

**Semi-Annual Financial Report  
of “ELASTRON S.A. – STEEL SERVICE CENTERS”  
According to article 5 of L. 3556/2007 and the executive Decisions  
issued by the Board of Directors of the Hellenic Capital Market  
Commission**

**August 2011**

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**STATEMENT BY THE BOARD OF DIRECTORS' REPRESENTATIVES**  
**(pursuant to article 5 of Law 3556/2007)**

We hereby certify and declare that, to the best of our knowledge, the Financial Statements for the 1<sup>st</sup> half of the Company and Group, which were prepared in accordance with the applicable Accounting Standards, truly reflect the assets and liabilities, the equity and results of "ELASTRON S.A. – STEEL SERVICE CENTERS" as well as of the companies included in the consolidation, which are considered aggregately as a whole, according to the provisions of paragraphs 3 to 5 of article 5, Law 3556/2007 and the authorized decisions issued by the Hellenic Capital Market Commission's Board of Directors.

In addition, it is hereby certified and declared that, to the best of our knowledge, the Semi-Annual Management Report of the Board of Directors truly reflects the information required according to paragraph 6, article 5 of Law 3556/2007 and the authorized decisions issued by the Hellenic Capital Market Commission's Board of Directors.

Aspropyrgos August 26<sup>th</sup> 2011

The signatories

Simos Panagiotis

Kalpinis Athanasios

Koutsothanassis Stilianos

Chairman of the Board

Chief Executive Officer

Deputy Chief Executive Officer

**SEMI-ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS  
of ELASTRON S.A.  
for the period from January 1<sup>st</sup> to June 30<sup>th</sup> 2011**

The companies which are included in the consolidation, besides the parent company, are as follows:

	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
TATA ELASTRON S.A. STEEL PROCESSING CENTER	Thessalonica	Processing-distribution and sale of steel and steel related products	50.00% (Joint Venture)	5,000,000.00	Proportional
BALKAN IRON GROUP S.R.L.	Bucharest Romania	Processing-distribution and sale of steel and steel related products	33.33% (Joint Venture)	800,000.00	Proportional
CORUS – KALPINIS – SIMOS S.A. COATING MATERIALS	Aspropyrgos Attica	Manufacturing of metal polyurethane panels	50.00% (Joint Venture)	3,081,750.00	Proportional

#### A. FINANCIAL DEVELOPMENTS & PERFORMANCE

Turnover of the Group amounted to € 45.0 mil compared to € 46.6 mil during the respective period of 2010. Consolidated gross profit amounted to € 5.6 mil, or 12.5% of sales compared to € 5.8 mil or 12.5% of sales during the 1<sup>st</sup> half of 2010, while results before interest, tax, depreciation & amortization (EBITDA) amounted to € 1.6 mil compared to € 1.8 mil in 2010. Finally, results before tax and minority interest corresponded to a loss of € 0.4 mil compared to earnings of € 0.7 mil during the respective period of last year. One of the most significant burdens of the present period was the additional insurance cost for credits (premium against zero credit risk) of €0.46 mil that was paid for the Group, while had this burden not been realized the presented loss for the period would have been fully covered. At the parent level, turnover amounted to € 37.9 mil compared to € 38.7 mil the respective period of 2010, while gross profit amounted to € 4.9 mil or 12.9% of sales compared to 5.0 or 12.8% of sales during the previous year. Results before interest, tax, depreciation & amortization (EBITDA) remained at the same level as the previous year and amounted to € 1.7 mil, while results (Earnings) before tax amounted to € 0.2 mil compared to € 1.1 mil during the respective period of 2010.

For the companies included in the consolidated financial statements, results were as follows:

For CORUS – KALPINIS – SIMOS SA, which is the 1<sup>st</sup> joint venture with TATA STEEL, turnover amounted to € 7.1 mil compared to € 8.5 mil in 2010, while results after taxes amounted to losses of € 0.9 mil compared to losses of € 0.7 mil in 2010. The participation stake in the aforementioned company is 50%. For TATA ELASTRON SA, turnover amounted to € 10.6 mil compared to € 11.1 mil the previous year, while results after taxes amounted to losses of € 0.2 mil compared to earnings of € 0.1 mil in 2010. The participation stake in the latter company is 50%. Finally, for the company BALKAN IRON GROUP SRL (distinctive title BIG) that is based in Bucharest, results after taxes corresponded to losses of € 0.05 mil compared to losses of € 0.08 mil the respective period of 2010. The participation stake in the latter company is 33.3%.

Given the current conditions in the Greek market, with reduced liquidity and consumption, together with increased uncertainty intensifying more than any other time, the strategy of the Group's Management focuses on increasing exports, both towards existing and to new markets through developing the existing sales network and promoting its products. At the same time, the Group explores any opportunity for cooperation and expansion of its activities to sectors with significant development prospects that could benefit from the existing significant know-how of its human resources. In this context the company has expanded its objective in the sector of renewable energy sources, according to a decision made by the recent General Meeting of shareholders.

As regards to cash cycle management, the net working capital (total current assets minus total short-term liabilities) of the Group remains exceptionally positive and has increased by 9.1 mil at the end of the 1<sup>st</sup> half of 2011 to 53.6 mil from 44.5 mil during the respective period of 2010. Moreover, the Group applies a particularly strict credit policy program that aims at a smooth flow of capital and at limiting its borrowing needs. Specifically, through insuring credits and other customer guarantees, the coverage rate of the Group against credit risk corresponds to 85%. Today, more than any other time the need to ensure a more “high quality” clientele is imperative, a fact that may translate to a possible loss of sales for which there is uncertainty of payment.

Following and in order to provide further information, we present the Company’s financial ratios for the 1<sup>st</sup> half of 2011:

	GROUP	COMPANY
<b>(a) FINANCIAL STRUCTURE</b>		
<b>1. Current assets / Total assets</b> This ratio shows the percentage of total Assets that consists of inventories, trade receivables and other direct liquidity accounts, such as shares-securities or cheques and cash equivalents.	<b>62%</b>	<b>60%</b>
<b>2. Equity / Total liabilities</b> This ratio reflects the degree of the entity’s financial adequacy.	<b>108%</b>	<b>139%</b>
<b>3. Current assets / Short-term liabilities</b> This ratio depicts the overall liquidity of the entity, as it provides a clear picture of the percentage of assets that may be liquidated compared to the liabilities for the year.	<b>227%</b>	<b>265%</b>
<b>(b) EFFICIENCY AND PERFORMANCE</b>		
<b>4. Net earnings before tax / Sales</b> This ratio reflects the final net results before taxes as a percentage of total sales.	<b>N/A</b>	<b>1%</b>
<b>5. Net earnings before taxes / Equity</b> This ratio reflects the net results before taxes as a percentage of equity.	<b>N/A</b>	<b>0.3%</b>
<b>6. Sales / Equity</b> This ratio reflects the turnover of the previous year’s equity during the present year.	<b>56%</b>	<b>47%</b>
<b>(c) LEVERAGE</b>		
<b>7. Debt / Equity</b> This ratio reflects debt as a percentage of equity.	<b>92%</b>	<b>72%</b>
<b>8. Bank debt / Equity</b> This ratio reflects the bank debt as a percentage of equity.	<b>69%</b>	<b>53%</b>

## B. SIGNIFICANT EVENTS DURING THE 1<sup>st</sup> HALF OF 2011

### Developments in the sector

Conditions during the 2<sup>nd</sup> quarter of 2011 remained unchanged as a result of the ongoing recession and increased market instability. Cutbacks on the public investments program led to freezing on almost all public projects, with the sectors of constructions and infrastructure projects being affected probably the most from any other sector in Greece and consequently affecting in turn a large range of relevant companies. In this context, demand for steel products remained weak, with activities of the sector remaining at particularly low levels. At the same time, the more strict financing criteria set by financial

institution and the significant increase of borrowing costs created an additional burden for working capital financing that many companies with limited capital adequacy faced. In this context, companies in the sector focused on further limiting operating costs, as well as on decreasing receivables in working capital through maintaining inventories at low levels and applying a more strict credit policy.

## Implementation of Investment Plans

A five-year investment plan (2006-2010) amounting to 14.7 mil of the parent company, which is subsidized by 35%, is in progress and on track according to its initial planning. The company has received permission to extend completion of the investment until August 2011, while recently a request was submitted to further extend the investment's completion for two additional years. The percentage of completion of the investment plan has exceeded 90% and overall includes the following:

1. Construction of building and special facilities amounting to € 4.9 mil.
2. Mechanical equipment for processing steel products amounting to € 5.9 mil.
3. Technical equipment amounting to € 2.3 mil.
4. Other investments amounting to € 1.6 mil.

The aforementioned investments are implemented at the company's facilities in Aspropyrgos and Skaramaga in Attica.

