been approved by the European Union. The Management is assessing the potential impact on the financial position and profitability of the Group. However the effect has on the financial statements is yet to be estimated.

IFRS 9 "Financial Instruments"

This standard is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted. This standard will replace IAS 39 and includes new guidance on the classification and measurement of financial instruments. The Management is assessing the potential impact from the implementation of this Standard on their financial statements. The standard has not yet been endorsed by European Union.

IFRS 15 "Revenue from contracts with customers"

This standard will replace IAS 11 "Construction contracts", IAS 18 "Revenue" and IFRIC 13 «Customer loyalty programs", the IFRIC 15 "Agreements for the construction of real estate", την IFRIC 18 "Transfer of Assets from customers" and SIC-31 "Revenue – Barter transactions involving advertising services". This standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. The standard provides a five-step guideline based on principles that can be applicable to all contracts with customers.

This standard is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted.

IFRS 16 «Leases»

The IFRS replaces the IAS 17. It was issued on January 2016 and its purpose is to secure that lessors and lesees provide useful information for the exchanges that constitute a lease. The IFRS 16 requires that the lessee to recognize financial assets and liabilities for all leasing contracts with maturity over 12 months, unless the asset is of immaterial value. The standard has not yet been adopted by the European Union.

IFRS 12 "Recognition of deferred tax assets for unlrealized losses"

The amendment is applied for the fiscal periods that begin from 1st of January 2017 and clarified the accounting treatment for the deferred tax receivables for unrealized losses that have resulted from loans which are measured at fair value. The amendments have not yet been adopted by the European Union.

IFRS 2 "Classification and measurement of transactions that are related to payments which are dependent on the value of shares"

The amendment provides classifications in regards to measurement basis for remunerations which depend on the value of shares and are settled with cash as well as the accounting treatment in regards to the terms that change a remuneration which is settled in cash to a remuneration that is settled with participating titles. The amendments will be applied for the fiscal years that start from 1st of January 2018 and have not been adopted by the European Union.

IAS 7 "Disclosures"

The amendments introduce compulsory disclosures for the variations in liabilities from operational activities. The amendments are applicable for the fiscal years starting from the 1st of January 2017 and have not been adopted by the European Union.

IFRS 4 "Implementation of IFRS 9 Financial instruments in IFRS 4 insurance contracts"

The amendments will be applied for the fiscal years that begin from the 1st of January 2018 and are applied for amendment in insurance contracts and will pride the choice to all entities that issue insurance contracts to recognize in other comprehensive income any deviation that may arise due to the implementation of IFRS 9 and namely with entities that are operating in the insurance industry the choice for temporary suspension of implementation from IFRS 9 until 2021. The amendments have not been adopted by the European Union.

IAS 40 "Reclassifications of Investment Property"

The amendment is for the financial statements that are effective from 1st of January 2018. The amendment clarifies that for the change in the use of a property, it has to be evaluated if the property fulfills the criteria and the change can be supported. The amendments have not been adopted by the European Union.

<u>Annual improvements to IFRSs Cycle 2014 -2016</u>

IFRS 12 "Disclosure of participation to other entities"

The amendment clarifies that the disclosures of IFRS 12 is applicable to participations in entities that have been classified as held for sale. It is applicable for financial statements which begin from 1st of January 2017 and have not been adopted by the European Union.

IAS 28 "Participations in other and joint-ventures"

The amendments provide clarifications investment funds, mutual funds that choose to measure other participations and joint-ventures in fair value through profit and loss. The option has to be done separately for each participation or joint-venture during initial recognition. It is applicable for financial statements beginning from 1st of January 2017 and has not been adopted by the European Union.

IFRIC 22 "Transactions in foreign currency and advance payments"

This interpretation provides guidance for determining the date of transaction for transactions in foreign currency as defined in IAS 21. The interpretation has not been adopted by the European Union.

4. Significant accounting principles

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by all Group companies with the exception of the implementation of new standards, amendments and interpretations that are mentioned below, the implementation of which is compulsory for the annual reporting period on or after January 1, 2016. The new standards that have been adopted in 2016 and did not have an impact on the financial statements of the Group are the below mentioned:

Amendment to IFRS 11 "Acquisition of participations in entities under joint control"

This amendment adds new guidance for the accounting of acquisition of participation in a jointly controlled entity that is a business according to IFRS and clarifies the appropriate accounting treatment for these acquisitions. This amendment is applicable prospectively for fiscal years starting from 1st of January 2016, although earlier application is permitted. This amendment has been approved by the European Union.

Amendments to IAS 16 and IAS 38 "Clarification for the acceptable method of depreciation and amortization"

The amendment of IAS 16 states that the depreciation on the revenue-based method cannot be used for property, plant and equipment. The amendment of IAS 38 introduces the evidence that the use of the revenue-based depreciation method for intangible assets is not suitable. The amendments are applicable for annual periods starting on or after the 1st of January 2016 with prospective application and have been adopted by the European Union. Earlier application is permitted.

Amendment IAS 27 "Equity Method on the separate financial statements"

This amendment allows to entities to use the equity method in order to account for the participations in subsidiaries, joint-ventures and other related to the separate financial statements and also clarifies the definition of the separate financial statements. This amendment is applicable for annual periods beginning from or after 1st of January 2016. The amendments have been adapted by the European Union. Earlier application is permitted.

IAS 19 (Amendment) "Employee benefits": This limited scope amendment is applicable to contributions of employees or third parties to programs of defined benefit contribution and simplify the accounting treatment for contributions when they are independent of the number of years of employment, for instance, employees contributions which are being calculated based on a fixed percentage of the remuneration.

Amendment to IAS 1 "Presentation of Financial Statements".

This amendment aims at the improvement of the financial statements that are being prepared according to IFRS (Disclosure initiative). This amendment has been adopted by the European Union and is applicable after the 1st of January 2016.

Annual Improvements to “IFRSs Cycle 2012-2014”

Improvements are effective for annual periods beginning on or after January 1, 2016. These amendments have not yet been endorsed by European Union. Earlier adoption Is permitted.

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”: The amendment clarifies that, when an asset (or disposal group) is reclassified from “held for sale” to “held for distribution”, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 “Financial Instruments: Disclosures”: The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, “Disclosure – Offsetting financial assets and financial liabilities” is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 “Employee Benefits”: The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 “Interim Financial Reporting”: The amendment clarifies what is meant by the reference in the standard to “information disclosed elsewhere in the interim financial report”.

4.1 Basis of consolidation

(a) Business combinations

The acquisitions of subsidiaries accounted under the purchase method on the date of acquisition, the date on which control is transferred to the Group. Control power is the power of operating and financial policies of an enterprise so as to benefit from the activity. In assessing control, the Group takes account of potential voting rights that presently may be exercisable.

The goodwill at the acquisition date is calculated as:

- The fair value of the purchase price, plus
- The value of minority interests in subsidiary acquired, minus
- The fair value of minority interests before the acquisition of subsidiary, in a gradual acquisition
- The fair value of identifiable assets and liabilities acquired.

If there is a negative goodwill, a profit is recognized immediately in the income statement. Any costs directly associated with the acquisition are recognized directly in the income statement. Any potential costs recognized in its fair value at the date of acquisition.

(b) Accounting for acquisitions of minority interests

Acquisitions of minority interests are accounted as transactions of shareholders and percentages and therefore no goodwill is recognized in such transactions.

(c) Subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

(d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

(e) Investments in associates

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. Investments in associates are accounted for using the equity method and recognised initially at their acquisition cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. In the consolidated financial statements the Group represents the ratio of the results and the total income after any changes in accounting principles to be comparable to those of the Group from the date of obtaining significant influence until the date we lose it. When the Group's share of losses exceeds its interest in an investment in associate the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company's financial statements, investments in associates are recorded at cost.

(f) Transactions eliminated in consolidation

Inter-company transactions, balances and non-realised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between associates are eliminated against the Group's stake in the affiliated company. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been impaired.

4.2 Foreign currency

(a) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in the profit and loss statement.

(b) Transactions with Group companies in different currency

The financial statements of Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities of foreign activities including goodwill and fair value adjustments arising during consolidation are converted into Euro based on the official exchange rate for the foreign currency that is in effect on the balance sheet date.
- Income and expenses are converted into Euro on the basis of the average rate of the foreign currency during the year which approaches the exchange rate in effect on the date of transactions.
- Any foreign exchange difference that may arise is recorded in an equity reserve named “Foreign exchange differences due to consolidation” and transferred to profit and loss when these companies are sold.

4.3 Financial assets

(a) Non-derivative financial instruments

Financial instruments excluding derivatives consist of equities and other securities, receivables and other receivables, cash and cash equivalents, loans and long-term liabilities, trade and other payables. These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition. Investments are derecognised 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. Financial assets are initially recognized at fair value plus acquisition cost save those recognized at fair value. Assets are measured as per their classification.

(b) Trade and other receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their non-depreciated cost less impairment losses. Impairment losses are recognised when there are objective indications that the Group is not in a position to collect all or part of the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of the estimated future cash flows. The amount of provision is recognised in the income statement as an expense.

(c) Cash and cash equivalents

Cash and cash equivalents include cash balances, sight deposits and short-term, high-liquid and low-risk investments.

(d) Available-for-sale financial assets

These include non-derivative financial assets that are either designated in this subcategory, or do not fit into "detained until the end" or "as a fair value through profit and loss." Purchases and sales of investments are recognized on trade date that is the date the Group commits to buy or sell the asset. Investments are initially recognized at fair value plus transaction costs. Then available for sale financial assets are measured at fair value and the resulted profit or loss is recognised in reserve 'fair value' of equity until these assets are sold or impaired. The fair value of those traded on a regulated market is the closing price. For other items the fair value cannot reliably determine the fair value corresponds to the acquisition cost. The impairment loss is recognized upon transfer of the accumulated damage from the reserve to the income statement.

The accumulated losses carried forward is the difference between the acquisition value after depreciation over the effective rate and the current fair value minus the depreciation already charged to the profit from previous years. Impairment losses recognized in profit or loss statement are not reversed through the income statement for equity financial assets. The Group looks for evidence of impairment that for the shares are listed in Stock Exchange is a mandatory or prolonged decline in fair value below its cost, which in such case recorded in the results.

(e) Fair Value

The fair values of financial assets traded on active markets are designated based on current market price. In the case of assets not so traded, fair values are designated using valuation techniques such as recent transaction analysis, reference to comparable and cash flow discounts.

(f) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as “Short-term Liabilities” unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern. The recognition stops when the contractual obligations cancelled, terminated or sold.

4.4 Derivatives and hedge accounting

The Group holds derivative instruments to offset the risk of interest rate and the foreign currency change. Derivatives are initially and subsequently recognized at fair value. The method of recognizing gains and losses depends on whether derivatives designated as hedging instruments or as held for trading.

The Group documents at the inception of the transaction the relationship between instruments of hedging and hedged items as well as the strategic management of risk. At the conclusion of the contract and on an ongoing basis later recorded assessment of the high efficiency of hedging for both fair value hedges and for cash flow hedges. To offset future transaction demonstrates the possibility of completing the transaction.

(a) Fair value hedging

Changes in the fair value of derivatives which are defined as fair value hedges are posted to the results as are the changes in the fair value of the hedged assets which are attributed to the risk offset.

(b) Cash flow hedging

The effective proportion of change in the fair value of derivatives defined as cash flow hedges are posted to an equity reserve. The gain or loss on the non-effective proportion is posted to the results. The amounts posted as an equity reserve are carried forward to the results of the periods where the hedged assets affect profits or losses. In cases of hedging forecast future transactions which result in recognition of a non-monetary asset (e.g. inventory) or liability, profits or losses which had been posted to equity are carried forward to acquisition cost of the non-financial asset generated.

When a hedge matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to Equity remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to Equity are carried forward to the income statement.

4.5 Share capital

The share capital consists of common shares. Direct expenses for the issuance of shares appear after deducting the relevant income tax, reducing the amount of growth.

4.6 Property, plant and equipment

(a) Recognition and measurement

Land, buildings, machinery and equipment are shown at fair value, based on valuations by external independent assessors, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any positive effect from the revaluation of land, building and machinery is recognized in the Statement of Comprehensive Income and transferred to the equity in a special reserve, unless the amount is reversing a prior year loss for impairment that was formerly recognized in the Income Statement. The loss from the impairment of land, buildings, machinery is recognized in the Income Statement unless it reverses a prior year positive effect that was recognized in a revaluation reserve in the Equity. Transportation means and other equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is probable that the future financial benefits will accrue to the Group and the cost can be reliably measured. The cost of repairs and maintenance is posted to the results when incurred.

Upon sale of tangible assets, the differences between the proceeds and the carrying value is recorded as gains or losses on the results and the item 'Other operating income' or 'Other operating expenses "as appropriate. When the book value of tangible assets exceeds its recoverable amount, the difference (impairment loss) is recognized immediately as an expense in the income statement.

(b) Depreciation

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method during the estimated useful life of fixed assets and their segments if they have a different useful life. The estimated useful life of these categories is as follows:

Buildings	20-50	years
Machinery & equipment	1-40	years
Transportation equipment	4-15	years
Furniture and fixtures	1-8	years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date, if deemed necessary.

4.7 Intangible assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

Intangible assets with unlimited useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets which ranges from 3 to 5 years.

Expenses required to develop and maintain software are posted as expenses in the income statement during the year they incur.

4.8 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to the retained earnings.

4.9 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. Acquisition cost is determined by applying the annual average weighted cost method and includes the cost to buy, produce or manufacture and other expenses so as to acquire its current condition and location and the ratio of production expenses. The cost may include any transfer from the cash flow hedging reserve. Net realisable value is assessed based on current sale prices of inventories in the course of ordinary activities less any termination and sales expenses which apply to the case.

4.10 Impairment

(a) Non-derivative financial assets

The carrying values of Group financial assets not recognized at fair value through profit or loss, including investments accounted for by the equity method, are examined in each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired include:

- bankruptcy of a debtor or designation as insusceptible to recovery
- amount of debt adjustment because of changing conditions of payment,
- evidence that due to adverse economic conditions, the borrower or issuer will go into bankruptcy,
- adverse developments in the method of payment of borrowers or issuers.
- the disappearance of an active market for a share or
- observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets.

Assigned financial assets at amortized cost

The Group recognizes an indication of impairment of these assets both at independent asset and at entire. All individually significant assets reviewed individually for impairment. Whatever is not impaired individually, is collectively evaluated for impairment. Assets that are not individually significant, are collectively evaluated for impairment. Collective assessment results from the aggregation of assets with common risk characteristics.

An impairment loss is recognized as the difference between the carrying amount of the asset and the present value of expected future cash flows at the effective interest rate. The loss is recognized in the income statement as a provision. Where the Group decides that there is no realistic reason to restore the carrying amount of the asset, the provision deleted. If the amount of the impairment loss decreases and the decrease is linked to an objective event occurring after the impairment, then the original impairment loss was reversed and recognized in the Income Statement.

Financial assets available for sale

Impairment on financial assets available for sale is recognized by transferring the cumulative loss of the reserve "Fair value" in the results. The amount transferred to the results is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of a share depicted as a financial asset available for sale subsequently increases and the increase is related to an objective event occurring after the impairment then the original impairment loss is reversed and recognized in the Income Statement. Otherwise, the impairment is reversed in the Statement of Comprehensive Income.

Investments accounted for by the equity method

Impairment loss on investments accounted for by the equity method is measured by comparing the recoverable amount of the investment with its carrying value. Impairment is recognized in profit and loss and is reversed if there is a favorable reversal in the estimates used to determine the recoverable amount of the investment.

(b) Non-financial assets

For non-financial assets other than investment property, inventories and deferred tax asset, the value of accounting is examined at each balance sheet date for impairment. Goodwill and intangible assets with indefinite life are examined annually for impairment in a mandatory basis.

The recoverable amount of the asset or cash-generating unit is the higher of value in use and fair value less any costs to sell. The value in use is based on expected future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk directly associated with the asset or cash-generating units.

Impairment is recognized if the carrying amount exceeds the estimated recoverable amount.

Impairment is recognized in the Income Statement.

The impairment of goodwill is not reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount to the extent it does not exceed the carrying amount of the asset (net of depreciation) that would have been determined if he had not registered the loss.

4.11 Employee benefits

(a) Short-term benefits

Short-term benefits to staff in cash and kind are posted as expenses when accrued. A liability is recognized for the amount expected to be paid as benefit to the staff and its executives if there is a legal or contractual obligation to pay this amount as a result of employee services and insofar as such liability can be reliably measured.

(b) Defined-contribution Plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognized as expense in profit or loss at the time they are due.

(c) Defined-Benefit Plans

Defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is the current value of the future benefit of the employee for his services for the defined benefit less the fair value of the plan assets and changes arising from the non-posted actuarial gains and losses and the past service cost. The discount rate corresponds to the rate of the index applying to the European bonds “iBoxx – AA-rated Euro corporate bond 10+ year”. Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using the straight-line method within the maturity period.

Actuarial gains and losses arising from historical data adjustments exceeding 10% of the accumulated liability

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees that will make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability.

(e) Plans for participation in profits and benefits

The Group records a liability and a corresponding expense for benefits and profit participation. This amount is included in post-tax profits less any reserves stipulated by law.

4.12 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. In addition, the amount of this obligation should be reliably measurable. Provisions are re-examined on each balance sheet date and, if it is likely that there will no longer be an outflow of resources to settle the obligations, the provisions are reversed. Provisions are used only for the purpose for which they were originally created. No provisions are recognized for future losses. Contingent assets and contingent liabilities are not recognized in the financial statements.

4.13 Income

(a) Sales of goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(b) Services

Revenue from the sale of services is recognised in the period in which the services are rendered, on the basis of the stage in completion of the actual service to the services as a whole.

(c) Income from interest

Income from interest is recognised when the interest becomes accrued (based on the effective interest rate method).

(d) Income from dividends

Dividends are recognised as income when the right of the Group to receive payment is established.

(e) Income from rents

Rents are recognized as revenue on a straight course in the lease.

(f) Contracts for projects under construction

The Group is engaged in execution of contracts which mainly cover construction and installation of high voltage cables terrestrial and submarine. A construction contract is a contract made specifically for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

The costs relating to the contract are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, as income from the contract is recognized only the cost incurred and expected to be collected.

When the outcome of a construction contract can be estimated reliably, revenue and expenses of the contract is recognized over the term of the contract, respectively, as revenue and expense. The Group uses the percentage of completion method to determine the appropriate amount of income and expense to be recognized in a given period. The stage of completion is measured based on the costs incurred up to the balance sheet date in relation to the total estimated costs for each contract. The criteria which define the stage of completion of each project objective are as follows:

- During the production stage of the cables, the estimation for completion, depending upon the type of contract, based on either a) the relationship between the number of hours on realized production and total budgeted hours or b) the quantity of produced and tested cable lengths compared to the total amount of lengths provided the contract.
- During the stage of installation of cables, the percentage of completion is based on the schedules of the contracts depending on the works, such as the transfer of cables, metres that have been installed and their connection with the network.

When it is probable that total contract costs will exceed total revenue, the expected loss is recognized immediately in the income statement as an expense.

To determine the cost incurred by the end of the period, expenses related to future work regarding the contract are excluded and shown as work in progress. The cost of works in progress during the production process includes the direct cost of borrowing. All the costs incurred and the profit / loss recognized on each contract are compared to the invoiced part until the end.

When realized expenses plus net profits (less loss) recognized exceed the invoiced, the difference appears as a receivable from contract customers in the account "Trade and other receivables". Where progress billings exceed costs incurred plus net earnings (net of losses), the balance is shown as amounts due to customers in the account "Suppliers and other liabilities".

4.14 Government grants

Government grants for investments in assets are recognised as accrued income where there is a reasonable assurance that the grant will be received and the Group will comply with all relevant conditions. Government grants relating to the purchase of fixed assets are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

Government grants compensating the Group for expenses are recognized in the results so that these will match the expenses that they will cover.

4.15 Leases

Leases of property, plant and equipment, which the Group substantially maintains all the risks and benefits of ownership are classified as financial leasing. Financial leasing is capitalised from the moment the lease begins at the lower amount between the fixed asset's fair value and the present value of the minimum lease payments. Financial leases net of financial expenses are classified on 'Liabilities'. The part of financial expenses that concerns financial leasing is recorded in profit and loss during the term of the lease. Items of property, plant and equipment that were acquired through financial leasing are depreciated over the shorter period between the useful lives thereof and the term of their lease.

Leases where substantially all the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized in a straight line basis over the lease term.

Operating lease payments are allocated as an expense in the income statement under the direct method over the lease. The lease grants received are recognized in the income statement as an integral part of the cost during the lease.

4.16 Income tax

The income tax of the year includes both current and deferred tax. Income tax is posted in profit or loss save any cases concerning items directly posted to Equity, in which case it is recognized in Equity.

Current income tax is the tax expected to be paid on the taxable income for the year, based on enacted tax rates on the balance sheet date, and any adjustment to prior-period payable tax.

Deferred income tax is calculated using the liability method which arises from temporary differences between the book value and taxation basis of the assets and liabilities. Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled. The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

Deferred tax assets are recognised only to the extent that there will be a future taxable profit for use of the temporary difference generating the deferred tax assets. Deferred tax assets are reduced when the relevant tax benefit is realized.

Additional income taxes arising from the allocation of dividends are posted in the same year with the obligation to pay the relevant dividend.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

4.18 Earnings per share

The Group presents both basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the profits or loss attributable to holders of common shares by the average weighted number of outstanding common shares during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of common shares and the average weighted number of outstanding common shares by the effect of all diluted eventual common shares consisting of convertible notes and shares with options granted to the staff.

4.19. Borrowing Cost

The borrowing cost that is directly linked with the purchase, construction or production of fixed assets for which a considerable amount of time is required so they can be completed for use or sale, is added to the cost of those assets until the time when this assets will be available for use or sale. The proceeds from the interests from amounts collected as to be used for the purpose of the construction of the asset as well as the amount of grants reduces the borrowing cost that is capitalized. In all other case the cost of borrowing is affecting the Income statement of the fiscal year. To the extent that general borrowing is used for the construction of an asset, the cost of borrowing for capitalization can be estimated using a capitalization rate.

5. Operating segments

An operating segment is based on the structure of the information to the Group's management and internal reporting system. The Group is organized into business centers and business units based on the production of copper and copper alloys. In particular, it has three reportable operating segments and the third sector has resulted from aggregation of smaller operating segments. The operating segments of the Group are as follows:

- Copper products: this sector produces and sells copper and copper alloys rolled and extruded products
- Cables: cables sector produces and sells a wide range of cables, enameled wires and plastic compounds
- Other services: this sector includes the areas of marketing, research and development and various departments of administration and organization to achieve synergies

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VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

	Copper	Cables	Other activities	Total
EUR				
12 months until 31 December 2015				
Total revenue per segment	**816,314,091**	**-**	**5,444**	**816,319,536**
Inter-segment revenue	(65,259,776)	-	-	**(65,259,776)**
Revenue per segment after elimination of inter-segment revenue	**751,054,315**	**-**	**5,444**	**751,059,760**
Gross profit	**16,190,121**	**-**	**133**	**16,190,254**
Operating profit / (loss)	**(3,562,338)**	**-**	(3,288)	**(3,565,626)**
Finance Income	32,132	-	-	**32,132**
Finance Costs	(26,732,785)	-	(16,334)	**(26,749,120)**
Share of profit/(loss) of equity accounted investees, net of tax	(154,761)	-	-	**(154,761)**
Profit / (Loss) before taxes	**(30,417,752)**	**-**	**(19,622)**	**(30,437,374)**
Income tax expense	(400,302)	-	-	**(400,302)**
Net profit / (loss)	**(30,818,053)**	**-**	**(19,622)**	**(30,837,676)**
31/12/2015				
Equity accounted investees	9,382,740	-	-	**9,382,740**
Other assets	492,503,782	485,392,567	13,036,114	**990,932,463**
Total assets	***501,886,523***	***485,392,567***	***13,036,114***	***1,000,315,203***
Liabilities	478,631,321	404,437,426	9,579,232	**892,647,979**
Capital expenditure	908,524	11,478,595	113,092	**12,500,211**

	Copper	Cables	Other activities	Total
12 months until 31 December 2015				
Depreciation of tangible fixed assets	(18,253,528)	-	(18,825)	(18,272,353)
Amortization of intangible assets	(639,720)	-	-	(639,720)
Total depreciation and amortization	**(18,893,249)**	**-**	**(18,825)**	**(18,912,073)**

	Copper	Cables	Other activities	Total
EUR				
12 months until 31 December 2016				
Total revenue per segment	**752,157,554**	**-**	**3,928**	**752,161,482**
Inter-segment revenue	(59,263,656)	-	-	**(59,263,656)**
Revenue per segment after elimination of inter-segment revenue	**692,893,898**	**-**	**3,928**	**692,897,826**
Gross profit	39,934,035	-	217	**39,934,252**
Operating profit / (loss)	19,633,313	-	(16,633)	**19,616,680**
Finance Income	3,924,713	-	-	**3,924,713**
Finance Costs	(25,013,654)	-	(3,679)	**(25,017,333)**
Share of profit/(loss) of equity accounted investees, net of tax	509,953	-	-	**509,953**
Profit / (Loss) before taxes	**(945,674)**	**-**	**(20,312)**	**(965,987)**
Income tax expense	2,694,436	-	(8,713)	**2,685,723**
Net profit / (loss)	**1,748,762**	**-**	**(29,026)**	**1,719,736**
31/12/2016				
Equity accounted investees	71,862,661	-	-	**71,862,661**
Other assets	493,251,614	-	2,240,393	**495,492,007**
Total assets	**565,114,275**	**-**	**2,240,393**	***567,354,668***
Total liabilities	467,604,233	-	201,687	**467,805,920**
Capital expenditure	8,318,012	-	-	**8,318,012**

	Copper	Cables	Other activities	Total
12 months until 31 December 2016				
Depreciation of tangible fixed assets	(15,150,281)	-	(17,803)	(15,168,084)
Amortization of intangible assets	(719,744)	-	-	(719,744)
Total depreciation and amortization	**(15,870,025)**	**-**	**(17,803)**	**(15,887,828)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

The operating segment of Cables is being presented as a discontinued operation in note 33.

The operating segments are managed mostly centrally but the bulk of sales are overseas. Sales and non-current assets of the Group based on their geographical allocation are briefly presented as follows:

EUR	GROUP		COMPANY	
Sales	**2016**	**2015**	**2016**	**2015**
Greece	39,056,805	45,795,252	45,398,642	56,756,048
European Union	453,845,086	509,733,165	271,981,018	288,384,120
Other European countries	88,242,037	100,343,907	55,197,533	63,457,785
Asia	47,300,109	38,807,313	15,247,940	15,053,314
America	41,653,862	31,868,812	24,094,578	15,874,842
Africa	21,494,589	23,039,968	8,582,023	12,164,120
Oceania	1,305,338	1,471,342	-	-
Total	**692,897,826**	**751,059,759**	**420,501,734**	**451,690,228**

EUR	GROUP		COMPANY	
Property Plant Equipment	**2016**	**2015**	**2016**	**2015**
Greece	153,907,774	393,717,804	128,732,854	131,821,887
International	134,841,713	138,946,125	-	-
Total	**288,749,487**	**532,663,929**	**128,732,854**	**131,821,887**

EUR	GROUP		COMPANY	
Intangible assets and goodwill	**2016**	**2015**	**2016**	**2015**
Greece	865,575	15,765,915	770,350	455,934
International	636,701	1,049,734	-	-
Total	**1,502,276**	**16,815,649**	**770,350**	**455,934**

EUR	GROUP		COMPANY	
Investment property	**2016**	**2015**	**2016**	**2015**
Greece	5,443,805	6,426,268	3,697,501	3,742,166
International	-	-	-	-
Total	**5,443,805**	**6,426,268**	**3,697,501**	**3,742,166**

EUR	GROUP		COMPANY	
Investments in PPE	**2016**	**2015**	**2016**	**2015**
Greece	4,641,203	10,003,452	4,555,280	6,667,801
International	3,676,808	14,152,382	-	-
Total	**8,318,012**	**24,155,834**	**4,555,280**	**6,667,801**

6. Income

Analysis of sales per category	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Sale of goods	665,673,455	726,612,272	402,121,631	433,044,348
Rendering of services	1,939,973	922,518	1,447,110	1,527,211
Other	25,284,398	23,524,970	16,932,993	17,118,670
Total	**692,897,826**	**751,059,759**	**420,501,734**	**451,690,228**