In Thessalonica, the joint venture TATA ELASTRON S.A. completed its two-year investment plan (2008-2010) during 2010, which amounted to € 11.7 mil, with a subsidy of 25%. The investment plan overall includes the following:

1. Construction of building facilities amounting to € 5.1 mil.
2. Mechanical equipment for processing steel products amounting to € 5.4 mil.
3. Technical installations amounting to € 692 thousand.
4. Other investments amounting to € 474 thousand.

In Attica the joint venture CORUS – KALPINIS – SIMOS S.A. COATING MATERIALS, completed an investment plan of 2.43 mil euro during 2008 for the purchase of a new production line. A 15% grant was expected on the former amount. Until 30.06.2011 the company had received a repayment of € 182,250.00 for the grant.

## Annual Ordinary General Meeting

On 30.6.2011, the Ordinary General Shareholders' Meeting took place at the Company's registered offices. Fifteen (15) shareholders attended the General Meeting (either in person or through a legal representative), who own 11,627,189 shares (or 62.35% of the paid up share capital). The General Meeting made the following resolutions:

1. Approval of the reports of the Board of Directors and Certified Auditor on the Parent and Consolidated Financial Statements for fiscal year 2010.
2. Approval of the Parent and Consolidated Financial Statements for fiscal year 2010, and the decision was made to not distribute dividend.
3. Approval of the release of members of the Board of Directors and the Certified Auditor from all liabilities for compensation regarding the management and audit of fiscal year 2010.
4. Approval of the election of Mr. I. Karalis as Chief Certified Auditor and Mr. St. Pappas as Deputy Certified Auditor of the audit firm SOL S.A. for the fiscal year 2011 and their fees were determined.
5. Approval of the fees-remuneration of members of the Board of Directors for fiscal year 2010 and pre-approval of their remuneration for fiscal year 2011.
6. On the 6<sup>th</sup> issue of the daily agenda, the law requires a quorum of 2/3 on the total paid share capital, namely representatives of 12,432,000 shares. As this quorum was not achieved, the discussion and decision making on this issue was postponed for the 1<sup>st</sup> repeated General Meeting on 14/07/2011.
7. Approval of the amendment of article 8 of the Articles of Association and of the addition of the new article 8a, with the objective to align the Articles with the new provision of L. 3884/2010.
8. On the 8<sup>th</sup> issue of the daily agenda, the law requires a quorum of 2/3 on the total paid share capital, namely representatives of 12,432,000 shares. As this quorum was not achieved, the discussion and decision making on this issue was postponed for the 1<sup>st</sup> repeated General Meeting on 14/07/2011.
9. No other announcement was made.

The No. 1, 2, 3, 4, 5 & 7 issues of the daily agenda were unanimously approved, namely with a percentage of 100% of those present. In contrast, no discussion and no decision was made by the General Meeting for issues No. 6 & 8, given that the required by law quorum was not achieved. The discussion and decision making on these issues is postponed for the 1<sup>st</sup> repeated General Meeting to be held on 14/07/2011, as defined on the General Meeting invitation by the Board of Directors.

## **Repeated General Meeting**

On 14.07.2011, the Repeated General Shareholders' Meeting took place at the Company's registered offices. Thirteen (13) shareholders attended the General Meeting (either in person or through a legal representative), who own 11,470,903 shares (or 61.51% of the paid up share capital), and the following resolutions were made:

- On the 6<sup>th</sup> issue of the daily agenda, the G.M. approved the expansion of the company's objective, with the aim to include activities in the sector of production and trade of electric energy from renewable sources, as well as the amendment of the corresponding article 2 of the Articles of Association, regarding the company objective.
- On the 8<sup>th</sup> issue of the daily agenda, the G.M. approved the partial amendment of Resolution No. 6 of the Ordinary General Meeting dated 30.06.2010 with the corresponding amendment of article 5 of the Articles of Association and committing funds of "Extraordinary reserves" for the company's participation in an investment of L. 3299/2004.

All the issues on the daily agenda were approved unanimously, namely with a percentage of 100% of those present.

## **C. RISKS AND UNCERTAINTIES**

The Group is exposed to the following financial risks within the scope of its basic activity:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The Group's risk management policy is focused on the volatility of financial markets with the objective of minimizing the factors that may negatively affect its financial performance.

The risk management policies are applied in order to recognize and analyze risks which the Group faces, to set limits on risks assumed and to apply controls to such limits. The systems and policies applied are periodically reviewed to incorporate changes observed in market conditions and the Group's activities.

The risk management is performed by the Company's Finance Department, in cooperation with the Group's other departments and according to the guidelines and approvals of the Company's Board of Directors.

Adherence to risk management policies and procedures is controlled by the Internal Audit Department, which performs ordinary and extraordinary audits on the application of procedures, the findings of which are disclosed to the Board of Directors.

### **1) Credit risk**

Due to the great dispersion of its clientele (no client exceeds 5% of total sales), the Group does not have a significant concentration of credit risk. Based on the credit policy approved by the Company's Board of Directors, which is applied throughout the Group, all new clients are examined on an individual basis in terms of their creditworthiness prior to the proposal of the standard payment terms. Credit limits are set for each client; these are reviewed depending on ongoing conditions and, if necessary, the sales and collection terms are adjusted. As a rule, customer credit limits are determined on the basis of the insurance limits set for them by the insurance companies. While monitoring credit risk of customers,



such are grouped according to their credit profile, the maturity of their receivables and any prior collection problems that may have emerged. Clients and other receivables mainly include the Group's wholesale clients. Clients characterized as "high risk" are placed in a special client list and future sales are to be pre-collected and approved by the Board of Directors. The Group's management makes impairment provisions which reflect its estimation on losses related to clients and other receivables. This provision mainly consists of impairment loss of specific receivables which are estimated on the basis of given conditions that such will be collected, but have not yet been finalized.

The amount of the impairment loss is estimated as the difference between the book value of receivables and the present value of estimated future cash flows, discounted by the initial effective interest rate. The impairment loss amount is accounted for as an expense in the results. Receivables which are assessed as bad debts are written off.

The credit risk is limited to 15% of the total trade receivables, on the basis of the Group's insurance policies. The margin of this risk is limited even further as tangible or other guarantees (such as letters of guarantee) are requested wherever deemed necessary.

## 2) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its financial liabilities when these become due. The approach adopted by the Group to manage liquidity is to secure the necessary cash and sufficient credit limits from the banks with which it cooperates, so that there is sufficient liquidity to pay for its liabilities when such become due, under standard as well as strenuous conditions without incurring unacceptable loss or risking its reputation. In order to prevent liquidity risks, the Group makes provision for cash flows for the fiscal year when preparing its annual budget and a monthly rolling three-month provision so as to secure that it has the necessary cash to meet its operating needs, including its financial liabilities. This policy does not take into account the impact of extreme conditions, which cannot be foreseen. It is, however, emphasized that there is no security-guarantee for the total amount of loan liabilities to banks, which proves the Group's high creditworthiness.

The following table presents an analysis of the Company's and Group's liabilities, based on their expiration and remaining duration as at 30.06.2011.

### Company:

Amounts in euro	Up to 1 year	From 1 to 5 years	Total
Loans	21,120,001.71	21,500,000.00	42,620,001.71
Suppliers & other liabilities	10,272,502.41	5,146,606.55	15,419,108.96
<b>Total liabilities</b>	<b>31,392,504.12</b>	<b>26,646,606.55</b>	<b>58,039,110.67</b>

### Group:

Amounts in euro	Up to 1 year	From 1 to 5 years	Total
Loans	31,011,786.27	24,639,494.74	55,651,281.01
Suppliers & other liabilities	11,797,014.12	6,665,818.46	18,462,832.58
<b>Total liabilities</b>	<b>42,808,800.39</b>	<b>31,305,313.20</b>	<b>74,114,113.59</b>

On 30.06.2011 the Company and Group maintained cash & cash equivalents amounting to 17.52 mil and 18.78 mil respectively.

## 3) Market risk

Market risk is the risk of change in prices of raw materials procured by the Group, the risk of change in the foreign exchange rates that the Group conducts transactions in and the risk of change in interest rates that the Group borrows at and which can affect the Group's results. The purpose of risk



management against market conditions is to control the Group's exposure to those risks, within the context of acceptable parameters while at the same time optimizing performance.

➤ **Metal (iron, steel, etc.) Raw Material Price Volatility Risk**

The Group conducts its purchases mainly in the global steel market under normal market terms. Each change in the market price of raw materials is discounted for in the sales price, resulting in changes in the Group's profit margin during periods of big price fluctuations for raw materials in the world market. More specifically, in periods during which prices follow an upward trend, the Group's margins improve, as the upward trend is transferred to the sales prices. Accordingly, when raw material prices follow a declining trend, the Group's margins decrease.