The effect of the discontinued operations to the consolidated sales is as follows:

Analysis of sales per category	Continued operations		Discontinued operations		TOTAL	
EUR	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Sale of goods	665,673,455	726,612,272	292,964,324	336,804,930	958,637,779	1,063,417,202
Rendering of services	1,939,973	922,518	11,626,753	7,970,247	13,566,725	8,892,766
Construction Contract revenue	-	-	62,911,563	106,792,430	62,911,563	106,792,430
Other	25,284,398	23,524,970	20,205,691	27,475,744	45,490,088	51,000,714
Total	**692,897,826**	**751,059,759**	**387,708,331**	**479,043,352**	**1,080,606,156**	**1,230,103,111**

7. Other operating income and expenses

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Other Income				
Grants of the Fiscal Year	222,901	9,443	-	-
Depreciation of Grants	166,880	231,658	111,081	111,367
Other Rentals	554,040	140,240	314,070	-
Foreign Exchange Differences	5,088,190	5,805,291	1,849,496	1,576,342
Damage Compensation	110,610	267,284	32,104	157,465
Reversal of Revaluation to Fair Value	61,836	169,064	-	37,227
Other Income	1,711,545	1,134,579	1,253,583	1,459,184
Total	**7,916,002**	**7,757,559**	**3,560,333**	**3,341,585**
Other Expense (-)				
Revaluation to Fair Value	(47,962)	(62,051)	(47,962)	(62,051)
Foreign Exchange Differences	(5,497,930)	(5,864,367)	(2,245,161)	(1,431,244)
Other Expense	(1,636,333)	(2,131,603)	(358,488)	(329,673)
Total	**(7,182,224)**	**(8,058,020)**	**(2,651,611)**	**(1,822,967)**
Other income and expense (net)	**733,778**	**(300,461)**	**908,722**	**1,518,617**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

8. Expenses by nature

The breakdown of expenses by nature was as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Cost of inventories recognized as an expense	564,666,408	641,127,569	344,584,574	388,101,364
Employee benefits	30,347,150	29,256,301	18,023,021	17,902,341
Energy	9,079,345	10,638,084	4,542,426	4,370,259
Depreciation and amortisation	15,104,913	18,912,073	6,854,565	6,828,195
Taxes - duties	1,344,161	1,192,145	1,077,819	964,408
Insurance premiums	1,894,129	1,876,883	1,122,529	1,301,612
Rental fees	1,074,024	1,045,130	716,465	702,792
Transportation	11,366,169	11,133,071	6,269,573	6,654,914
Promotion & advertising	502,978	300,155	412,425	256,416
Third party fees and benefits	16,496,960	17,833,420	15,176,754	13,977,044
Other provision	2,881	130,073	2,465	130,073
Gains/(losses) from derivatives	6,104,489	5,100,767	4,344,694	2,105,195
Packing	2,219,529	1,929,617	274,034	233,496
Commissions	1,087,276	25,128	0	0
Other expenses	12,724,512	13,824,510	2,172,176	2,133,548
Total	**674,014,925**	**754,324,925**	**405,573,520**	**445,661,658**

Depreciation of Euro 782 thou. for zinc line that did not operate in 2016 have been included in other income and expense.

The cost of benefits to employees can be broken down as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Employee remuneration & expenses	22,435,529	22,209,411	12,913,419	13,306,648
Social security expenses	5,733,813	5,536,703	3,285,250	3,289,783
Defined benefit contribution plan	447,614	346,896	371,762	294,346
Other staff expenses	1,730,194	1,163,291	1,452,590	1,011,564
Total	**30,347,150**	**29,256,302**	**18,023,021**	**17,902,342**

The number of staff employed by the Company at the end of the current year was: 439 (2015: 427) and as for the Group: 1,094 (2015: 1,059).

9. Finance income and cost

The breakdown of financial income and expenses is as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Income				
Interest	43,942	32,132	42,512	25,287
Profit From Exchanging of shares	3,843,171	-	-	-
Total	**3,887,113**	**32,132**	**42,512**	**25,287**
Expense (-)				
Interest	(25,017,333)	(26,749,119)	(15,714,261)	(17,242,935)
Total	**(25,017,333)**	**(26,749,119)**	**(15,714,261)**	**(17,242,935)**
Financial Income & Cost (Net)	**(21,130,220)**	**(26,716,987)**	**(15,671,748)**	**(17,217,648)**

10. Property, plant and equipment

GROUP	Landplot	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
EUR							
Cost or fair value							
Balance as at 1 January 2015	**66,953,123**	**115,703,086**	**363,611,105**	**5,415,637**	**19,102,732**	**11,146,247**	**581,931,930**
Effect of movement in exchange rates	(126,654)	(99,266)	(225,050)	12,540	(3,532)	317,561	**(124,401)**
Additions	289,363	142,065	4,451,609	159,140	449,117	17,769,643	**23,260,937**
Disposals	-	(62,696)	(163,776)	(57,141)	(202,169)	(1,296,030)	**(1,781,812)**
Write offs	-	(29,037)	(332,001)	(20,345)	(31,765)	(16,687)	**(429,835)**
Reclassifications	(1,969,951)	(508,451)	9,331,464	-	256,615	(12,572,679)	**(5,463,002)**
Revaluation to Fair Value	87,216	313,425	-	-	-	-	**400,641**
Balance as at 31 December 2015	**65,233,097**	**115,459,126**	**376,673,351**	**5,509,831**	**19,570,998**	**15,348,055**	**597,794,457**
Accumulated depreciation							
Balance as at 1 January 2015	**-**	**(644,077)**	**(13,394,253)**	**(4,233,623)**	**(15,453,083)**	**-**	**(33,725,036)**
Effect of movement in exchange rates	-	21,062	36,274	(7,271)	5,938	**-**	**56,002**
Depreciations of the period	-	(6,786,261)	(23,916,649)	(281,130)	(1,047,733)	**-**	**(32,031,773)**
Disposals	-	28,291	4,074	56,917	200,563	**-**	**289,845**
M&A Effect	-	83,415	-	-	-	**-**	**83,415**
Write offs	-	-	143,601	20,345	32,228	**-**	**196,174**
Reclassifications	-	-	707	-	138	**-**	**845**
Balance as at 31 December 2015	-	**(7,297,570)**	**(37,126,246)**	**(4,444,763)**	**(16,261,949)**	**-**	**(65,130,528)**
Carrying amount as at 31 December 2015	**65,233,097**	**108,161,555**	**339,547,106**	**1,065,068**	**3,309,049**	**15,348,055**	**532,663,930**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

	Landplot	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
EUR							
Cost or fair value							-
Balance as at 1 January 2016	**65,233,097**	**115,459,126**	**376,673,351**	**5,509,831**	**19,570,998**	**15,348,055**	**597,794,457**
Effect of movement in exchange rates	-	(269)	(83)	-	7	-	**(345)**
Additions	-	204,517	2,455,919	42,113	333,483	4,906,156	**7,942,189**
Disposals	-	-	(60,082)	(44,431)	(13,286)	(3,000)	**(120,799)**
Write offs	-	-	-	(1,542)	(1,284)	-	**(2,826)**
Reversal of previously recognized impairment loss	-	-	(470,830)	-	-	-	**(470,830)**
Acquisition of subsidiary companies	-	211,194	850,364	-	154,517	(1,455,096)	**(239,021)**
Reclassifications	-	276,991	3,496,156	-	25,023	(3,807,224)	**(9,054)**
Loss of Control	(21,788,416)	(64,815,655)	(161,457,811)	(3,249,826)	(9,958,610)	(5,884,576)	**(267,154,894)**
Balance as at 31 December 2016	**43,444,681**	**51,335,905**	**221,531,530**	**2,256,145**	**10,110,849**	**9,104,314**	**337,738,878**
Accumulated depreciation		**-**					
Cost or fair value	**-**	**(7,297,570)**	**(37,126,246)**	**(4,444,763)**	**(16,261,949)**	**-**	**(65,130,528)**
Effect of movement in exchange rates	-	-	83	-	-	-	**83**
Depreciations of the period	-	(3,617,531)	(11,196,325)	(20,358)	(333,870)	-	**(15,168,084)**
Disposals	-	-	-	-	5,827	-	**5,827**
M&A Effect	-	-	-	-	1,284	-	**1,284**
Loss of Control	-	3,549,887	18,026,445	2,378,190	7,347,505	-	**31,302,027**
Balance as at 31 December 2016	**-**	**(7,365,214)**	**(30,340,587)**	**(2,086,930)**	**(9,241,203)**	**-**	**(48,989,390)**
Carrying amount as at 31 December 2016	**43,444,681**	**43,970,690**	**191,190,942**	**169,214**	**869,646**	**9,104,314**	**288,749,487**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

COMPANY	Landplot	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
EUR							
Cost or fair value							
Balance as at 1 January 2015	**11,817,484**	**26,706,148**	**94,086,788**	**1,513,825**	**6,243,819**	**5,559,382**	**145,927,447**
Additions	76,266	61,339	2,130,322	124,846	97,933	4,177,094	**6,667,801**
Disposal	-	(62,000)	(153,026)	-	(200,565)	(1,221,101)	**(1,636,691)**
Revaluation	87,216	313,425	-	-	-	-	**400,641**
Reclassifications	(1,969,951)	(1,443,639)	594,229	-	1,643	(1,072,127)	**(3,889,845)**
Balance as at 31 December 2015	**10,011,015**	**25,575,274**	**96,658,313**	**1,638,671**	**6,142,831**	**7,443,249**	**147,469,353**
Accumulated depreciation							
Balance as at 1 January 2015	**-**	**(104,532)**	**(1,720,647)**	**(1,511,902)**	**(6,024,890)**	**-**	**(9,361,971)**
Depreciations of the period	-	(1,721,951)	(4,707,858)	(5,539)	(167,198)	-	**(6,602,546)**
Disposal	-	28,291	4,074	-	200,563	-	**232,928**
Other reclassifications	-	83,415	707	-	-	-	**84,122**
Balance as at 31 December 2015	-	**(1,714,777)**	**(6,423,724)**	**(1,517,441)**	**(5,991,525)**	**-**	**(15,647,466)**
Carrying amount as at 31 December 2015	**10,011,015**	**23,860,497**	**90,234,590**	**121,230**	**151,306**	**7,443,249**	**131,821,887**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

	Landplot	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
EUR							
Cost or fair value							**-**
Balance as at 1 January 2016	**10,011,015**	**25,575,274**	**96,658,313**	**1,638,671**	**6,142,831**	**7,443,249**	**147,469,353**
Additions	-	141,669	1,746,828	42,113	217,771	2,053,250	**4,201,631**
Disposal	-	-	(1,501)	-	(5,827)	(3,000)	**(10,328)**
Write offs	-	-	-	-	(1,284)	-	**(1,284)**
Revaluation	-	-	(470,830)	-	-	-	**(470,830)**
Reclassifications	-	211,194	850,364	-	154,517	(1,455,096)	**(239,021)**
Balance as at 31 December 2016	**10,011,015**	**25,928,137**	**98,783,174**	**1,680,784**	**6,508,008**	**8,038,403**	**150,949,521**
Accumulated depreciation							
Balance as at 1 January 2016	**-**	**(1,714,777)**	**(6,423,724)**	**(1,517,441)**	**(5,991,525)**	**-**	**(15,647,466)**
Depreciations of the period	-	(1,651,972)	(4,767,100)	(9,608)	(147,632)	-	**(6,576,312)**
Disposal	-	-	-	-	5,827	-	**5,827**
Other Additions	-	-	-	-	1,284	-	**1,284**
Balance as at 31 December 2016	-	**(3,366,749)**	**(11,190,824)**	**(1,527,048)**	**(6,132,046)**	-	**(22,216,667)**
Carrying amount as at 31 December 2016	**10,011,015**	**22,561,389**	**87,592,350**	**153,736**	**375,962**	**8,038,403**	**128,732,854**

(a) Measurement of Fair Value of fixed assets

Land, buildings and machinery for Group and the Company are presented at fair value as the date of revaluation less the accumulated depreciation and the subsequent impairment. The measurement of fair value regarding Land, building and machinery for the Group and the Company has been performed by independent certified valuators that are not affiliated with the Group. The independent valuators are members of accredited unions and institutions and have the necessary experience and knowledge regarding the fair value approach on land, building and production machinery.

The measurement of Fair Value is performed on 31st of December, 2014 by independent, certified valuators that are not affiliated with the Group. The independent valuators are members of accredited unions and institutions and have the necessary experience and knowledge regarding the fair value approach on land and buildings.

The fair value of land has been determined using the market approach, which reflects on the recent prices of transactions for comparable land in the area where the land of Group and the Company in located. The observable data have been adjusted for certain characteristics of each landplot.

The fair value of buildings has been determined using the cost approach, which reflects the cost that a participant in an active market would have to pay to construct a comparable asset, adjusted for impairment. The main parameters that were considered for the determination of the value of buildings include the estimated construction cost, additional expenses required and the impairment factor on the total estimated cost of construction.

The fair value of production machinery was determined using the cost approach, which reflects the cost that a participant in an active market would have to pay to acquire a comparable asset adjusted for impairment through use and technological advancements. The main parameters considered in the determination of the value of production machinery include the estimated cost of replacement, the residual value and the impairment factor on the total cost of construction.

As a consequence of the revaluation that took place in 31/12/2014, the Group and the Company perform a test for the revaluation of the assets. For 2016 and taking into consideration the following:

1. There was no change in the use of any of the assets.
2. There was no destruction or damages that would result in impairment of the cash generating ability of the assets of the Group or the Company.
3. During the year 2016 there was no significant external factors that have affected the value of the assets.

Therefore, the Group and the Company did not proceed to new measurements

As of 1st of January 2016 the useful life of buildings and technical equipment was changed for the assets held by the subsidiary Sofia Med; this reduced the depreciation by Euro 3.3 million at consolidated level.