The Group does not apply hedging to cover its basic operating reserve, which means that any increase/decrease of metal prices may affect its results accordingly through depreciation or appreciation of inventories.

➤ **Foreign exchange risk**

The Group is exposed to foreign exchange risk from the purchase of inventories it makes in a currency other than the operating currency of the Group's companies, which is the Euro. The currency in which such transactions are made is the US Dollar and, in order to limit foreign exchange risk, it purchases foreign currency in advance. The Group's borrowings are euro denominated in their entirety while there are no receivables denominated in foreign currency.

Foreign currency has been purchased in advance for an equal amount of the Group's total liabilities in foreign currency on 30.06.2011 and has been accounted for. As a result, there is no foreign exchange risk from the change in the dollar exchange rate.

➤ **Interest rate risk**

Interest rate risk arises mainly from long-term and short-term bank loans in Euros at a floating rate.

The Group finances its investments, as well as its need for working capital, through self-funding, bank loans and bond loans and as a result is burdened by interest expenses. Increasing trends in interest rates shall negatively affect results, as the Group incurs the additional borrowing cost.

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rate (Euribor) would be 1% higher/lower on average during the 1<sup>st</sup> half of 2011:

(Amounts in million)	<b>Loans 30.06.2011</b>	<b>Effect on results before tax ( + / - )</b>
Group	55.7	0.3
Company	42.6	0.2

This would occur due to the higher/lower financial cost of bank borrowing with a floating rate in euro.

A smaller effect on cash flows results from income on term deposits in euro.

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rate on term deposits would be 1% higher/lower on average during the 1<sup>st</sup> half of 2011:

(Amounts in million)	<b>Site and term deposits 30.06.2011</b>	<b>Effect on results before tax ( + / - )</b>
Group	18.8	0.1
Company	17.5	0.1

This would occur due to the higher/lower financial income from term deposits.

## D. FUTURE OUTLOOK

Given the conditions that currently prevail in the domestic market, it is difficult to anticipate a reversal of current conditions during the 2<sup>nd</sup> half of the year, with demand expected to remain at low levels. Measures to enhance liquidity in the market and revive the construction and infrastructure sectors are imperative, in order to boost activities for the steel sector overall.

At the global level, we do not expect an increase in the consumption of steel products, with the exception of some sectors that are expected to move on positive grounds. In America and in some European countries, the steel market is on a positive trend, while the BRIC countries also present positive growth rates.

## E. TRANSACTIONS WITH RELATED PARTIES

The amounts of the Group's and Company's sales and purchases, from and towards related parties, as well as the balances of receivables and liabilities, are analyzed as follows:

### (a) Income

	COMPANY	
	1.1-30.06	
	2011	2010
Sales of Inventories to Corus-Kalpinis-Simos S.A.	120,129.80	253,360.30
Sales of Inventories to Tata Elastron S.A.	1,400,565.46	2,485,285.20
Sales of Inventories to Steel Center S.A.	118,034.71	58,179.13
Rental Income by Corus –Kalpinis-Simos S.A.	170,100.00	210,300.00
Sales of fixed assets to Tata Elastron S.A.	0.00	0.00
Processing Income from Steel Center S.A.	1,276.27	1,745.13
Income of transfer services from Tata Elastron	3,490.00	581.00
Processing income from Corus-Kalpinis-Simos S.A.	6,134.50	67.12
Processing income from Tata Elastron S.A.	1,213.41	559.35
	<b>1,820,944.15</b>	<b>3,010,077.23</b>

### (b) Expenses

	COMPANY	
	1.1-30.06	
	2011	2010
Purchases of inventories from Corus-Kalpinis-Simos S.A.	1,001,768.47	336,778.97
Purchases of inventories from Tata Elastron S.A.	913,806.36	592,529.08
Purchases of inventories from Steel Center S.A.	474,687.66	396,116.63
Processing expenses from Tata Elastron S.A.	3,704.50	0.00
Purchases of consumables from Tata Elastron S.A.	0.00	0.00
Purchases of consumables from Corus-Kalpinis-Simos S.A.	70.80	7,374.26
Purchases of fixed assets from Corus-Kalpinis-Simos S.A.	0.00	259.00
Purchases of fixed assets from Steel Center S.A.	0.00	64.19
Processing expenses from Steel Center S.A.	117.72	12,473.99
Purchases of consumables from Steel Center S.A.	1,005.88	1,164.43
Security expenses from Steel Center S.A.	0.00	0.00
	<b>2,395,161.39</b>	<b>1,346,760.55</b>

(c) Receivables

	COMPANY	
	1.1-30.06	1.1-31.12
	2011	2010
From Tata Elastron S.A.	1,019,847.37	1,748,225.32
From Corus-Kalpinis-Simos S.A.	0.00	27,097.45
From Steel Center S.A.	0.00	0.00
From Balkan Iron Group S.R.L.	150,000.00	160,000.00
From Kalpinis Simos Bulgaria EOOD	720,000.00	710,000.00
From Elastron Serbia Doo	0.00	0.00
	<b>1,889,847.37</b>	<b>2,645,322.77</b>

(d) Liabilities

	COMPANY	
	1.1-30.06	1.1-31.12
	2011	2010
To Corus-Kalpinis-Simos S.A.	840,636.75	0.00
To Tata Elastron S.A.	0.00	0.00
To Steel Center S.A.	12,080.92	77,032.27
To Balkan Iron Group Srl	68,000.00	68,000.00
	<b>920,717.67</b>	<b>145,032.27</b>

(e) Income

	GROUP	
	1.1-30.06	
	2011	2010
Sales of inventories to Steel Center S.A.	118,034.71	115,969.88
Processing Income from Steel Center S.A.	1,276.27	1,745.13
Income from transfer services from Steel Center S.A.	80.00	0.00
Rental income from Steel Center S.A.	84.23	0.00
	<b>119,475.21</b>	<b>117,715.01</b>

(f) Expenses

	GROUP	
	1.1-30.06	
	2011	2010
Purchases of inventories from Steel Center S.A.	506,343.03	536,596.34
Purchases of consumables from Steel Center S.A.	1,005.88	1,164.43
Processing expenses from Steel Center S.A.	420.20	20,764.35
Purchases of Fixed Assets from Steel Center S.A.	0.00	64.19
Security expenses from Steel Center S.A.	0.00	0.00
	<b>507,769.11</b>	<b>558,589.31</b>

(g) Receivables

	GROUP	
	1.1 – 30.06	1.1-31.12
	2011	2010
From Steel Center S.A.	103.60	0.00

(h) Liabilities

	GROUP	
	1.1 – 30.06	1.1-31.12
	2011	2010
To Steel Center S.A.	29,885.97	106,475.10

(i) Transactions and remuneration of senior executives

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Transactions and remuneration of Board Members	218,000.00	214,500.00	218,000.00	214,500.00
Transactions and remuneration of senior executives	540,461.56	651,412.95	247,719.10	384,457.13
Transactions and remuneration of other related entities	131,427.59	124,243.13	131,427.59	124,243.13
Receivables from senior executives and Board members	0.00	0.00	0.00	0.00
Liabilities to senior executives and Board members	0.00	0.00	0.00	0.00

## Report on review of interim financial information

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To the shareholders of the Société Anonyme “ELASTRON STEEL SERVICE CENTERS S.A.”

### **Introduction**

We reviewed the accompanying condensed parent and consolidated statement of financial position of the S.A. Company ‘ELASTRON S.A. – STEEL SERVICE CENTERS and its subsidiaries for 30 June 2011 and the relevant condensed parent and consolidated statements of comprehensive income, changes in equity and cash flows of the six month period that ended on that date, as well as the explanatory notes that comprise the interim financial reporting, which constitutes an integral part of the semi-annual financial report required under article 5 of Law 3556/2007. The Company’s Management has the responsibility of drafting and presenting this interim condensed financial information according to the International Financial Reporting Standards, as have been adopted by the European Union and are applicable to Interim Financial Reporting (International Accounting Standard “IAS” 34). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

### **Reference to other legal and regulatory requirements**

Our review has not identified any inconsistency or discrepancy of other items of the semi-annual financial report, as required by article 5 of Law 3556/2007, with the accompanying interim financial information.

Athens, 29 August 2011

The Certified Auditor Accountant  
IOANNIS TR. KARALIS  
Certified Auditor Reg. No. 10801  
Chartered Auditors Accountants S.A. (SOL S.A.)  
a member of Crowe Horwath International  
3 Fokiono Negri Str, 11257 Athens Greece  
Certified Auditors Association Reg. No. 125



## 1. Interim Statement of Financial Position

(Amounts in €)		GROUP		COMPANY	
	Note	30.06.2011	31.12.2010	30.06.2011	31.12.2010
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Self-used tangible assets	4	54,478,748.16	55,463,292.02	43,653,708.05	44,374,224.23
Investment property	4,5	1,109,133.90	1,109,870.74	1,109,133.90	1,109,870.74
Intangible assets	4	80,825.35	106,485.11	53,443.34	70,524.51
Investment in subsidiaries and joint ventures	2,3	20,000.00	25,000.00	8,901,750.00	8,906,750.00
Deferred Income Tax	13	1,389,004.87	1,566,172.32	917,064.01	1,154,184.79
Long term receivables	6	843,023.88	826,738.16	879,654.12	851,868.05
<b>Total Non Current Assets</b>		<b>57,920,736.16</b>	<b>59,097,558.35</b>	<b>55,514,753.42</b>	<b>56,467,422.32</b>
<b>Current Assets</b>					
Inventories	7	25,346,850.31	20,667,935.43	20,860,742.54	16,210,478.96
Customers	6	44,050,400.77	43,317,624.43	37,953,642.83	36,237,974.76
Other receivables	6,15	7,639,514.21	6,215,319.49	5,591,077.78	4,377,601.93
Cash and cash equivalents	9	18,782,388.90	27,978,722.86	17,519,959.25	27,026,777.82
Derivatives	8	11,820.13	12,966.86	12,165.30	6,684.45
<b>Total Current Assets</b>		<b>95,830,974.32</b>	<b>98,192,569.07</b>	<b>81,937,587.70</b>	<b>83,859,517.92</b>
<b>Total Assets</b>		<b>153,751,710.48</b>	<b>157,290,127.42</b>	<b>137,452,341.12</b>	<b>140,326,940.24</b>
<b>EQUITY</b>					
<b>Shareholders' equity</b>					
Share capital	10	18,648,000.00	18,648,000.00	18,648,000.00	18,648,000.00
Share premium	10	14,900,777.70	14,900,777.70	14,900,777.70	14,900,777.70
Other reserves	10	17,538,155.36	17,555,382.13	17,159,310.24	17,173,856.54
Retained earnings	10	29,083,163.83	29,673,271.14	29,205,142.51	29,202,085.47
<b>Total Equity</b>		<b>80,170,096.89</b>	<b>80,777,430.97</b>	<b>79,913,230.45</b>	<b>79,924,719.71</b>
<b>LIABILITIES</b>					
<b>Long-Term liabilities</b>					
Loans	12	24,639,494.74	31,256,172.91	21,500,000.00	27,000,000.00
Provisions for employee benefits	14	546,780.73	569,756.06	512,899.65	518,219.18
Grants (deferred income)	22	6,028,143.04	5,122,524.41	4,633,706.90	3,998,692.01
Other Long-term Liabilities	11	90,894.69	90,218.42	0.00	0.00
<b>Total Long-term Liabilities</b>		<b>31,305,313.20</b>	<b>37,038,671.80</b>	<b>26,646,606.55</b>	<b>31,516,911.19</b>
<b>Short-Term Liabilities</b>					
Suppliers		10,083,226.82	11,770,338.33	8,853,390.50	8,941,608.69
Other liabilities	11	869,961.67	729,913.47	684,374.24	622,820.16
Grants (deferred income)	22	311,325.63	279,398.63	234,737.67	215,756.48
Short-Term Loans	12	31,011,786.27	26,694,374.22	21,120,001.71	19,105,124.01
<b>Total Short-Term Liabilities</b>		<b>42,276,300.39</b>	<b>39,474,024.65</b>	<b>30,892,504.12</b>	<b>28,885,309.34</b>
<b>Total Liabilities</b>		<b>73,581,613.59</b>	<b>76,512,696.45</b>	<b>57,539,110.67</b>	<b>60,402,220.53</b>
<b>Total Equity and Liabilities</b>		<b>153,751,710.48</b>	<b>157,290,127.42</b>	<b>137,452,341.12</b>	<b>140,326,940.24</b>

## 2. Interim Statement of Comprehensive Income

### 2a. Interim Statement of Comprehensive Income - Group

(Amounts in €)	Note	1.1 – 30.06.11	1.1 – 30.06.10	1.4 – 30.06.11	1.4 – 30.06.10
Sales	16	45,003,684.16	46,626,907.80	23,351,040.16	25,638,435.93
Cost of sales	17	-39,394,170.91	-40,802,586.65	-20,971,677.82	-22,117,703.79
<b>Gross profit / (loss)</b>		<b>5,609,513.25</b>	<b>5,824,321.15</b>	<b>2,379,362.34</b>	<b>3,520,732.14</b>
Other income	17	803,474.14	856,086.47	419,896.49	440,395.75
Distribution expenses	17	-3,270,641.08	-3,781,471.77	-1,623,584.76	-1,780,618.44
Administration expenses	17	-2,079,507.43	-1,529,339.66	-1,047,793.08	-803,454.95
Other expenses	17	-416,818.53	-528,660.20	-197,448.55	-489,836.21
<b>Earnings / (losses) before interest and taxes (EBIT)</b>		<b>646,020.35</b>	<b>840,935.99</b>	<b>-69,567.56</b>	<b>887,218.29</b>
Financial income	17	541,083.13	1,077,051.51	174,267.39	323,662.82
Financial cost	17	-1,600,043.33	-1,213,037.50	-823,504.52	-728,997.83
Dividends from Subsidiary Companies		0.00	0.00	0.00	0.00
<b>Earnings / (losses) before taxes (EBT)</b>		<b>-412,939.85</b>	<b>704,950.00</b>	<b>-718,804.69</b>	<b>481,883.28</b>
Income Tax	17	-177,167.46	-251,121.87	247,240.21	-54,799.84
<b>Earnings / (losses) after taxes (EAT) (a)</b>		<b>-590,107.31</b>	<b>453,828.13</b>	<b>-471,564.48</b>	<b>427,083.44</b>
<b>Attributed to:</b>					
Shareholders of the parent		-590,107.31	453,828.13	-471,564.48	427,083.44
Minority interest		0,00	0.00	0.00	0.00
Other comprehensive income / (expenses) after taxes (b)	17	-17,226.76	-181,959.89	260,699.45	-12,187.58
<b>Total comprehensive income after taxes (a) + (b)</b>		<b>-607,334.07</b>	<b>271,868.24</b>	<b>-210,865.03</b>	<b>414,895.86</b>
<b>Attributed to:</b>					
Shareholders of the parent		-607,334.07	271,868.24	-210,865.03	414,895.86
Minority interest		0.00	0.00		0.00
Earnings / (losses) after taxes per share – basic (in €)	18	-0.0316	0.0243	-0.0253	0.0229
<b>Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)</b>		<b>1,619,075.17</b>	<b>1,751,016.59</b>	<b>415,515.16</b>	<b>1,347,020.65</b>



2b. Interim Statement of Comprehensive Income - Company

(Amounts in €)	Note	1.1 – 30.06.11	1.1 – 30.06.10	1.4 – 30.06.11	1.4 – 30.06.10
Sales	16	37,905,323.89	38,677,612.85	19,941,324.41	21,183,400.99
Cost of sales	17	-33,015,148.74	-33,719,521.69	-17,790,879.65	-18,224,578.56
<b>Gross profit / (loss)</b>		<b>4,890,175.15</b>	<b>4,958,091.16</b>	<b>2,150,444.76</b>	<b>2,958,822.43</b>
Other income	17	750,072.07	799,513.53	383,380.35	410,930.81
Distribution expenses	17	-2,619,219.15	-3,061,533.56	-1,333,401.73	-1,416,247.37
Administration expenses	17	-1,764,608.18	-1,238,952.55	-869,190.08	-673,237.79
Other expenses	17	-296,721.56	-413,652.92	-108,655.22	-375,449.13
<b>Earnings / (losses) before interest and taxes (EBIT)</b>		<b>959,698.33</b>	<b>1,043,465.66</b>	<b>222,578.08</b>	<b>904,818.95</b>
Financial income	17	524,339.84	1,041,321.09	178,015.21	301,008.13
Financial cost	17	-1,243,860.35	-981,090.95	-641,606.12	-596,124.67
Dividends from Subsidiary Companies		0.00	0.00	0.00	0.00
<b>Earnings / (losses) before taxes (EBT)</b>		<b>240,177.82</b>	<b>1,103,695.80</b>	<b>-241,012.83</b>	<b>609,702.41</b>
Income Tax	17	-237,120.78	-345,000.63	113,449.88	-89,938.84
<b>Earnings / (losses) after taxes (EAT) (a)</b>		<b>3,057.04</b>	<b>758,695.17</b>	<b>-127,562.95</b>	<b>519,763.57</b>
<b>Attributed to:</b>					
Shareholders of the parent		3,057.04	758,695.17	-127,562.95	519,763.57
Minority interest					
Other comprehensive income / (expenses) after taxes (b)	17	-14,546.30	-161,217.68	277,908.09	37,490.88
<b>Total comprehensive income/expenses after taxes (a) + (b)</b>		<b>-11,489.26</b>	<b>597,477.49</b>	<b>150,345.14</b>	<b>557,254.45</b>
<b>Attributed to:</b>					
Shareholders of the parent		-11,489.26	597,477.49	150,345.14	557,254.45
Minority interest					
Earnings / (losses) after taxes per share – basic (in €)	18	0.0002	0.0407	-0.0068	0.0279
<b>Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)</b>		<b>1,679,720.58</b>	<b>1,730,284.58</b>	<b>582,490.62</b>	<b>1,251,545.75</b>