In case that the land, buildings and machinery were presented in the historical cost, the respective amounts for the year ended on the 31st of December, 2016 and the comparable fiscal year of 2015 would be as follows:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

GROUP

EUR	**2015**	**Cost**	**Accumulated depreciation**	**Net book Value**
Landplot		42,861,252	-	42,861,252
Buildings		124,401,137	(53,250,558)	71,150,579
Machinery		419,772,027	(215,481,446)	204,290,581
	2016	**Cost**	**Accumulated depreciation**	**Net book Value**
Landplot		25,701,423	-	25,701,423
Buildings		45,569,530	(23,801,256)	21,768,274
Machinery		264,512,536	(148,455,559)	116,056,977

COMPANY

EUR	**2015**	**Cost**	**Accumulated depreciation**	**Net book Value**
Landplot		19,828,800	-	19,828,800
Buildings		31,138,796	(15,099,842)	16,038,954
Machinery		112,312,854	(66,118,454)	46,194,400
	2016	**Cost**	**Accumulated depreciation**	**Net book Value**
Landplot		19,828,800	-	19,828,800
Buildings		31,261,567	(16,030,464)	15,231,103
Machinery		114,895,284	(68,446,521)	46,448,763

(b) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of the Group and the Company (see note 22).

(c) Assets under Construction

The account "Assets under construction" includes machinery the installation of which has not been completed as at December 31, 2016.

(d) Capitalization of Borrowing costs

The Group accounted in the Fixed Assets the amount of Euro 103,791 which reflects borrowing costs of debt that has been assumed with the purpose of financing the construction or acquisition of specific assets. The respective amount of interest that was capitalized by the Company is Euro 101,139 that reflects the part of general borrowing cost associated with the construction and acquisition of fixed assets.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

11. Intangible assets

GROUP	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
EUR						
Cost or Fair Value						
Balance as at 1 January 2015	**9,675,449**	**37,456**	**6,173,526**	**11,330,201**	**357,752**	27,574,384
Effect of movement in exchange rates	-	-		(17,210)	-	(17,210)
Additions	-	-	173,298	467,940	-	641,238
M&A Effect	-	-	-	-	3,006	3,006
Reclassifications	-	(37,456)	1,083,420	474,212	-	1,520,176
Balance as at 31 December 2015	**9,675,449**	**0**	**7,430,244**	**12,255,143**	**360,758**	**29,721,593**
Accumulated amortization and impairment						
Balance as at 1 January 2015	**-**	**(37,455)**	**(2,384,382)**	**(8,968,279)**	**(167,370)**	**(11,557,487)**
Effect of movement in exchange rates	-	-	3	14,912	-	**14,915**
Amortization for the period	-	-	(495,569)	(875,838)	(27,392)	**(1,398,799)**
Disposal	-	-	-	-	(2,029)	**(2,029)**
Impairment	-	37,455	-	-	-	**37,455**
Balance as at 31 December 2015	**-**	**-**	**(2,879,948)**	**(9,829,205)**	**(196,791)**	**(12,905,945)**
Carrying amount as at 31 December 2015	**9,675,449**	**-**	**4,550,296**	**2,425,938**	**163,967**	**16,815,649**

	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
EUR						
Cost or Fair Value						
Balance as at 1 January 2016	**9,675,449**	**-**	**7,430,244**	**12,255,143**	**360,758**	**29,721,593**
Effect of movement in exchange rates	-	(135)	-	-	-	(135)
Additions	-	-	-	375,822	-	375,822
Write-offs	-	-	-	(3,495)	-	(3,495)
Acquisition of companies	-	-	-	248,075	-	248,075
Loss of control	(9,675,447)	37,103	(7,328,685)	(5,544,809)	(360,759)	(22,872,597)
Balance as at 31 December 2016	**2**	**36,968**	**101,559**	**7,330,735**	**-**	**7,469,263**
Accumulated amortization and impairment						
Balance as at January 1 2015	**-**	**-**	**(2,879,948)**	**(9,829,205)**	**(196,791)**	**(12,905,945)**
Effect of movement in exchange rates	-	135	-	-	-	135
Amortization for the period	-	-	(7,778)	(711,966)	-	(719,744)
Write-off	-	-	-	3,495	-	3,495
Loss of control	-	(37,103)	2,852,925	4,642,458	196,791	7,655,071
Balance as at 31 December 2016	**-**	**(36,968)**	**(34,801)**	**(5,895,218)**	**-**	**(5,966,987)**
	-					
Carrying amount as at 31 December 2016	**2**	**-**	**66,758**	**1,435,517**	**-**	**1,502,276**

COMPANY	Software
EUR	
Cost or Fair Value	
Balance as at 1 January 2015	**4,208,788**
Effect of movement in exchange rates	273,172
Balance as at 31 December 2015	**4,481,960**
Accumulated amortization and impairment	
Balance as at 1 January 2015	**(3,800,376)**
Amortization for the period	(225,650)
Balance as at 31 December 2015	**(4,026,026)**
Carrying amount as at 31 December 2015	**455,934**

	Software
EUR	
Cost or Fair Value	
Balance as at 1 January 2016	**4,481,960**
Additions	353,649
Reclassifications	239,021
Balance as at 31 December 2016	**5,074,629**
Accumulated amortization and impairment	
Balance as at 1 January 2016	**(4,026,026)**
Amortization for the period	(278,253)
Balance as at 31 December 2016	**(4,304,279)**
Carrying amount as at 31 December 2016	**770,350**

12. Investment property

EUR	GROUP		COMPANY	
Cost or fair value	2016	2015	2016	2015
Balance at the beginning of the period - net	**6,426,268**	**2,552,265**	**3,742,166**	**-**
Additions	-	131,837	-	-
Revaluation	(110,198)	400,641	(44,665)	400,641
Reclassifications from PPE	-	3,341,525	-	3,341,525
Effect from Loss of Control of subsidiaries	(872,265)	-	-	-
Balance as at period end	**5,443,805**	**6,426,268**	**3,697,501**	**3,742,166**

Investment property include buildings and land that the Group intends to lease or sell to third parties in the near future. The Group reviews the fair value in an annual basis.

The measurement of Fair Value was performed on 31st of December, 2016 by independent, certified valuators that are not affiliated with the Group. The independent valuators are members of accredited unions and institutions and have the necessary experience and knowledge regarding the fair value approach on land and buildings.

The valuation of the fair value is classified as Level 2 for the land and buildings according to the assumptions used for valuating the assets. The valuation method that has been applied for the fair value reflect the most efficient use as estimated by the Management of the Group.

The fair value of the land and buildings was estimated with the market approach which reflects the prices of assets for comparable property in the area where the assets of the Group and the Company are located. The observable data were adapted to the specific characteristics of each landplot.

The property investments on land at the date of transition to IFRS, were valuated at fair value which was considered as the deemed cost. The Group is reviewing the carrying value of the assets regularly.

13. Investments

Investments in Subsidiaries:

	COMPANY	
EUR	**2016**	**2015**
Balance as at January 1	**185,149,163**	**174,346,714**
Additions	-	10,802,449
Sales	(9,999,844)	-
Impairment	(23,016,253)	-
Loss of Contol of subsidiaries	(38,266,954)	-
Balance as at Year-end	**113,866,113**	**185,149,163**

On the 20th of May 2016 the Group proceeded to the sale of 182.785 shares of its subsidiary Sofia Med to the parent company Viohalco SA/NV for the amount of 9.999.844. In addition, Viohalco SA/NV contributed directly to capital increase of Sofia for the amount of Euro 5.000.004. As a consequence of the actions the new percentage of Halcor to Sofia Med is formulated at 88.88%. Furthermore, Sofia Med with a Board of Directors resolution on the 30th of November 2016 which was approved by the General Assembly of the subsidiary decided to reduce the nominal value of shares with the capitalization of loss aiming to the optimization of its capital structure.

Considering the aforementioned, Halcor's participation to Sofia Med SA was tested for impairment using the discounted cash-flows method. The valuation was performed by independent auditors-valuators that are not related to the Group. For this calculation cash-flows have been used based on the company's forecasts, which cover a five year period. The value of the participation was calculated by applying the discounted cash-flow method (DCF), the method of comparable transactions, the method of adjusted equity and the method of market comparable companies. By weighing every method and particularly by assigning bigger gravity to the discounted cash-flows (40%) and less by the method of comparable transactions (20%), the method of adjusted equity (20%) and the method of comparable market companies (20%). The result of this valuation showed that Halcor's participation to Sofia Med is measured at Euro 101.2 mil, therefore an impairment of the participation of Euro 23.0 mil. was posted, amount that affected the Company's results. The observable inputs and the relation between the key observable inputs and the measurement is as follows:

Valuation Technique	*Significant observable inputs*	*Inter-relationship between key unobservable inputs and measurement*
Discounted Cash Flows: The valuation model considers the present value of net cash flows to be generated from the CGU. The expected net cash flows are discounted using risk-adjusted discount rates.	• Risk-free rate: 0.78% • Market risk premium: 6.25% • Expected income tax rate: 10% • Relevered beta: 0.50 • WACC: 8.09%	**The value would increase (decrease) if:** • the expected market growth rate increase (decrease) • the estimated cash flows increase (decrease) • the risk-adjusted discount rate were lower (higher)

Halcor's participation in Fitco S.A. was tested for impairment using the Discounted Cash-flows method and no impairment was indicated.

In 2016, the Company participated in the General Assembly of its subsidiary Hellenic Cables S.A. where it was decided the exchanged of shares with the shares of Cenergy Holdings SA. Halcor contributed 21.431.038 shares of Hellenic Cables ie. percentage of 72.53%, participation which in the Company's books was valuated at Euro 37.8 mil. (book value) and acquired 47.847.092 shares of Cenergy Holdings SA which correspond to percentage 25.16% and valuated at Euro 29.2 mil. The result of the exchange at Company level was a loss of Euro 8.6 mil. which was posted directly in equity as an exchange under common control with book value accounting. At consolidated level the loss of control was effective at the 31st of December 2016 when the transaction was fully completed. Subsequently the result of the Group Hellenic Cables was consolidated and is included in the line discontinued operations while the assets and liabilities of the Group Hellenic Cables were deconsolidated from the consolidated statement of financial position of Halcor. The effect of the shares exchange at consolidated level was positive to Euro 0.6 mil. and was posted at discontinued operations. Halcor's participation according to the influence that it has on Cenergy Holdings SA classifies the participation in Equity accounted investees. (see analysis in note 33 – Discountinued operations)

As a result of the loss of control of Hellenic Cables Group, the loss of control of Steelmet S.A. was realized, in which Halcor directly held a participation of 29.56% and indirectly through Hellenic Cables a 21.44%. Halcor's participation was reclassified to Equity accounted investees on the 31st of December 2016. Steelmet's result until the 31st of December 2016 was included in the consolidated financial statements of Halcor from discontinued operations.

In 2016 the capital increase of International Trade was completed with participation of Halcor. The contribution of Halcor was made in the form of shares of the companies Metal Agencies, Alurame, Steelmet Romania, Genecos and Tepro Metal. The value of the participation to International Trade amounts to Euro 9,270,000 and was determined by independent valuator based on the value of the participations transferred. Halcor's percentage in International Trade accumulates to 26.00% direct. As a consequence of the aforementioned on 30th of June 2016 loss of control of the subsidiary Metal Agencies was realized. The result from the exchange of the shares of the aforementioned companies in relation to the book value was posted in statement of profit and loss and affected by Euro 3.9 mil.at consolidated level, while at company level amounted to Euro 3.9 mil. and was posted directly in Equity. The consolidation using the equity method seized for Steelmet Romania, Genecos and Tepro Metal on 30th of June 2016. The result of Metal Agencies, has been consolidated for the period 1st of January through 30th of June

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

2016 and was reclassified to discontinued operations. Finally the profit of Euro 0.9 mil. that was profit from the said transaction through the Hellenic Cables Group was classified under discontinued operations.

More information on subsidiaries with significant non-controlling interests in the following page.

EUR

2016	SOFIA MED S.A.	-		
Percentage of Non-Controlling Interest	11.12%	0.00%	Other	Total
Non-Current Assets	137,649,969	-		
Current Assets	79,001,536	-		
Non-current Liabilities	75,653,433	-		
Current Liabilities	56,591,952	-		
Net Assets	84,406,120	-		
Attributable to NCI	9,385,961	-	-	9,385,960
Revenue	287,923,222	-		
Profit / (Loss)	(2,343,400)	-		
Other Comprehensive Income	1,652,600	-		
Total Comprehensive Income	(690,800)	-		
Non-contolling Interest in Profit / (Loss)	(260,586)	-	-	(260,586)
Non-contolling interest in Comprehensive income	(76,817)	-	-	(76,817)
Cash-Flows from Operating Activities	29,125,257	-		
Cash-Flows from Investing Activities	(3,997,814)	-		
Cash-Flows from Financing Activities	(12,047,529)	-		
Effect on Cash and Cash equivalents	13,079,913	-		

EUR

2015	STEELMET S.A.	HELLENIC CABLES S.A.		
Percentage of Non-Controlling Interest	49.00%	27.47%	Other	Total
Non-Current Assets	562,423	256,438,123		
Current Assets	4,048,509	232,143,475		
Non-current Liabilities	850,321	164,716,764		
Current Liabilities	2,528,244	238,160,106		
Net Assets	1,232,367	85,704,728		
Attributable to NCI	603,847	23,539,661	914,088	25,057,596
Revenue	14,046,269	479,747,231		
Profit / (Loss)	279,619	(1,847,383)		
Other Comprehensive Income	102,403	(865,586)		
Total Comprehensive Income	382,022	(2,712,969)		
Non-contolling Interest in Profit / (Loss)	137,010	(507,402)	52,065	(318,327)
Non-contolling interest in Comprehensive income	50,176	(237,742)	(44,784)	(232,350)
Cash-Flows from Operating Activities	356,292	7,706,145		
Cash-Flows from Investing Activities	(51,785)	(11,343,717)		
Cash-Flows from Financing Activities	(475,503)	17,193,155		
Effect on Cash and Cash equivalents	(170,996)	13,555,583		

The movement in the account of the companies consolidated using the equity method is as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Balance as at January 1	**9,382,740**	**9,013,674**	**5,966,131**	**5,321,082**
Share in profit / (loss) after taxes	509,953	(154,761)	-	-
Dividends received (-)		(79,458)	-	-
Foreign exchange differences	-	(13,654)	-	-
Additions	-	744,984	38,584,379	744,984
Sales	-	-	(4,826,302)	-
Reclassifications	1,384,851	-	-	-
M&A Effects	60,866,053	-	140,880	-
Other changes	(280,936)	(128,045)	(9,200)	(99,935)
Balance as Year-end	**71,862,661**	**9,382,740**	**39,855,888**	**5,966,131**

The additions at company level concern the participation of Cenergy Holdings SA amount of Euro 29.2 mil. as well as participation in International Trade amount of Euro 9.3 mil. Respectively at consolidated level the effect of consolidation using the equity method amounted to Euro 60.9 mil.