### 3. Interim Statement of Changes in Equity

#### (A) INTERIM STATEMENT OF CHANGES IN GROUP'S EQUITY

	Corresponding to shareholders of the parent			Minority interest	Total Equity
	Share Capital & Share Premium	Reserves	Retained earnings		
<b>Balance on 1.1.2010</b>	<b>29,819,177.70</b>	<b>21,486,214.54</b>	<b>30,299,440.50</b>	<b>0.00</b>	<b>81,604,832.74</b>
Profit / (Loss) for the period	0.00	0.00	-622,297.43	0.00	-622,297.43
Result from hedging minus corresponding tax	0.00	-199,728.71	0.00	0.00	-199,728.71
Transfer of earnings to reserves	0.00	3,871.93	-3,871.93	0.00	0.00
Foreign exchange differences on consolidation	0.00	-5,375.63	0.00	0.00	-5,375.63
2009 dividend	0.00	-0.00	0.00	0.00	0.00
Share capital increase	3,729,600.00	-3,729,600.00	0.00	0.00	0.00
<b>Balance on 31.12.2010</b>	<b>33,548,777.70</b>	<b>17,555,382.13</b>	<b>29,673,271.14</b>	<b>0.00</b>	<b>80,777,430.97</b>
Profit / (Loss) for the period	0.00	0.00	-590,107.31	0.00	-590,107.31
Result from hedging minus corresponding tax	0.00	-21,173.89	0.00	0.00	-21,173.89
Transfer of earnings to reserves	0.00	0.00	0.00	0.00	0.00
2010 Dividend	0.00	0.00	0.00	0.00	0.00
Foreign exchange differences on consolidation	0.00	3,947.12	0.00	0.00	3,947.12
<b>Balance on 30.06.2011</b>	<b>33,548,777.70</b>	<b>17,538,155.36</b>	<b>29,083,163.83</b>	<b>0.00</b>	<b>80,170,096.89</b>

#### (B) INTERIM STATEMENT OF CHANGES IN COMPANY'S EQUITY

	Corresponding to shareholders of the parent			Total Equity
	Share Capital & Share Premium	Reserves	Retained earnings	
<b>Balance on 1.1.2010</b>	<b>29,819,177.70</b>	<b>21,107,974.60</b>	<b>28,945,071.66</b>	<b>79,872,223.96</b>
Profit / (Loss) for the period	0.00	0.00	257,013.81	257,013.81
Other comprehensive income / (expenses) after taxes	0.00	-204,518.06	0.00	-204,518.06
Transfer of earnings to reserves	0.00	0.00	0.00	0.00
2009 dividend	0.00	0.00	0.00	0.00
Share capital increase	3,729,600.00	-3,729,600.00	0.00	0.00
<b>Balance on 31.12.2010</b>	<b>33,548,777.70</b>	<b>17,173,856.54</b>	<b>29,202,085.47</b>	<b>79,924,719.71</b>
Profit / (Loss) for the period	0.00	0.00	3,057.04	3,057.04
Other comprehensive income / (expenses) after taxes	0.00	-14,546.30	0.00	-14,546.30
2010 Dividend	0.00	0.00	0.00	0.00
<b>Balance on 30.06.2011</b>	<b>33,548,777.70</b>	<b>17,159,310.24</b>	<b>29,205,142.51</b>	<b>79,913,230.45</b>

#### 4. Interim Statement of Cash Flows

(Amounts in €)	GROUP		COMPANY	
	1.1-30.06.2011	1.1-30.06.2010	1.1-30.06.2011	1.1-30.06.2010
<b>Operating Activities</b>				
Earnings before Tax (EBT)	-412,939.85	704,950.00	240,177.82	1,103,695.80
Plus / minus adjustments for:				
Depreciation & amortization	1,130,563.17	1,042,891.15	837,391.09	788,786.43
Depreciation of grants	-157,508.36	-132,810.53	-117,368.84	-101,967.51
Provisions	-22,975.33	-127,857.64	-5,319.53	-132,221.69
Foreign exchange differences	0.00	113,099.79	0.00	113,099.79
Results (income, expenses, profit and loss) from investment activity	-325,495.62	-829,348.20	-322,346.89	-825,221.09
Debit interest and related expenses	<u>1,597,317.80</u>	<u>1,213,037.50</u>	<u>1,243,860.35</u>	<u>981,090.95</u>
	1,808,961.81	1,983,962.07	1,876,394.00	1,927,262.68
Plus/minus adjustments for changes in working capital accounts or those related to operating activities				
Decrease / (increase) of inventories	-4,678,914.88	-1,728,152.97	-4,650,263.58	-528,874.25
Decrease / (increase) of receivables	-2,139,394.29	-3,488,484.32	-2,923,957.11	-2,706,470.54
(Decrease) / increase of liabilities (apart from banks)	-362,259.81	-6,484,974.10	834,985.40	-7,248,061.07
Minus:				
Debit interest and related expenses paid	-1,719,081.70	-959,430.43	-1,328,982.65	-770,322.19
Taxes paid	-28,862.50	-42,008.26	-27,972.88	-16,203.33
<b>Total inflows/(outflows) from operating activities (a)</b>	<b>-7,119,551.37</b>	<b>-10,719,088.01</b>	<b>-6,219,796.82</b>	<b>-9,342,668.70</b>
<b>Investment Activities</b>				
Acquisition of subsidiaries, associates, joint ventures and other investments	0.00	-10,000.00	0.00	-10,000.00
Purchase – Sale of Securities	0.00	0.00	0.00	0.00
Purchase of tangible and intangible fixed assets	-199,543.48	-2,364,188.47	-180,189.00	-2,261,030.00
Proceeds from sales of tangible and intangible assets	0.00	0.00	0.00	0.00
Interest received	305,468.47	725,514.08	302,319.74	721,386.97
Dividends received	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total cash inflows/(outflows) from investment activities (b)</b>	<b>105,924.99</b>	<b>-1,648,674.39</b>	<b>122,130.74</b>	<b>-1,549,643.03</b>
<b>Financial Activities</b>				
Proceeds from share capital increase	0.00	0.00	0.00	0.00
Amounts collected from issued / received Loans	30,000,464.19	39,243,301.72	27,950,000.00	36,250,000.00
Loan repayments	-32,177,966.40	-16,391,676.67	-31,350,000.00	-14,950,000.00
Dividends Paid	-9,152.49	-4,543.63	-9,152.49	-4,543.63
<b>Total cash inflows/(outflows) from financial activities (c)</b>	<b>-2,186,654.70</b>	<b>22,847,081.42</b>	<b>-3,409,152.49</b>	<b>21,295,456.37</b>
FX differences on cash flows	<b>3,947.12</b>	-19,249.16	0.00	0.00
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>-9,196,333.96</b>	<b>10,460,069.86</b>	<b>-9,506,818.57</b>	<b>10,403,144.64</b>
Cash and cash equivalents at the beginning of the period	27,978,722.86	16,936,152.94	27,026,777.82	16,326,823.76
<b>Cash and cash equivalents at the end of the period</b>	<b>18,782,388.90</b>	<b>27,396,222.80</b>	<b>17,519,959.25</b>	<b>26,729,968.40</b>

## *Notes on the Financial Statements*

### *1. General information*

The Company “ELASTRON S.A.- STEEL SERVICE CENTERS” was founded in 1958 as a Limited Liability Company and in 1965 was converted to an S.A. Company. It has its headquarters in Aspropyrgos Municipality (Ag. Ioannou venue, Stefani) and it is registered with the Ministry of Development, General Secretariat of Commerce, Corporations and Credit Directorate, under S.A. Company Registration Number 7365/06/B/86/32.

The Company's main activity is the import, processing, and trade of steel, steel plates, iron and metal goods, and similar goods.

The Company's shares are listed and traded on the Athens Exchange since 1990.

The Company has no disputes in litigation or in arbitration, nor are there any decisions by judicial or arbitration bodies that may have a significant impact on its financial position situation or operation.

The Company's website is <http://www.elastron.gr>.

The financial statements of 30.06.2011 were approved by the Company's Board of Directors on 26/08/2011.