The main financial assets of these associated companies can be broken down as follows:

Company Name	Country	Business	Current Assets	Short-Term Liabilities	Revenue	DIRECT % of participation
31/12/2015						
DIAPEM COMMERCIAL SA	Greece	Commercial	266,662	6,468	-	33.33%
ELEKME SA	Greece	Metal. Research	1,575,747	200,517	1,592,950	25.00%
S.C. STEELMET ROMANIA S.A	Romania	Commercial	7,235,436	2,803,719	17,667,230	40.00%
TEPRO METALL AG	Germany	Commercial	20,348,450	13,532,606	111,834,837	27.01%
VIEXAL SA	Greece	Commercial	1,044,566	771,201	7,262,052	26.67%
GENECOS	France	Commercial	24,125,417	15,029,596	75,806,010	13.80%
			54,596,279	**32,344,107**	**214,163,079**	

Company Name	Country	Business	Non-Current Assets	Long-Term Liabilities	Profit / (Loss) after tax	INDIRECT % of participation
31/12/2015						
DIAPEM COMMERCIAL SA	Greece	Commercial	95,210	-	5,681	0.00%
ELEKME SA	Greece	Metal. Research	305,500	50,000	(90,523)	5.44%
S.C. STEELMET ROMANIA S.A	Romania	Commercial	484,384	-	93,049	0.00%
TEPRO METALL AG	Germany	Commercial	5,600,439	858,242	335,259	9.20%
VIEXAL SA	Greece	Commercial	38,725	35,536	145,013	0.00%
GENECOS	France	Commercial	3,858,799	5,577,994	(712,373)	10.98%
			10,383,056	**6,521,772**	**(223,894)**	

Company Name	Country	Business	Current Assets	Short-Term Liabilities	Revenue	DIRECT % of participation
31/12/2016						
VIENER SA	Greece	Energy	263,482	-	90,300	20.66%
ELKEME SA	Greece	Metal. Research	1,523,764	219,898	1,717,565	25.00%
VIEXAL SA	Greece	Commercial	1,623,322	1,079,713	8,373,961	26.67%
CENERGY HOLDINGS SA	Belgium	Commercial	458,866,055	443,563,894	691,775,173	25.16%
INTERNATIONAL TRADE	Belgium	Commercial	75,198,833	51,710,618	252,362,432	26.00%
			537,475,457	**496,574,124**	**954,319,431**	

Company Name	Country	Business	Non-Current Assets	Long-Term Liabilities	Profit / (Loss) after tax	INDIRECT % of participation
31/12/2016						
VIENER SA	Greece	Energy	177,123	67,407	(212,406)	0.00%
ELKEME SA	Greece	Metal. Research	418,756	111,791	(19,896)	0.00%
VIEXAL SA	Greece	Commercial	11,971	40,252	458,219	0.00%
CENERGY HOLDINGS SA	Belgium	Commercial	431,505,086	240,345,385	(3,771,767)	0.00%
INTERNATIONAL TRADE	Belgium	Commercial	8,123,770	5,917,079	1,520,548	0.00%
			440,236,706	**246,481,914**	**(2,025,303)**	

14. Other investments

Other investments include the following:

	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Unlisted Securities				
-Greek Equity instrunments	2,448,191	2,984,051	2,448,191	2,448,190
-International Equity instrunments	45,512	395,512	45,512	395,512
-Other	14,969	16,604	14,969	11,069
	2,508,672	**3,396,167**	**2,508,672**	**2,854,771**

Other investments, classified as financial assets available for sale, relate to investments in domestic and foreign companies with holding percentages below 20% and are valued at fair value, the difference from the revaluation is posted in the Statement of Comprehensive income or are valued at historical cost if the fair value cannot be estimated.

Halcor's participations are tested for impairment using the discounted cash-flows method. There were no signs of impairment in Halcor's participation in the equity of these companies. For this measurement cash-flows used were covering estimates in a five-year period (level of measurement 3).

The movement in Available-for-Sale was as follows:

	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Balance as at 1 January	**3,396,168**	**4,285,276**	**2,854,772**	**3,730,772**
Additions	3,900	-	3,900	-
Change in fair value through equity	-	(876,000)	-	(876,000)
Reductions through sale of subsidiary	(350,000)	(13,108)	(350,000)	-
Merger effects	(541,396)	-	-	-
Balance as at 31 December	**2,508,672**	**3,396,168**	**2,508,672**	**2,854,772**
Non-current Assets	2,508,672	3,396,168	2,508,672	2,854,772
Current Assets	-	-	-	-
	2,508,672	**3,396,168**	**2,508,672**	**2,854,772**

The valuation technique, as well as the significant observable inputs used are depicted in the following table:

Valuation Technique	*Significant observable inputs*	*Inter-relationship between key unobservable inputs and fair value measurement*
Discounted Cash Flows: The valuation model considers the present value of net cash flows to be generated from the CGU. The expected net cash flows are discounted using risk-adjusted discount rates.	• Risk-free rate: 0.79% • Market risk premium: 6.02% • Expected income tax rate: 29% • Relevered beta: 0.85 • WACC: 8.90%	**The estimated fair value would increase (decrease) if:** • the expected market growth rate increase (decrease) • the estimated cash flows increase (decrease) • the risk-adjusted discount rate were lower (higher)

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15. Income tax

Amounts recognised in profit or loss	GROUP		COMPANY	
	2016	2015	2016	2015
EUR				
Current tax expense	(8,713)	(203,942)	-	-
Deferred tax	2,694,436	(196,360)	1,770,401	(1,803,928)
Tax expense on continuing operations	**2,685,723**	**(400,301)**	**1,770,401**	**(1,803,928)**

Reconciliation of tax	GROUP				COMPANY			
	2016		2015		2016		2015	
EUR								
Accounting Profit/loss (-) before income tax		**(965,987)**		**(30,437,374)**		**(22,772,665)**		**(9,421,802)**
Atstatutory income tax rate of 2016:29% & 2015:29%	-29.0%	280,136	-29.0%	8,826,839	-29.0%	6,604,073	-29.0%	2,732,322
Non-deductible expenses for tax purposes	-254.4%	2,457,247	21.9%	(6,665,691)	21.0%	(4,784,633)	21.0%	(1,974,801)
Change in tax rate or composition of new tax	0.0%	-	8.3%	(2,533,946)	0.0%	-	26.9%	(2,533,946)
Permanent Diferrences	5.3%	(51,660)	0.1%	(27,503)	0.2%	(49,039)	0.3%	(27,503)
	-278%	**2,685,723**	**1%**	**(400,301)**	**-8%**	**1,770,401**	**19%**	**(1,803,928)**
Income tax expense reported in the statement of profit or loss		**2,685,723**		**(400,301)**		**1,770,401**		**(1,803,928)**

The unaudited fiscal years until 2010 according to applicable laws will be audited by the tax authorities according to the applicable rules and procedures until the application of the aforementioned law.

The deferred tax assets that derive from unused tax losses to be settled in the future fiscal years are only recognized if it is expected by to be settled with future tax profit according to the business plan of the Group. From the accumulated tax losses of the Group, a deferred tax asset has been recognized totaling Euro 2.9 million that corresponds to losses of Euro 16.5 million.

In 2016 and 2015, the provisions of article 49 and paragraph 9 of article 72 of Law 4172/2013, concerning thin capitalization, were applicable according to which the limit of the additional interest expense is set to 40% and 50% of the EBITDA respectively. These amounts for interests that are not deducted can be settled with future tax profits with no time limitations.

For the fiscal year 2016, the Company and its subsidiary, Fitco SA, are under the audit of the Certified Auditors according to the provisions of article 65A of L. 4174/2013. This audit is on-going and the relative report of tax compliance is expected to be issued after the publication of the financial statements for the year ended in 31st December 2016. The result of the audit is not expected to significantly affect the financial statements.

The movement in deferred tax assets and liabilities can be presented as follows:

GROUP

2016	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Loss of Control of Subsidiaries	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
EUR								
Property, plant and equipment	(54,215,126)	3,287,099	-	-	20,302,246	**(30,625,782)**	2,539,307	(33,165,089)
Intangible assets	(2,168,811)	(17,099)	-	-	2,586,685	**400,775**	400,775	-
Investment property	(1,160,842)	21,501	-	-	(69,024)	**(1,208,366)**	-	(1,208,366)
Available-for-sale financial assets	254,040	-	-	-	-	**254,040**	254,040	-
Derivatives	151,991	(524,622)	(437,571)	-	504,081	**(306,121)**	-	(306,121)
Inventories	189,539	(295,063)	-	-	(1,444)	**(106,968)**	-	(106,968)
Loans and borrowings	(3,555,718)	90,087	-	-	3,276,353	**(189,278)**	-	(189,278)
Employee benefits	376,629	39,853	256,257	-	(97,814)	**574,926**	574,926	-
Provisions	3,444,144	(53,029)	-	-	(2,477,518)	**913,596**	913,596	-
Other items	(1,290,121)	961,249	-	255,743	320,967	**247,838**	290,814	(42,975)
Carryforward tax loss	15,143,435	(815,540)	-	-	(11,458,030)	**2,869,865**	2,869,865	-
Tax assets/liabilities (-) before set-off	**(42,830,839)**	**2,694,435**	**(181,314)**	**255,743**	**12,886,501**	**(27,175,474)**	**7,843,323**	**(35,018,797)**
						-	(4,162,219)	4,162,219
Net tax assets/liabilities (-)						**(27,175,474)**	**3,681,104**	**(30,856,578)**

2015	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change of Tax Rate	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
EUR								
Property, plant and equipment	(50,895,853)	3,763,474	(1,759,139)	26,020	(5,349,629)	**(54,215,126)**	1,803,758	(56,018,884)
Intangible assets	(1,944,712)	22,421	-	-	(246,520)	**(2,168,811)**	417,874	(2,586,685)
Investment property	(106,896)	(927,456)	-	-	(126,490)	**(1,160,842)**	75,417	(1,236,259)
Available-for-sale financial assets	-	-	254,040	-	-	**254,040**	254,040	-
Derivatives	(234,094)	(118,329)	487,444	143	16,827	**151,991**	290,986	(138,995)
Inventories	(61,558)	289,552	-	-	(38,454)	**189,539**	559,821	(370,282)
Loans and borrowings	(3,527,287)	373,706	-	-	(402,137)	**(3,555,718)**	-	(3,555,718)
Employee benefits	359,648	11,249	(101,663)	(4,270)	111,666	**376,629**	1,280,839	(904,210)
Provisions	2,219,806	1,093,293	(12,094)	-	143,139	**3,444,144**	3,444,143	-
Other items	(44,277)	(1,543,447)	(243,650)	-	541,254	**(1,290,121)**	2,482,773	(3,772,893)
Carryforward tax loss	16,199,353	(2,454,231)	-	-	1,398,313	**15,143,435**	15,143,435	-
Tax assets/liabilities (-) before set-off	**(38,035,870)**	**510,231**	**(1,375,062)**	**21,894**	**(3,952,031)**	**(42,830,839)**	**25,753,088**	**(68,583,927)**
						-	(21,882,904)	21,882,904
Net tax assets/liabilities (-)						**(42,830,839)**	**3,870,184**	**(46,701,023)**

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COMPANY

2016	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change of Tax Rate	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
EUR								
Property, plant and equipment	(30,439,013)	2,654,719	192,311	-	-	**(27,591,983)**	-	(27,591,983)
Intangible assets	415,268	(39,214)	-	-	-	**376,054**	376,054	-
Investment property	(704,434)	2,496	-	-	-	**(701,938)**	-	(701,938)
Available-for-sale financial assets	254,040	-	-	-	-	**254,040**	254,040	-
Derivatives	169,217	(527,814)	130,755	-	-	**(227,842)**	-	(227,842)
Inventories	(371,726)	264,758	-	-	-	**(106,968)**	-	(106,968)
Loans and borrowings	(279,365)	90,087	-	-	-	**(189,278)**	-	(189,278)
Employee benefits	439,867	36,599	34,212	-	-	**510,677**	510,677	-
Provisions	459,326	5,736	-	-	-	**465,062**	465,062	-
Other items	(11,828)	161,164	-	-	(192,311)	**(42,975)**	-	(42,975)
Carryforward tax loss	2,637,270	(878,131)	-	-	-	**1,759,139**	1,759,139	-
Tax assets/liabilities (-) before set-off	**(27,431,379)**	**1,770,401**	**357,278**	**-**	**(192,311)**	**(25,496,011)**	**3,364,973**	**(28,860,984)**
						-	(3,364,973)	3,364,973
Net tax assets/liabilities (-)						**(25,496,011)**	**-**	**(25,496,011)**

2015	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change of Tax Rate	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
EUR								
Property, plant and equipment	(27,107,276)	1,394,285	(1,759,139)	-	(2,966,883)	**(30,439,013)**	-	(30,439,013)
Intangible assets	401,716	(29,407)	-	-	42,959	**415,268**	415,268	-
Investment property	-	(631,561)	-	-	(72,872)	**(704,434)**	-	(704,434)
Available-for-sale financial assets	-	-	254,040	-	-	**254,040**	254,040	-
Derivatives	(132,412)	(4,129)	305,758	-	-	**169,217**	169,217	-
Inventories	(65,857)	(267,414)	-	-	(38,454)	**(371,726)**	-	(371,726)
Loans and borrowings	(335,898)	85,432	-	-	(28,900)	**(279,365)**	-	(279,365)
Employee benefits	454,604	5,816	(62,755)	-	42,202	**439,867**	439,867	-
Provisions	316,822	94,987	-	-	47,516	**459,326**	459,326	-
Other items	(14,524)	4,009	-	-	(1,313)	**(11,828)**	-	(11,828)
Carryforward tax loss	2,117,470	78,000	-	-	441,800	**2,637,270**	2,637,270	-
Tax assets/liabilities (-) before set-off	**(24,365,355)**	**730,019**	**(1,262,096)**	**-**	**(2,533,946)**	**(27,431,379)**	**4,374,987**	**(31,806,366)**
						-	(4,374,987)	4,374,987
Net tax assets/liabilities (-)	**-**	**-**	**-**	**-**	**-**	**(27,431,379)**	**-**	**(27,431,379)**

The movement of deferred tax in Other comprehensive Income was as follows:

Amounts recognized in the OCI	GROUP					
	2016			2015		
EUR	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Profit from Revaluation of Fixed Assets to Fair Value	(663,142)	192,311	**(470,831)**	361,910	(1,778,878)	**(1,416,969)**
Remeasurements of defined benefit liability (asset)	(381,064)	63,946	**(317,118)**	154,210	(44,721)	**109,489**
Foreign currency translation differences	13,105	-	**13,105**	-	-	**-**
Gain / (Loss) of changes in fair value of Available-for-sale - net change in fair value	-	-	**-**	(876,000)	254,040	**(621,960)**
Gain / (Loss) of changes in fair value of cash flow hedging	2,249,018	(437,571)	**1,811,447**	(3,289,814)	623,819	**(2,665,995)**
	1,217,916	**(181,314)**	**1,036,602**	**(3,649,694)**	**(945,740)**	**(4,595,434)**

-

	COMPANY					
	2016			2015		
EUR	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Profit from Revaluation of Fixed Assets to Fair Value	(663,142)	192,311	**(470,831)**	361,910	(1,759,139)	**(1,397,229)**
Remeasurements of defined benefit liability (asset)	(117,971)	34,212	**(83,759)**	216,397	(62,755)	**153,642**
Gain / (Loss) of changes in fair value of Available-for-sale - net change in fair value	-	-	**-**	(876,000)	254,040	**(621,960)**
Gain / (Loss) of changes in fair value of cash flow hedging	(450,879)	130,755	**(320,124)**	(1,130,854)	327,948	**(802,906)**
	(1,231,992)	**357,278**	**(874,714)**	**(1,428,547)**	**(1,239,907)**	**(2,668,454)**

16. Inventories

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Merchandise	2,056,045	2,209,772	1,694,767	1,881,501
Finished goods	27,472,643	54,709,092	12,966,332	12,212,872
Semi-finished goods	17,649,703	44,827,041	12,585,540	10,707,884
By-products & scrap	284,719	2,369,628	87,416	62,918
Work in progress	21,312,740	24,825,762	1,171,450	1,250,365
Raw and auxiliary materials, consumables, spare parts and packaging materials	34,258,201	69,296,854	19,576,578	17,784,181
Down payments for purchase of inventory	16,224,723	11,698,951	15,164,870	4,898,739
Total	**119,258,774**	**209,937,102**	**63,246,954**	**48,798,460**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less expenses for sale.

17. Trade and other receivables

Trade and other receivables

Current Assets	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Trade receivables	20,199,589	132,373,994	7,512,335	9,981,580
Less: Impairment losses	(3,207,428)	(8,864,763)	(1,739,763)	(1,739,763)
Net trade receivables	**16,992,161**	**123,509,230**	**5,772,573**	**8,241,818**
Other downpayments	204,009	556,680	204,009	171,044
Cheques and notes receivables & Cheques overdue	112,133	1,875,248	66,179	57,346
Receivables from related entities	20,201,898	19,975,259	38,338,439	36,291,298
Tax assets	6,005,958	7,206,152	2,592,135	1,057,522
Other debtors	5,189,627	27,708,809	1,629,297	994,650
Less: Impairment losses	(51,000)	(257,025)	(51,000)	(51,000)
Total	**48,654,787**	**180,574,353**	**48,551,633**	**46,762,678**
Non-current assets				
Non-current receivables from other related parties	431,893	446,673	431,893	446,673
Other non-current receivables	483,678	1,748,295	425,407	380,697
Total	**915,571**	**2,194,969**	**857,301**	**827,370**
Total receivables	**49,570,358**	**182,769,322**	**49,408,933**	**47,590,048**

The provision for doubtful debts is raised for specific balances of customers that the Management considers to be doubtful in terms of collection, less the expected indemnity received from insurance companies.

18. Derivatives

Total Derivatives in Statement of Financial Position	GROUP		COMPANY	
	2016	2015	2016	2015
EUR				
Current assets				
Forward foreign exchange contracts	163,201	73,000	51,257	-
Future contracts	770,932	194,462	-	-
Total	**934,132**	**267,462**	**51,257**	**-**
Current liabilities				
Forward foreign exchange contracts	556	113,689	-	107,785
Future contracts	1,085,645	2,479,260	1,085,645	475,724
Total	**1,086,200**	**2,592,949**	**1,085,645**	**583,509**

For the Group and the Company results from settled financial risk management operations recorded in the Income Statement during years 2016 and 2015 are included in Sales and Cost of Goods Sold for results from metal and exchange rate derivatives and in other income-expenses for results derived from swaps and forwards contracts.

19. Cash and cash equivalents

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Cash in hand and Cash in bank	103,800	1,636,491	2,720	7,219
Short-term bank deposits	23,739,598	33,149,889	8,444,623	11,802,592
Total	**23,843,398**	**34,786,380**	**8,447,342**	**11,809,811**

Bank deposits are set at variable interest rates according to the applicable rates of interbank market.

In Note 27.c that is referred to currency risk of the Group, an analysis of cash per foreign currency is presented.

20. Share capital and reserves

a) Share capital and premium

Company's share capital stands at Euro 38,486,258 (2015: 38,486,258) divided into 101,279,627 (2015: 101,279,627) common unregistered shares with a nominal value of Euro 0.38 each, which are traded in Athens Stock Exchange.

The share premium of Euro 67,138,064 is considered as a complement of the share capital resulting from the issuance of shares for cash at a value higher than their nominal value.

b) Reserves

EUR	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
Statutory Reserves	8,583,241	9,147,330	8,556,630	8,556,630
Hedging Reserve	739,332	(862,933)	(734,416)	(414,292)
Reserves for Revaluation of Fixed Assets to Fair Value	80,396,708	113,013,558	36,058,278	37,689,396
Special Reseves	4,009,667	5,195,415	4,009,668	4,009,668
Tax exempt reserves	59,901,161	63,433,723	59,807,890	59,807,890
Other reserves	(4,471,499)	(4,471,499)	(4,496,816)	(4,496,816)
Foreign exchange from Consolidation	(107,508)	(6,909,206)	-	-
	149,051,102	**178,546,389**	**103,201,233**	**105,152,475**

Statutory Reserve

Under Greek trade law, companies must transfer at least 5% of their annual net profits to a statutory reserve until that reserve is equal to 1/3 of the paid-up share capital. Distribution of Statutory Reserve is prohibited. No statutory reserve will be set aside during this year due to losses.

Untaxed and special reserves

Untaxed and special reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves). Reserves from income exempt from taxation and reserves taxed pursuant to special laws concern income from interest for which a tax has been withheld at the source. In addition to any prepaid taxes, these reserves are subject to taxation in case they are distributed. No deferred taxes have been accounted for as regards the above untaxed reserves in case they are distributed.

Exchange rate differences on consolidation

Exchange rate differences on consolidation arise from translating the financial statements of subsidiaries which are denominated in foreign currency, to the currency of the Parent Company which is in Euro.

Reserves from revaluation at fair value

This reserve is accounted after the positive effect of the revaluation of Land, buildings and machinery to fair value. This reserve cannot be distributed to shareholders until it is moved to results carried forward account through depreciation or after the recognition of profit through the sale of an asset.

21. Earnings per share

Profit attributable to shareholders'

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
From Continuing activities	1,980,322	(30,837,676)	(21,002,264)	(11,225,729)
From Discontinued activities	(6,816,823)	(1,671,393)	-	-
Weighted average number of shares	101,279,627	101,279,627	101,279,627	101,279,627
Basic profits per share from continued activities (EUR per share)	0.0196	(0.3045)	(0.2074)	(0.1108)
Basic profits per share from discontinued activities (EUR per share)	(0.0673)	(0.0165)	-	-
Basic profits per share to shareholders' (EUR per share)	(0.0478)	(0.3210)	-	-

Basic earnings per share are calculated by dividing the net profits (losses) attributable to the parent company's shareholders by the weighted average number of common shares, save the average number of common shares acquired by the Group and held as own shares.

22. Loans and obligations from financial leasing

Loans and Borrowings

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Non-current				
Secured bank loans	73,550,071	87,271,835	-	-
Unsecured bank loans	-	3,382,872	-	-
Secured bond issues	166,053,883	286,868,347	155,673,116	174,512,842
Total	**239,603,953**	**394,509,140**	**155,673,116**	**174,512,842**
Current				
Secured bank loans	2,555,309	19,543,021	-	-
Unsecured bank loans	69,561,786	183,587,661	65,828,809	68,055,267
Current portion of secured bond issues	20,586,023	27,137,751	19,274,443	18,156,289
Loans from related parties	-	5,149,479	-	-
Total	**106,741,778**	**236,180,448**	**85,103,252**	**86,211,556**
Total loans and borrowings	**346,345,732**	**630,689,588**	**240,776,368**	**260,724,397**

The maturities of non-current loans are:

EUR				
Between 1 and 2 years	229,946,553	61,483,237	146,015,716	19,169,200
Between 2 and 5 years	9,657,400	300,802,367	9,657,400	155,343,642
Over 5 years	-	32,223,536	-	-
Total	**239,603,953**	**394,509,140**	**155,673,116**	**174,512,842**

Reduction of loans of Euro 248 mil. corresponds to loss of control of the Groups of Hellenic Cables and Steelmet and the subsidiary Metal Agencies, as a consequence of the loss of control from the exchange of shares that is described in notes 13 and 33.

In 2016 the Company paid at maturity secured bonds of Euro 18.1 mil. and the Group Euro 19.4 mil.

Obligations under financial leasing are as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Fiance Lease Obligations-minimum leases				
Up to 1 year	-	75,844	-	-
Between 1 and 5 years	-	720,584	-	-
Beyond 5 years	-	-	-	-
Total	**-**	**796,428**	**-**	**-**
The present value of finance lease obligations is analysed as follows:				
Up to 1 year	-	75,844	-	-
Between 1 and 5 years	-	720,584	-	-
Over 5 years	-	-	-	-
Present Value Finance Lease Obligations	**-**	**796,428**	**-**	**-**

The actual weighted average interest rates (both short and long term) at the balance sheet date were:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
Bank lending (current) - EUR	5.67%	5.64%	-	-
Bank lending (current) - GBP	6.59%	6.62%	6.59%	6.62%
Bank lending (current) - USD	7.85%	7.60%	7.85%	7.60%
Non-current	4.99%	4.99%	4.91%	5.51%

For the Group's bank loans, mortgages on properties totaling Euro 279 million were set up (Euro 217 million is the amount for parent company).

For the bond loans the Group tests for impairment according to market interest rates. The loans have floating rates that follow the market trends. For the year 2016 there was no reason for impairment or additional liability compared to the book value. The Group's carrying value of loans is denominated in Euro.

For the bank loans of the Group and the Company that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident in the fiscal year which could lead to a breach of the terms of the loans of the Group.

23. Liabilities for employee's retirement benefits

The Group has fulfilled its obligations for pension plans set out by law. According to the Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement).Employees who resign are not entitled to compensation. The compensation payable in case of retirement equals 40 % of the compensation which would be payable in case of unjustified dismissal. The Group believes this is a defined benefit and it charges the accrued benefits in each period with a corresponding increase in the pension liability. Any payments made to retirees each year are charged against this liability. The displayed personal benefit obligation of the Company and the Group as at 31 December 2016 and 2015 is as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Balance at 1 January	**5,050,802**	**5,465,990**	**1,554,450**	**1,748,478**
Included in profit or loss				
Current service cost	112,899	280,636	64,301	76,471
Settlement/curtailment/termination loss	291,928	396,462	276,716	191,648
Interest cost/income (-)	42,788	87,678	30,745	26,227
	447,614	**764,776**	**371,762**	**294,346**
Included in OCI				
-Demographic assumptions	365,800	32,340	-	-
-Financial assumptions	(4,968)	(263,107)	86,404	(114,285)
-Experience adjustements	20,232	(281,331)	31,567	(102,112)
	381,064	**(512,098)**	**117,971**	**(216,397)**
Other				
Benefits paid	(443,649)	(667,866)	(385,742)	(271,977)
Loss of Control	(2,934,748)	-	-	-
	(3,378,397)	**(667,866)**	**(385,742)**	**(271,977)**
Balance at 31 December	**2,501,084**	**5,050,802**	**1,658,441**	**1,554,450**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

The assumptions on which the actuarial study was based for the calculation of provision are the following:

	GROUP		COMPANY	
	2016	2015	2016	2015
Discount interest rate	1.60%	2.00%	1.60%	2.00%
Future salary increases	1.75%	1.75%	1.75%	1,75%

The aforementioned results depend on assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate less by 50 basis points was used then the liability would be higher by 6.9% and if an assumption of a future salary increase of 50 basis points annually was used (instead of 1.75% annually), then the liability would be higher by 6.05%.

24. Grants

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Balance as at January 1	**20,703,918**	**15,576,764**	**1,369,060**	**1,480,427**
Collection of grants	-	1,743,070	-	-
Transfer of a grants to receivables	-	4,539,428	-	-
Amortisation of grans	(215,265)	(1,153,446)	(111,081)	(111,367)
Loss of control of subsidiaries	(17,042,332)		-	-
Other		(1,897)	-	-
Ending Balance	**3,446,320**	**20,703,918**	**1,257,979**	**1,369,060**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account “Other income” of the income statement.

Grants have been provided for the purchase of tangible assets.

25. Provisions

There are other provisions for Group Euro 90,000 and the Company Euro 90,000.

26. Trade payables and other liabilities

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Suppliers	41,357,628	85,258,103	27,889,324	9,768,207
Notes payable	22,993,834	57,423,193	22,993,834	20,197,241
Cheques payable	-	1,204	-	-
Downpayments from customers	671,024	10,818,739	-	2,463,098
Social Security funds	1,107,367	2,271,790	735,313	733,552
Amounts due to related parties	12,636,815	14,891,806	6,882,614	5,287,461
Sundry creditors	1,559,722	2,743,224	251,791	243,692
Accrued expenses	1,945,637	5,094,156	1,359,146	762,777
Other Taxes	1,207,979	7,071,068	893,988	1,208,201
Total	**83,480,006**	**185,573,283**	**61,006,011**	**40,664,228**
	-	-	-	-
Current liabilities	83,480,006	175,339,743	61,006,011	40,664,228
Non-current liabilities	-	10,233,541	-	-
Total liabilities	**83,480,006**	**185,573,283**	**61,006,011**	**40,664,228**

27. Financial assets

The Board of Directors of the Group in conjunction with the parent Group has set rules and procedures for measuring the following risks:

- Credit risk
- Liquidity risk
- Exchange rate risk
- Interest rate risk

Below there were presented analytically the evidence of the size of each risk.