### *2. Significant accounting principles used by the Group*

#### **2.1 Basis for preparation of the financial statements**

The financial statements of the Company ELASTRON S.A and the Group are prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations, as such have been adopted by the European Union. For the period that ended on 30 June 2011, the respective financial statements have been prepared in accordance with the provisions of I.A.S. 34 “Interim Financial Reporting”.

The above statements have been prepared according to the historic cost principle (tangible fixed assets, land-plots, buildings – building facilities were measured at fair value during the transition date), with the exception of financial derivatives that are measured at fair values.

The preparation of the financial statements in accordance with generally accepted accounting principles requires the use of evaluations and assumptions that affect the balances of asset and liabilities accounts, the disclosure of contingent receivables and payables on the preparation date of the financial statements, as well as the reported income during the financial periods in question. Even though these specific evaluations are based on the Management's (the Group's) best knowledge, the actual results may eventually differ from such estimates.

The Financial Statements do not include all the information and notes required in the Annual Financial Statements and therefore should be read together with the Group's and Company's Financial Statements of 31 December 2010.

#### **2.2 New standards, interpretations and amendments to existing standards**

##### **Standards and interpretations with mandatory effect during 2011**

The accounting principles, based on which the financial statements are prepared, are consistent with those followed for the preparation of the financial statements for 31.12.2010. Moreover, during 1.1.2011 the following standards and interpretations were adopted and unless stated otherwise, such did not have significant effects on the financial statements of the company and group.

- **IFRIC 19 Extinguishing financial liabilities with equity instruments.**
- **IFRIC 14 (amendment) Cases of prepayments when there are liabilities of minimum funding contributions. Minimum funding requirements and their interaction.**
- **Amendment to IAS 32 Classification of rights issues.** The amendment refers to the issue of rights against a defined amount in foreign currency. Such rights are treated by the current standard as derivatives.
- **Revision of IAS 24 (Amendment). Related party disclosures.** The present amendment attempts to reduce the disclosures of transactions between government-related entities and to clarify the definition of related parties.
- In May 2010, the IASB issued a third series of amendments to IFRS with the objective to cover inconsistencies and provide clarifications.
- **IFRS 1 First implementation of IFRS, (Amendment).** Applied for accounting periods beginning on or after 1 January 2011.
- **IFRS 3 Business Combinations, (Amendment).** Additional clarification is provided for non-application of the exemption for contingent liabilities that arise from business combinations with acquisition dates that are prior to the application of IFRS 3 (2008). It provides clarification for the measurement of the non-controlling participation. Also reference is made to the accounting treatment of payment transactions in order to separate the consideration paid and the expenses registered following the combination.
- **IFRS 7 Financial instruments: Disclosures, (Amendment).** The amendment provides clarification regarding the disclosure requirements of IFRS 7.
- **IAS 1 Presentation of Financial Statements, (Amendment).** The amendment refers to the analysis of other comprehensive income for each equity item, in the statement of changes in equity or the notes on the financial statements.
- **IAS 27 Separate and Consolidated Financial Statements, (Amendment).** The standard refers to the subsequent amendments that resulted from the amendment of IAS 27 on IAS 21, IAS 28 & IAS 31.
- **IAS 34 Interim Financial Statements.** The standard provides guidance on the application of disclosure principles in IAS 34. It emphasizes on the disclosure principles that must be applied in significant events and transactions.
- **IRIC 13 Customer Loyalty Programs (Amendment).**

**The following standards have been issued but are not yet in effect.**

- **IFRS 7 Financial instruments, Disclosures. (Amendment).** Applied for annual accounting periods beginning on or after 1 July 2011.
- **IAS 12 (Amendment). Deferred tax: Recovery of underlying assets.** Applied for annual accounting periods beginning on or after 1 January 2012.
- **IFRS 9 Financial instruments, (Phase 1).** Phase 1 introduces new requirements for the classification and measurement of financial assets. It is applied for annual accounting periods beginning on or after 1 January 2013.
- **IAS 19 (Amendment) “Employee Benefits”** (applied for annual accounting periods beginning on or after 1 January 2013). This amendment induces significant changes in the accounting treatment of employee benefits as well as to the disclosures of all employee benefits.
- **IFRS 13 “Fair Value Measurement”** (applied for annual accounting periods beginning on or after 1 January 2013). IFRS 13 provides new guidance regarding the measurement of fair value and the necessary disclosures.

- **IFRS 10 “Consolidated Financial Statements”**. The new standard is applied for annual accounting standards beginning on or after 1 January 2013. The changes that are introduced by IFRS 10 require management to exercise significant judgment in order to define which entities are controlled and consolidated by the parent.
- **IFRS 11 “Joint Arrangements”**. The new standard is applied for annual accounting periods beginning on or after 1 January 2013. IFRS 11 repeals the proportionate consolidation of jointly controlled companies.
- **IFRS 12 “Disclosure of interest in other entities”**. The new standard is applied for annual accounting periods beginning on or after 1 January 2013 and refers to the required disclosures of an entity, including significant judgments and assumptions.
- **IAS 27 Separate Financial Statements (amendment)**. The amendment is applied for annual accounting periods beginning on or after 1 January 2013. It defines the accounting treatment and disclosure requirements for investments in subsidiaries, joint ventures and associate companies when a company prepares separate financial statements.
- **IAS 28 Investments in Associates and Joint Ventures (amendment)**. This amendment is applied for annual accounting periods beginning on or after 1 January 2013. The standard was amended to define the accounting treatment of investments in associates and to describe the requirements for applying the equity method during the recording of investments in associates and joint ventures.

## 2.3 Consolidation

The consolidated financial statements consist of the financial statements of the parent Company ELASTRON S.A. and the other Group companies, which are the following:

	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
TATA ELASTRON S.A. STEEL PROCESSING CENTER	Thessalonica	Processing-distribution and sale of steel and steel related products	50.00% (Joint Venture)	5,000,000.00	Proportional
CORUS – KALPINIS – SIMOS S.A. COATING MATERIALS	Aspropyrgos Attica	Manufacturing of metal polyurethane panels	50.00% (Joint Venture)	3,081,750.00	Proportional
BALKAN IRON GROUP S.R.L.	Bucharest Romania	Processing-distribution and sale of steel and steel related products	33.33% (Joint Venture)	800,000.00	Proportional

The participations in subsidiaries and associates that are not included in the consolidated balance sheet include the following companies:

- A subsidiary of ELASTRON S.A. in Bulgaria under the name KALPINIS – SIMOS BULGARIA EOOD that is based in Sofia. The participation stake in the company is 100%. The latter’s assets amount to 674 thousand euro and the value of participation to 10,000.00 euro. The company has no turnover and was not consolidated due to an immaterial interest in relation to the objective of article 100 par. 3 of L. 2190/20.
- A subsidiary of ELASTRON S.A. in Serbia under the name ELASTRON SERBIA DOO that is based in Belgrade. The participation stake in the company is 100%. The latter’s assets amount to 20 thousand euro and the value of participation to 10 thousand euro. The company has no turnover and was not consolidated due to an immaterial interest in relation to the objective of article 100 par. 3 of L. 2190/20.

### 3. Significant accounting estimations and judgments by management

The Group proceeds with estimates and assumptions regarding the progress of future events. Estimates and assumptions that entail significant risk of causing material adjustments to the book values of assets and liabilities within the coming 12 months are as follows:

#### Income Taxes

There are several transactions and calculations for which the final determination of tax is uncertain. On 30.06.2011 the Company and the Group have made a provision for accounting periods unaudited by the tax authorities amounting to € 500 thousand and € 532.5 thousand respectively.

### 4. Analysis of tangible fixed assets

The Group's fixed assets are analyzed as follows:

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property	Total
Book value	33,870,451.95	28,637,194.41	1,123,141.86	4,340,838.37	417,566.67	1,120,186.50	69,509,379.76
Accumulated depreciation/amortization and impairment	-4,431,594.26	-7,280,404.98	-796,335.34	0.00	-311,081.55	-10,315.76	-12,829,731.89
<b>Net book value 31.12.10</b>	<b>29,438,857.69</b>	<b>21,356,789.43</b>	<b>326,806.52</b>	<b>4,340,838.37</b>	<b>106,485.12</b>	<b>1,109,870.74</b>	<b>56,679,647.87</b>
Book value	35,597,425.17	30,833,029.75	1,133,570.17	518,277.58	426,524.22	1,120,186.50	69,629,013.39
Accumulated depreciation/amortization and impairment	-4,833,585.46	-7,921,898.38	-848,070.68	0.00	-345,698.86	-11,052.60	-13,960,305.98
<b>Net book value 30.06.11</b>	<b>30,763,839.71</b>	<b>22,911,131.37</b>	<b>285,499.49</b>	<b>518,277.58</b>	<b>80,825.36</b>	<b>1,109,133.90</b>	<b>55,668,707.41</b>

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property	Total
<b>Book value 1.1.2010</b>	<b>30,086,747.52</b>	<b>18,546,937.37</b>	<b>366,014.47</b>	<b>5,537,455.46</b>	<b>135,256.88</b>	<b>1,111,344.42</b>	<b>55,783,756.12</b>
Additions	105,276.51	4,036,370.59	66,405.09	2,580,150.17	44,596.79	0.00	6,832,799.15
Depreciation/Amortization	-749,883.13	-1,212,143.98	-111,724.43	0.00	-73,453.66	-1,473.68	-2,148,678.88
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales - write-offs	0.00	-88,361.08	0.00	0.00	0.00	0.00	-88,361.08
Depreciation of assets sold/written-off	0.00	80,202.13	0.00	0.00	0.00	0.00	80,202.13
Transfer to fixed assets	0.00	-6,200.00	6,200.00	-3,774,807.13	0.00	0.00	-3,774,807.13
Transfer to another account	0.00	0.00	-85.37	0.00	85.37	0.00	0.00
FX translation differences in €	-3,283.21	-15.60	-3.25	-1,960.11	-0.27	0.00	-5,262.44
<b>Net book value 31.12.10</b>	<b>29,438,857.69</b>	<b>21,356,789.43</b>	<b>326,806.51</b>	<b>4,340,838.39</b>	<b>106,485.11</b>	<b>1,109,870.74</b>	<b>56,679,647.87</b>
Additions	1,724,610.81	2,195,821.95	10,425.63	98,120.43	8,956.86	0.00	4,037,935.68



Depreciation/Amortization	-401,985.37	-641,489.90	-51,734.11	0.00	-34,616.98	-736.84	-1,130,563.20
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales - write-offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation of assets sold/written-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FX translation differences in €	2,356.58	9.89	1.46	1,692.87	0.37	0.00	4,061.17
Transfer to fixed assets	0.00	0.00	0.00	-3,922,374.11	0.00	0.00	-3,922,374.11
<b>Net book value 30.06.11</b>	<b>30,763,839.71</b>	<b>22,911,131.37</b>	<b>285,499.49</b>	<b>518,277.58</b>	<b>80,825.36</b>	<b>1,109,133.90</b>	<b>55,668,707.41</b>

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

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property	Total
Book value	30,254,741.44	21,077,656.46	858,543.28	2,464,730.02	301,858.44	1,120,186.50	56,077,716.14
Accumulated depreciation/amortization and impairment	-4,226,980.02	-5,376,917.37	-677,549.58	0.00	-231,333.93	-10,315.76	-10,523,096.66
<b>Net book value 31.12.10</b>	<b>26,027,761.42</b>	<b>15,700,739.09</b>	<b>180,993.70</b>	<b>2,464,730.02</b>	<b>70,524.51</b>	<b>1,109,870.74</b>	<b>45,554,619.48</b>
Book value	30,259,405.51	23,269,380.74	867,018.41	351,723.09	309,058.80	1,120,186.50	56,176,773.05
Accumulated depreciation/amortization and impairment	-4,558,712.85	-5,825,142.71	-709,964.14	0.00	-255,615.46	-11,052.60	-11,360,487.76
<b>Net book value 30.06.11</b>	<b>25,700,692.66</b>	<b>17,444,238.03</b>	<b>157,054.27</b>	<b>351,723.09</b>	<b>53,443.34</b>	<b>1,109,133.90</b>	<b>44,816,285.29</b>

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property	Total
<b>Book value 1.1.2010</b>	<b>26,590,220.58</b>	<b>13,705,465.72</b>	<b>201,240.66</b>	<b>2,843,750.65</b>	<b>81,988.59</b>	<b>1,111,344.42</b>	<b>44,534,010.62</b>
Additions	104,176.51	2,836,074.60	45,621.66	2,503,510.73	41,388.93	0.00	5,530,772.43
Depreciation/Amortization	-666,635.67	-828,854.78	-72,068.62	0.00	-52,853.01	-1,473.68	-1,621,885.76
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales - write-offs	0.00	-85,361.08	0.00	0.00	0.00	0.00	-85,361.08
Depreciation of assets sold/written-off	0.00	79,614.63	0.00	0.00	0.00	0.00	79,614.63
Transfer to fixed assets	0.00	-6,200.00	6,200.00	2,882,531.36	0.00	0.00	-2,882,531.36
<b>Net book value 31.12.10</b>	<b>26,027,761.42</b>	<b>15,700,739.09</b>	<b>180,993.70</b>	<b>2,464,730.02</b>	<b>70,524.51</b>	<b>1,109,870.74</b>	<b>45,554,619.48</b>
Additions	4,664.06	2,191,724.28	8,475.13	89,420.43	7,200.36	0.00	2,301,484.26
Depreciation/Amortization	-331,732.82	-448,225.34	-32,414.56	0.00	-24,281.53	-736.84	-837,391.09
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales - write-offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Depreciation of assets sold/written-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to fixed assets	0.00	0.00	0.00	2,202,427.36	0.00	0.00	-2,202,427.36
<b>Net book value 30.06.11</b>	<b>25,700,692.66</b>	<b>17,444,238.03</b>	<b>157,054.27</b>	<b>351,723.09</b>	<b>53,443.34</b>	<b>1,109,133.90</b>	<b>44,816,285.29</b>

There are no liens, collateral or other commitments on fixed assets of the Company and the Group's companies. Intangible assets mainly included acquired software and licenses for use of software.

The Company's Management has not changed the accounting estimation regarding the useful life of tangible and intangible assets, in relation to the previous year.

## 5. Investment property

	COMPANY	
	30.06.2011	31.12.2010
Land Plot on Thivon Street 1,191.7 sq.m.	1,090,712.82	1,090,712.82
Apartment at Filippiados Str.	29,473.68	29,473.68
<b>Total Value</b>	<b>1,120,186.50</b>	<b>1,120,186.50</b>
Amortized	(11,052.60)	(10,315.76)
<b>Net book value</b>	<b>1,109,133.90</b>	<b>1,109,870.74</b>

## 6. Analysis of receivables

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

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Customers	28,255,574.71	24,610,661.15	25,048,942.53	22,182,173.28
Notes	111,446.00	227,822.27	46,446.00	45,018.15
Post-dated cheques	17,273,042.99	19,766,025.10	14,032,609.16	14,992,667.42
Provisions for Bad Debt	(1,589,662.93)	(1,286,884.09)	(1,174,354.86)	(981,884.09)
<b>Total trade receivables</b>	<b>44,050,400.77</b>	<b>43,317,624.43</b>	<b>37,953,642.83</b>	<b>36,237,974.76</b>

The movement of the provision for bad debts is presented in the following table:

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Initial balance	1,286,884.09	777,931.55	981,884.09	600,000.00
Additional provision (results)	302,778.84	523,247.65	192,470.77	381,884.09
Use of provision	0.00	(14,295.11)	0.00	0.00
<b>Final balance</b>	<b>1,589,662.93</b>	<b>1,286,884.09</b>	<b>1,174,354.86</b>	<b>981,884.09</b>

There is no concentration of credit risk in relation to trade receivables, as such are dispersed amongst a large number of customers. All the above receivables are short-term and there is no need to discount such to present value during the balance sheet date. Also, the largest part (about 85%) of the company's trade receivables are insured against credit risk.

The amortized receivables are monitored in transitory accounts and the probability for collection is reviewed.

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

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Receivables from employees	10,485.08	18,221.77	10,143.79	16,408.31
Receivables from other partners - third parties	271,801.32	199,598.79	122,075.19	80,331.56
Receivables from related companies	0.00	0.00	0.00	0.00
Greek State– income tax receivable	1,195,311.21	1,166,448.71	1,087,887.52	1,059,914.64
Greek State – receivable of other taxes	1,415,945.30	1,180,132.90	444,892.39	66,233.45
Grants receivable	4,745,971.30	3,650,917.32	3,926,078.89	3,154,713.97
<b>Total</b>	<b>7,639,514.21</b>	<b>6,215,319.49</b>	<b>5,591,077.78</b>	<b>4,377,601.93</b>

The long-term receivables of the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Given guarantees	20,732.63	30,461.96	49,521.88	20,080.24
Other long-term receivables	822,291.25	796,276.20	830,132.24	831,787.81
<b>Total</b>	<b>843,023.88</b>	<b>826,738.16</b>	<b>879,654.12</b>	<b>851,868.05</b>

The given guarantees presented in long-term receivables concern guarantees that will be received in a period over twelve (12) months from the end of the reporting period. The fair value of such receivables does not differ substantially from that presented in the financial statements and is subject to a review annually. The given guarantees that will be received in the next year, are presented in other short-term receivables.