Credit Risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must receive in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2014, the Group had an amount of Euro 18.6 million as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

To avoid liquidity risk the Group makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfillment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

The objectives, policies, risk management processes and measurement methods of risk have not changed compared to the previous year.

Capital management

The Groups' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

a) Credit risk

The Financial assets subject to credit risk are as follows:

	GROUP		COMPANY	
	2016	2015	2016	2015
EUR				
Trade & Other receivables - Current	48,654,787	180,574,353	48,551,633	46,762,678
Trade & Other receivables - Non-current	915,571	2,194,969	857,301	827,370
Income tax receivable	-	-	-	-
Subtotal	**49,570,358**	**182,769,322**	**49,408,933**	**47,590,048**
Available-for-Sale financial Assets	2,508,672	3,396,168	2,508,672	2,854,772
Financial Assets at fair value through profit or loss	-	-	-	-
Cash and cash equivalents	23,843,398	34,786,380	8,447,342	11,809,811
Derivatives	934,132	267,462	51,257	-
	27,286,202	**38,450,010**	**11,007,271**	**14,664,582**

The balances include in Receivables according to maturity can be classified as follows:

Ageing of Trade receivables not impaired	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Neither past due nor impaired	46,309,949	165,357,436	48,440,593	46,517,607
Overdue				
- Up to 6 months	2,185,755	14,132,756	144,966	273,708
- Over 6 months	1,074,655	3,279,131	823,375	798,733
	49,570,358	**182,769,322**	**49,408,933**	**47,590,048**

The movement in the account of provision for impairment was as follows:

	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Balance as at 1 January	**9,121,789**	**7,454,044**	**1,790,762**	**1,779,877**
Impairment loss recognized	-	1,848,011	-	11,387
Amounts written off	-	(33,469)	-	(503)
Impairment loss reversed	-	(134,197)	-	-
Loss of Control of subsidiary	(5,863,361)	(12,600)	-	-
Balance as at 31 December	**3,258,428**	**9,121,789**	**1,790,762**	**1,790,762**

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Greece	4,547,413	120,932,536	4,718,879	8,087,019
Other EU Member States	34,119,377	51,851,549	38,873,413	35,282,865
Other European countries	4,438,192	2,504,210	3,928,111	1,691,816
Asia	2,859,980	2,587,111	833,710	124,685
America (North & South)	905,270	1,697,347	150,090	247,597
Africa	2,687,008	3,142,521	904,730	2,156,067
Oceania	13,119	54,046	-	-
	49,570,359	**182,769,322**	**49,408,933**	**47,590,048**

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Industrial customers	16,143,704	162,189,954	29,105,062	32,324,830
Distributors/ resellers	27,194,412	16,794,476	19,664,268	14,625,615
Other	6,232,243	3,784,892	639,604	639,604
	49,570,359	**182,769,322**	**49,408,933**	**47,590,048**

The Group insures the bigger part of its receivables in order to be secured in case of failure to collect.

b) Liquidity risk

GROUP

2016 EUR	Carrying Amount	Up to 1 yr	1 to 2 years	2 to 5 years	over 5 years	Total
Liabilities						
Bank loans	159,705,826	90,625,585	76,914,425	-	-	**167,540,010**
Bond issues	186,639,906	27,621,259	164,797,014	10,102,481	-	**202,520,754**
Derivatives	1,086,200	1,086,200	-	-	-	**1,086,200**
Suppliers and other liabilities	82,272,027	82,272,027	-	-	-	**82,272,027**
	429,703,959	**201,605,072**	**241,711,439**	**10,102,481**	**-**	**453,418,992**

GROUP

2015 EUR	Carrying Amount	Up to 1 yr	1 to 2 years	2 to 5 years	over 5 years	Total
Liabilities						
Bank loans	298,934,868	207,502,025	16,515,946	75,454,697	-	**299,472,668**
Bond issues	331,754,720	35,903,503	53,711,704	235,726,400	50,146,782	**375,488,388**
Finance lease obligations	-	75,844	720,584	-	-	**796,428**
Derivatives	2,592,949	2,592,949	-	-	-	**2,592,949**
Suppliers and other liabilities	178,712,219	178,712,219	-	-	-	**178,712,219**
	811,994,756	**424,786,540**	**70,948,234**	**311,181,097**	**50,146,782**	**857,062,653**

COMPANY

2016

EUR	Carrying Amount	Up to 1 yr	1 to 2 years	2 to 5 years	over 5 years	Total
Liabilities						
Bank loans	65,828,809	65,828,809	-	-	-	**65,828,809**
Bond issues	174,947,559	27,621,259	153,916,585	10,102,481	-	**191,640,325**
Derivatives	1,085,645	1,085,645	-	-	-	**1,085,645**
Suppliers and other liabilities	60,112,023	60,112,023	-	-	-	**60,112,023**
	301,974,036	**154,647,735**	**153,916,585**	**10,102,481**	**-**	**318,666,801**

COMPANY

2015

EUR	Carrying Amount	Up to 1 yr	1 to 2 years	2 to 5 years	over 5 years	Total
Liabilities						
Bank loans	68,055,267	68,055,267	-	-	-	**68,055,267**
Bond issues	192,669,131	19,523,147	20,437,039	156,868,327	-	**196,828,513**
Derivatives	583,509	583,509	-	-	-	**583,509**
Suppliers and other liabilities	39,456,027	39,456,027	-	-	-	**39,456,027**
	300,763,933	**127,617,949**	**20,437,039**	**156,868,327**	**-**	**304,923,315**

c) **Exchange rate risk**

GROUP

	2016						
EUR	**EURO**	**USD**	**GBP**	**BGN**	**RON**	**OTHER**	**TOTAL**
Trade and other receivables	36,023,155	4,526,396	3,909,166	4,692,748	492,730	(73,836)	**49,570,358**
Loans and Borrowings	(341,968,093)	(2,429,959)	(1,947,679)	-	-	-	**(346,345,732)**
Trade and other payables	(74,345,261)	(6,133,029)	(116,219)	(1,551,371)	(62,983)	(63,163)	**(82,272,027)**
Cash & cash equivalents	17,638,651	2,133,829	1,327,410	2,414,953	98,032	230,523	**23,843,398**
	(362,651,548)	(1,902,764)	3,172,677	5,556,329	527,779	93,524	**(355,204,003)**
Derivatives for risk hedging (Nominal Value)	670,851	1,709,340	(1,722,032)	-	-	(116,680)	**541,479**
Total risk	**(361,980,697)**	**(193,424)**	**1,450,645**	**5,556,329**	**527,779**	**(23,156)**	**(354,662,524)**

	2015						
EUR	**EURO**	**USD**	**GBP**	**BGN**	**RON**	**OTHER**	**TOTAL**
Trade and other receivables	146,990,700	5,663,690	20,345,385	2,140,884	7,663,158	(34,496)	**182,769,322**
Loans and Borrowings	(605,937,584)	(8,546,002)	(15,474,752)	-	(1,441,511)	(86,165)	**(631,486,015)**
Trade and other payables	(142,863,414)	(3,474,245)	(17,852,676)	(2,201,161)	(12,458,603)	137,879	**(178,712,219)**
Cash & cash equivalents	29,049,617	2,231,641	3,221,037	74,621	173,724	35,740	**34,786,380**
	(572,760,681)	(4,124,916)	(9,761,006)	14,345	(6,063,232)	52,958	**(592,642,532)**
Derivatives for risk hedging (Nominal Value)	(1,410,437)	6,109,360	(6,851,289)	-	-	22,553	**(2,129,814)**
Total risk	**(574,171,119)**	**1,984,444**	**(16,612,295)**	**14,345**	**(6,063,232)**	**75,511**	**(594,772,346)**

COMPANY

	2016				
EUR	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	45,064,933	899,626	3,444,375	-	**49,408,933**
Loans and Borrowings	(236,452,991)	(2,375,698)	(1,947,679)	-	**(240,776,368)**
Trade and other payables	(59,435,697)	(527,669)	(133,722)	(14,934)	**(60,112,023)**
Cash & cash equivalents	6,894,259	1,553,082	2	-	**8,447,342**
	(243,929,497)	(450,660)	1,362,975	(14,934)	**(243,032,115)**
Total risk	**(243,929,497)**	**(450,660)**	**1,362,975**	**(14,934)**	**(243,032,115)**

	2015				
EUR	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	44,307,649	470,338	2,812,061	-	**47,590,048**
Loans and Borrowings	(257,116,037)	(613,081)	(2,995,280)	-	**(260,724,397)**
Trade and other payables	(38,395,942)	(961,337)	(88,986)	(9,761)	**(39,456,027)**
Cash & cash equivalents	10,323,397	1,486,407	7	-	**11,809,811**
	(240,880,933)	382,327	(272,198)	(9,761)	**(240,780,565)**
Total risk	**(240,880,933)**	**382,327**	**(272,198)**	**(9,761)**	**(240,780,565)**

The rates that were applied for the foreign exchange translation were:

	Average exchange rate		Year end spot rate	
	2016	**2015**	**2016**	**2015**
USD	1.1069	1.1095	1.0541	1.0887
GBP	0.8195	0.7258	0.8562	0.7340
BGN	1.9558	1.9558	1.9558	1.9558
RON	4.4904	4.4454	4.5390	4.5240

Sensitivity analysis

A change in the price of Euro against other currencies that the Group trades would have corresponding impact on the income statement and in equity as follows:

Sensitivity analysis

GROUP	**Profit or loss**		**Equity, net of tax**	
EUR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2016				
USD (10% movement in relation to EUR)	(145,762)	145,762	25,821	(25,821)
GBP (10% movement in relation to EUR)	245,372	(245,372)	11,887	(11,887)
BGN (10% movement in relation to EUR)	-	-	-	-
RON (10% movement in relation to EUR)	13,059	(13,059)	13,059	(13,059)
2015				
USD (10% movement in relation to EUR)	(561,111)	561,111	(437,667)	437,667
GBP (10% movement in relation to EUR)	1,167,261	(1,167,261)	910,464	(910,464)
BGN (10% movement in relation to EUR)	-	-	-	-
RON (10% movement in relation to EUR)	2,695,358	(2,695,358)	2,102,379	(2,102,379)

Sensitivity analysis

COMPANY	**Profit or loss**		**Equity, net of tax**	
EUR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2016				
USD (10% movement in relation to EUR)	(45,237)	45,237	(45,237)	45,237
GBP (10% movement in relation to EUR)	184,801	(184,801)	184,801	(184,801)
BGN (10% movement in relation to EUR)	-	-	-	-
RON (10% movement in relation to EUR)	-	-	-	-
2015				
USD (10% movement in relation to EUR)	(42,481)	42,481	(30,161)	30,161
GBP (10% movement in relation to EUR)	(28,720)	28,720	(20,391)	20,391
BGN (10% movement in relation to EUR)	-	-	-	-
RON (10% movement in relation to EUR)	-	-	-	-

d) Interest rate risk

	GROUP	
EUR	**2016**	**2015**
Fixed-rate instruments		
Financial liabilities	-	(44,811,964)
	-	**(44,811,964)**
Variable-rate instruments		
Financial liabilities	(346,345,732)	(585,953,468)
	(346,345,732)	**(585,953,468)**

	COMPANY	
EUR	**2016**	**2015**
Fixed-rate instruments		
Financial liabilities	-	-
	-	**-**
Variable-rate instruments		
Financial liabilities	(240,776,368)	(260,724,397)
	(240,776,368)	**(260,724,397)**

Sensitivity analysis

The effects of an increase in the interest rates of 25 basis points in the Income statement and the Equity can be depicted as follows:

GROUP	**Profit or loss**		**Equity, net of tax**	
EUR	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**
2016				
Financial liabilities	(865,864)	865,864	(614,764)	614,764
Cash flow sensitivity (net)	(865,864)	865,864	(614,764)	614,764
2015				
Financial liabilities	(1,466,496)	1,466,496	(1,129,202)	1,129,202
Cash flow sensitivity (net)	(1,466,496)	1,466,496	(1,129,202)	1,129,202

COMPANY	**Profit or loss**		**Equity, net of tax**	
EUR	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**
2016				
Financial liabilities	(601,941)	601,941	(427,378)	427,378
Cash flow sensitivity (net)	(601,941)	601,941	(427,378)	427,378
2015				
Financial liabilities	(849,958)	849,958	(603,470)	603,470
Cash flow sensitivity (net)	(849,958)	849,958	(603,470)	603,470

Macroeconomic environment

In the context of the said analysis, the Group and the Company have evaluated any impacts that may be realized in the management of financial risks due to macroeconomic conditions in the markets that they operate.

In Greece in the beginning of 2017 the negotiations with institutions is continuing with the aim of closing the evaluation of the current program. The return to economic stability is largely dependent from the actions and decisions of the institutions in the country and abroad. Considering the nature of Halcor's operations, as exporting on its greater part, namely at Company level 89.2% of the turnover for 2016 was directed to exports versus 87.4% in 2015, while at Group level 94.4% from continued operations was directed outside Greece in 2016 versus 93.9% for 2015, as well as the financial standing of the Company and the Group, any negative developments in the Greek economy are not expected to affect substantially the normal operation of the company. In regards to the production ability of the units problems are not expected considering that exports create adequate cash-flows to cover the imports of raw materials which are necessary to the production. The availability and the prices of the raw materials are determined in the international markets and thusly they are not affected by the domestic situation in Greece.

In the United Kingdom, in spite of the result of the referendum on 23rd of June of 2016, the growth rates at 2016 closing remained positive by 0.7% versus the third quarter (Q on Q) and +1.8% in relation to 2015. The announcement of the statistics contributed positively to the stabilization of the Sterling and in spite of the initial inertia the retail consumption increased in the last quarter of 2016 and the major retailers did not increase their prices. In regards to the Group activity, we do not see our position to be marginalized by the result of the Brexit. Most of our competitors in the Copper market operate within the Eurozone and will react to the fluctuations of the currency.

In spite of that, the Management constantly evaluates the situation and its possible ramifications, in order to secure that all necessary measures and actions have been taken for the minimization of any impact to the Group's and the Company's activities.

28. Fair value of financial assets

The different levels have been defined as follows:

- Level 1: consists of exchange traded derivatives which are based on market prices.
- Level 2: consists of OTC derivatives that are based on prices from brokers.
- Level 3: Includes unlisted shares. They come from estimates of the Company as there are no observable market data.

The financial information concerning Level 3 refers to holdings in domestic and foreign companies with a stake of less than 20%. These holdings which are not quoted and the fair value cannot be reliably measured, they are valued at cost and are subject to impairment testing (see Note 14).

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

GROUP

2016	**Nominal Value**	**Level One**	**Level Two**	**Level Three**	**Total**
EUR					
Available-for-sale financial assets	2,508,672	-	-	2,508,672	**2,508,672**
Financial instruments at fair value	-	-	-	-	**-**
Derivative financial assets	934,132	770,932	163,201	-	**934,132**
	3,442,804	**770,932**	**163,201**	**2,508,672**	**3,442,804**
Derivative financial liabilities	(1,086,200)	(1,085,645)	(556)	-	**(1,086,200)**
	2,356,604	**(314,713)**	**162,645**	**2,508,672**	**2,356,604**

2015	**Nominal Value**	**Level One**	**Level Two**	**Level Three**	**Total**
EUR					
Available-for-sale financial assets	3,396,168	-	-	3,396,168	**3,396,168**
Financial instruments at fair value	-	-	-	-	**-**
Derivative financial assets	267,462	194,462	73,000	-	**267,462**
	3,663,630	**194,462**	**73,000**	**3,396,168**	**3,663,630**
Derivative financial liabilities	(2,592,949)	(2,479,260)	(113,689)	-	**(2,592,949)**
	1,070,680	**(2,284,798)**	**(40,689)**	**3,396,168**	**1,070,680**

COMPANY **2016**	**Nominal Value**	**Level One**	**Level Two**	**Level Three**	**Total**
EUR					
Available-for-sale financial assets	2,508,672	-	-	2,508,672	**2,508,672**
Financial instruments at fair value	-	-	-	-	**-**
Derivative financial assets	51,257	-	51,257	-	**51,257**
	2,559,929	**-**	**51,257**	**2,508,672**	**2,559,929**
Derivative financial liabilities	(1,085,645)	(1,085,645)	-	-	**(1,085,645)**
	1,474,284	**(1,085,645)**	**51,257**	**2,508,672**	**1,474,284**

2015	**Nominal Value**	**Level One**	**Level Two**	**Level Three**	**Total**
EUR					
Available-for-sale financial assets	2,854,772	-	-	2,854,772	**2,854,772**
Financial instruments at fair value	-	-	-	-	**-**
Derivative financial assets	-	-	-	-	**-**
	2,854,772	**-**	**-**	**2,854,772**	**2,854,772**
					-
Derivative financial liabilities	(583,509)	(475,724)	(107,785)	-	**(583,509)**
	2,271,263	**(475,724)**	**(107,785)**	**2,854,772**	**2,271,263**

(b) Fair Value in Level 3

The movement in Level 3 was as follows:

	GROUP	COMPANY
	Available-for-sale financial assets	Available-for-sale financial assets
EUR		
Balance at 1 January 2015	**4,285,276**	**3,730,771**
Revaluation	(876,000)	(876,000)
Sales	(13,108)	-
Balance at 31 December 2015	**3,396,168**	**2,854,771**
Balance at 1 January 2016	**3,396,168**	**2,854,771**
Additions	3,900	3,900
Sales	-	-
M&A Effects	(541,396)	(350,000)
Balance at 31 December 2016	**2,508,672**	**2,508,671**

During the fiscal year, there were no reclassifications of financial assets between levels.

29. Commitments

The contractual obligations are:

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Tangible assets	2,041,859	486,502		
	2,041,859	**486,502**	**-**	**-**

The future payments from operational leases are as follows:

	GROUP		COMPANY	
Future minimum lease payments				
EUR	**2016**	**2015**	**2016**	**2015**
Less than one year	502,299	1,102,791	257,489	240,028
Between one and five years	913,074	2,115,247	531,374	646,302
More than five years	-	-	-	-
	1,415,373	**3,218,039**	**788,863**	**886,331**

30. Contingent liabilities / assets

The tax liabilities of the Company and its subsidiaries for certain financial years have not been audited by taxation authorities and thus are not finalized yet for such years.

The table below presents unaudited tax years of the companies consolidated by Halcor SA by applying either full consolidation or equity method.

					2016		2015		
Company Name		**County of Incorporation**	**Principal Activity**	**Consolidation Method**	**Direct Participation**	**Indirect Participation**	**Direct Participation**	**Indirect Participation**	**Unadited years**
HALCOR S.A.	(1)	GREECE	Manufacturing	-	-	-	-	-	2009-2010 & 2016
FITCO A.E.	(1)	GREECE	Manufacturing	Consolidation in Full	100.00%	0.00%	100.00%	0.00%	2009-2010 & 2016
SOFIA MED S.A.	(1)	BULGARIA	Manufacturing	Consolidation in Full	88.88%	11.12%	88.88%	11.12%	2011 - 2016
TECHOR A.E.	(1)	GREECE	Manufacturing	Consolidation in Full	100.00%	0.00%	100.00%	0.00%	2010 & 2016
ELKEME S.A.	(2)	GREECE	Metalourgical Research	Equity Method	25.00%	0.00%	25.00%	5.44%	2010 & 2016
VIEXAL S.A.	(2)	GREECE	Services	Equity Method	26.67%	0.00%	26.67%	0.00%	2010-2011
VIENER S.A. (*)	(2)	GREECE	Energy	Equity Method	20.66%	0.00%	33.33%	0.00%	-
CENERGY HOLDINGS S.A.	(2)	BELGIUM	Holdings	Equity Method	25.16%	0.00%	-	-	-
INTERNATIONAL TRADE	(2)	BELGIUM	Commercial	Equity Method	26.00%	0.00%	-	-	-
TECHOR PIPE SYSTEMS	(3)	ROMANIA	Manufacturing	Consolidation in Full	0.00%	100.00%	0.00%	100.00%	-
HC ISITMA	-	TURKEY	Manufacturing	Equity Method	50.00%	0.00%	50.00%	0.00%	-

(1) Subsidiary of Halcor S.A.
(2) Subsidiary of Viohalco SA
(3) Subsidiray Techor AE
(*) Viener was created by merger through absorbion of DIAPEM S.A. in which Halcor had 33,33% in 2015

31. Related parties

Affiliated parties shall mean all companies and natural persons with whom direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter) is established.

	GROUP		COMPANY	
EUR	**2016**	**2015**	**2016**	**2015**
Sale of goods				
Subsidiaries	-	-	108,417,343	118,966,823
Equity accounted investees	105,105,821	79,068,370	68,424,953	68,644,566
Joint Ventures	48,808	171,159	48,808	171,159
Parent	-	2,700	-	-
Other	9,058,439	50,341,390	1,440,411	1,920,932
	114,213,068	**129,583,619**	**178,331,514**	**189,703,480**
Sale of services				
Subsidiary companies	-	-	663,502	844,795
Equity accounted investees	3,677	387,852	3,677	15,456
Joint Ventures	2,198	-	2,198	-
Parent	177,886	152,552	177,886	134,137
Other	151,941	8,050,285	151,941	253,470
	335,703	**8,590,688**	**999,205**	**1,247,858**
Sale of fixed assets				
Subsidiary companies	-	-	-	138,000
Equity accounted investees	-	100	-	100
Joint Ventures	3,090	1,253,680	3,090	1,253,680
Parent	-	-	-	-
Other	-	9,062	-	9,062
	3,090	**1,262,842**	**3,090**	**1,400,842**
Purchase of goods				
Subsidiary companies	-	-	11,714,809	25,709,320
Equity accounted investees	1,145,003	10,106,394	844,229	1,269,042
Joint Ventures	-	-	-	-
Parent	-	4,101	-	-
Other	75,410,714	145,780,833	13,804,550	19,449,445
	76,555,717	**155,891,328**	**26,363,588**	**46,427,807**
Purchase of services				
Subsidiary companies	-	-	2,104,993	1,757,241
Equity accounted investees	797,989	959,405	282,542	261,121
Joint Ventures	-	-	-	-
Parent	170,160	442,263	170,160	173,223
Other	1,253,681	3,266,319	1,069,553	531,108
	2,221,830	**4,667,987**	**3,627,248**	**2,722,692**
Purchase of fixed assets				
Subsidiary companies	-	-	578,191	50,300
Equity accounted investees	14,362	103,214	14,362	72,263
Joint Ventures	-	-	-	-
Parent	-	3,099	-	-
Other	934,380	3,151,859	570,565	1,798,960
	948,742	**3,258,172**	**1,163,117**	**1,921,523**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

End-of-year balances from sale / purchase of goods, services, fixed assets, etc.

	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Receivables from related parties:				
Subsidiary companies	-	-	23,292,006	26,291,162
Equity accounted investees	280,134	10,119,832	280,134	7,720,738
Joint Ventures	148,975	141,353	148,975	141,353
Parent	267,233	46,654	267,233	46,654
Other	19,505,556	9,667,420	14,341,591	2,091,391
	20,201,898	**19,975,259**	**38,329,939**	**36,291,297**
EUR				
Liabilities to related parties:				
Subsidiary companies	-	-	1,201,453	1,164,053
Equity accounted investees	37,380	3,641,391	21,807	1,261,953
Joint Ventures	-	-	-	-
Parent	173,223	18,249	173,223	-
Other	12,426,212	11,224,235	5,486,131	2,861,455
	12,636,815	**14,883,874**	**6,882,614**	**5,287,461**

The tables for related party transactions has been adjusted in 2016 considering that until the loss of control of the Group Hellenic Cables the transactions are being presented in the line of subsidiaries.

Services towards and from affiliated parties, as well as sales and purchases of goods, are realized in accordance with the fee schedules, which apply for non-affiliates.

	GROUP		COMPANY	
EUR	2016	2015	2016	2015
Fees - benefits to the members of the Board of Directors and executives	3,467,055	2,915,457	1,820,961	1,709,574
	3,467,055	**2,915,457**	**1,820,961**	**1,709,574**

Loan of Euro 5 mil from the parent company Viohalco S.A/NV to the subsidiary of Hellenic Cables ICME which was granted in 2015 as a result of the exchange of shares which was described in notes 13 and 33.

32. Auditor's fees

The fees of the Group's and the Company's auditors (KPMG SA) for the year 2016 amounted to Euro 163,300 and Euro 121,500 respectively.

33. Discontinued operation

In December 2016, the Company contributed 21,431,038 shares of Hellenic Cables ie. percentage of 72.53% and acquired 47,847,092 shares of Cenergy Holdings SA. following the strategic decision to acquire access to the first line of high-growth sectors such as energy, telecommunications and construction, sectors where Cenergy Holdings SA is operating.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

The Cables sector was neither previously classified as held-for-sale nor a discontinued operation. The profit and loss and other comprehensive income statements have been adjusted to present the continuing operations separately from the discontinued operations.

After the contribution the Company will continue to have transactions with the contributed sector. Subsequently in spite of the fact that at consolidated level the intra-company transactions have been eliminated, this has been done in a way that reflects the continuance of the operations as the management of the Company believes that this presentation will be useful to the users of the financial statements. To achieve this, the management decided to eliminate from the results of the discontinued operations the profit between sectors (and costs thereof, less unrealized profits) that occurred prior to the deconsolidation. Because the sale from and to the activities will continue, the sales and the purchases of the continuing operations are being presented in continuing operations.

The Comprehensive Income, the Result and the Cash-flows related to the discontinued operations are as follows:

EUR **Results of Discontinued Operations**	**2016**	**2015**
Sales	458,984,515	608,280,218
	(71,276,185)	(129,236,866)
	387,708,331	**479,043,352**
Cost of Sales	**(343,958,003)**	**(422,110,320)**
Other Income and Expense	(87,429,937)	(148,674,129)
Net Financial Income / (Expense)	(20,005,916)	(20,692,941)
Profit / (Loss) before tax	**(7,591,172)**	**619,228**
Income Tax	(2,108,340)	(2,608,948)
Profit / (Loss) after tax	**(9,699,512)**	**(1,989,720)**
Gain on sale of discontinued operation	607,172	-
Profit / (Loss) from discontinued operations, net of tax	**(9,092,340)**	**(1,989,720)**
	-	-
Other items of the Comprehensive income		
Profit from Revaluation of Fixed Assets to Fair Value	(786,402)	(930,112)
Remeasurements of defined benefit liability	(208,473)	(412,610)
Foreign currency translation differences	6,672,749	(381,340)
Gain / (Loss) of changes in fair value of cash flow hedging	(232,543)	30,768
Total comprehensive income / (expense) after tax from discontinued operations	**5,445,331**	**(1,693,295)**

EUR	**2016**	**2015**
Cash-flows from Discontinued operations		
Cash-flows from Operating activities	16,830,469	10,290,330
Cash-flows from Investing activities	(12,688,051)	(11,401,874)
Cash-flows from Financing activities	3,026,947	16,717,652
Net Cash Increase/ (Decrease) generated by the operation	**7,169,364**	**15,606,107**

Effect of disposal on the Financial Position of the Group

EUR	
Property, plant and equipment	(230,714,491)
Intangible assets and goodwill	(15,417,834)
Investment property	(839,479)
Other Non-Current Assets	(6,918,302)
Inventories	(95,016,008)
Trade and other receivables	(112,462,377)
Cash and Cash equivalents	(7,111,318)
Non-current Liabilities	151,805,577
Current Liabilities	242,010,086
Net Assets and Liabilities	**(74,664,146)**

The cash and cash equivalents that were contributed amounted to Euro 7.1 mil. After the completion of the projects in Greece, the result of the discontinued operations has been affected negatively by the product mix and the weak demand in the European markets.

34. Subsequent events

There were no subsequent events after the 31st of December that have to be mentioned.

HALCOR

Information under article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE ADDRESS	WEBSITE MAP
1.	Interim Financial Statements H1 2016	http://www.halcor.com/104/	Home Page > Investor relations > Reports and Presentations > Financial Statements
2.	Annual Financial Report 2016	http://www.halcor.com/104/	Home Page > Investor relations > Reports and Presentations > Financial Statements
3.	Press releases during 2016	http://www.halcor.com/182/en/Press-Releases/	Home Page > Investor relations > Announcements – Publications > Press releases
4.	Announcements to the Stock Exchange during 2016	http://www.halcor.com/182/en/Press-Releases/	Home Page > Investor relations > Announcements – Publications > Announcements