## 7. Analysis of inventories

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

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Merchandise	15,303,571.32	10,358,286.88	14,324,656.19	9,608,843.95
Impairment of merchandise	0.00	0.00	0.00	0.00
Merchandise in stock	0.00	0.00	0.00	0.00
Impairment of merchandise in stock	0.00	0.00	0.00	0.00
Products	6,968,095.35	5,884,533.09	6,517,173.80	5,398,378.28
Impairment of products	0.00	0.00	0.00	0.00
Orders	85,240.19	1,502,547.80	18,912.55	1,203,256.73
Raw materials – consumables	2,989,943.45	2,922,567.66	0.00	0.00
Impairment of raw materials	0.00	0.00	0.00	0.00
Production underway	0.00	0.00	0.00	0.00
<b>Total</b>	<b>25,346,850.31</b>	<b>20,667,935.43</b>	<b>20,860,742.54</b>	<b>16,210,478.96</b>

Losses due to loss of inventory from natural disasters, theft etc., are extremely low due to the nature of inventories. There is however risk of impairment due to the volatility of prices globally. Management continuously reviews the net liquidation value of inventories and makes the appropriate provisions in order to ensure that the value of inventory in the financial statements coincides with the real value.

## 8. Derivatives

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Forward foreign exchange contracts Current assets or (Short-term liabilities)	11,820.13	12,966.86	12,165.30	6,684.45
Amounts registered in Equity	(17,226.76)	(199,728.81)	(14,546.30)	(204,518.06)

## 9. Analysis of cash reserves

The Group's and Company's cash & cash equivalents include the following:

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Cash in hand	13,980.82	7196.72	4,355.88	1,469.05
Site & Demand deposits	18,768,408.08	27,971,526.14	17,515,603.37	27,025,308.77
<b>Total</b>	<b>18,782,388.90</b>	<b>27,978,722.86</b>	<b>17,519,959.25</b>	<b>27,026,777.82</b>

The term deposits refer to short-term placements with significant dispersion between banks.

## 10. Analysis of all equity accounts

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

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Share Capital	<b>18,648,000.00</b>	<b>18,648,000.00</b>	<b>18,648,000.00</b>	<b>18,648,000.00</b>
Share premium	<b>14,900,777.70</b>	<b>14,900,777.70</b>	<b>14,900,777.70</b>	<b>14,900,777.70</b>
Statutory reserve	3,445,833.53	3,445,833.53	3,334,000.00	3,334,000.00
Extraordinary reserves	1,540,800.00	1,540,800.00	1,540,800.00	1,540,800.00
Tax-exempt reserves subject to special legal provisions	11,985,901.87	11,985,901.87	11,885,777.86	11,885,777.86
Free shares from profit capitalization	344,862.50	344,862.50	0.00	0.00
Reserves of tax-exempt income	404,315.87	404,315.87	404,315.87	404,315.87
Difference from adjustment in value of other assets	0.00	0.00	0.00	0.00
Fair value reserves	(5,928.67)	15,245.22	(5,583.49)	8,962.81
FX differences on consolidation	(177,629.74)	(181,576.86)	0.00	0.00
<b>Total Reserves</b>	<b>17,538,155.36</b>	<b>17,555,382.13</b>	<b>17,159,310.24</b>	<b>17,173,856.54</b>
Retained earnings	29,673,271.14	30,295,568.57	29,202,085.47	28,945,071.66
Results for the period	(590,107.31)	(622,297.43)	3,057.04	257,013.81
<b>Accumulated Earnings</b>	<b>29,083,163.83</b>	<b>29,673,271.14</b>	<b>29,205,142.51</b>	<b>29,202,085.47</b>
<b>Total equity without minority interest</b>	<b>80,170,096.89</b>	<b>80,777,430.97</b>	<b>79,913,230.45</b>	<b>79,924,719.71</b>
Minority interest	0.00	0.00	0.00	0.00
<b>Total Equity</b>	<b>80,170,096.89</b>	<b>80,777,430.97</b>	<b>79,913,230.45</b>	<b>79,924,719.71</b>

## 11. Analysis of other liabilities

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

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Insurance accounts & other taxes	403,367.65	413,811.29	333,897.50	374,469.24
Customer prepayments	326,177.19	275,688.90	252,575.89	214,555.68
Other liabilities / provisions	122,211.58	13,055.54	79,695.60	6,437.50
Dividends payable	18,205.25	27,357.74	18,205.25	27,357.74
<b>Total</b>	<b>869,961.67</b>	<b>729,913.47</b>	<b>684,374.24</b>	<b>622,820.16</b>

The other long-term liabilities amounting to euro 90,894.69 and 90,218.42 in the consolidated Statement of Financial Position of 30.06.2011 and 31.12.2010 respectively, refer to the proportion of a liability of the joint venture BALKAN IRON GROUP SRL towards the its other two shareholders, apart from ELASTRON S.A.

All the above liabilities are of short-term nature and there is no need to discount such to present value during the balance sheet date.

## 12. Analysis of loans

The Group's and Company's loan liabilities are analyzed as follows:

### Long-term loans

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Bond loans	24,639,494.74	31,256,172.91	21,500,000.00	27,000,000.00

### Short-term loans

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Bank loans	22,778,432.94	23,984,940.14	15,120,001.71	18,105,124.01
Short-term part of bond loans	8,233,353.33	2,709,434.08	6,000,000.00	1,000,000.00
<b>Total</b>	<b>31,011,786.27</b>	<b>26,694,374.22</b>	<b>21,120,001.71</b>	<b>19,105,124.01</b>

<b>TOTAL LOANS</b>	<b>55,651,281.01</b>	<b>57,950,547.13</b>	<b>42,620,001.71</b>	<b>46,105,124.01</b>
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	GROUP			
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years
Bank loans 30.06.11	31,011,786.27	20,047,818.06	4,591,676.68	0.00

	COMPANY			
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years
Bank loans 30.06.11	21,120,001.71	17,000,000.00	4,500,000.00	0.00

	GROUP			
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years
Bank loans 31.12.10	26,694,374.22	23,239,496.24	8,016,676.67	0.00

	COMPANY			
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years
Bank loans 31.12.10	19,105,124.01	21,000,000.00	6,000,000.00	0.00

The changes in the Company's and Group's loans are analyzed in the following table:

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
<b>Balance of loans at beginning of period</b>	<b>57,950,547.13</b>	<b>44,367,872.68</b>	<b>46,105,124.01</b>	<b>33,611,896.49</b>
Loans received	30,000,464.19	92,926,325.75	27,950,000.00	85,350,000.00
Interest for the period	1,597,317.79	2,136,945.30	963,522.07	1,648,530.14
	<b>89,548,329.11</b>	<b>139,431,143.73</b>	<b>75,018,646.08</b>	<b>120,610,426.63</b>
Loans repaid	(32,177,966.40)	(79,592,999.61)	(31,350,000.00)	(72,999,714.84)
Interest paid	(1,719,081.70)	(1,887,596.99)	(1,048,644.37)	(1,505,587.78)
<b>Balance of Loans</b>	<b>55,651,281.01</b>	<b>57,950,547.13</b>	<b>42,620,001.71</b>	<b>46,105,124.01</b>

### 13. Analysis of deferred taxes

Deferred tax assets and liabilities are calculated at the level of each individual Company of the Group. If both assets and liabilities arise, such are offset against one another at the individual Company level.

The deferred tax assets (DTA) and liabilities (DTL) are offset when there is an applicable legal right for the current tax assets to be offset against current tax liabilities and when the deferred income taxes concern the same tax authority.

Deferred taxes are as follows:

a) For the Group

	01.01.2010	1.1. – 31.12.10	31.12.2010	1.1 – 30.06.11	30.06.2011
Intangible assets	-31,510.81	7,387.59	-24,123.22	7,961.95	-16,161.27
Tangible assets	-1,695,344.70	-350,150.31	-2,045,495.01	-202,927.53	-2,248,422.54
Installation expenses	10,891.14	-7,645.38	3,245.76	670.49	3,916.25
Inventories	211,813.07	-179,384.06	32,429.01	3,266.93	35,695.94
Long-term receivables	1,438.49	-178,211.23	-176,772.74	16,634.07	-160,138.67
Trade & other receivables	208,586.98	177,849.19	386,436.17	-19,341.69	367,094.48
Employee benefits	116,229.77	-2,411.88	113,817.89	-4,528.41	109,289.48
Government grants	-67,124.65	-55,376.57	-122,501.22	-31,501.68	-154,002.90
Suppliers and other liabilities	7,583.89	-16,364.77	-8,780.88	11,990.68	3,209.80
Tax loss offset by taxable earnings of subsequent years	2,858,962.85	543,632.98	3,402,595.83	47,404.18	3,450,000.01
From unrealized profit of intercompany transactions	12,838.39	-8,649.18	4,189.21	-1,659.49	2,529.72
Other	-343.26	1,474.78	1,131.52	-5,136.95	-4,005.43
<b>Total</b>	<b>1,634,021.16</b>	<b>-67,848.84</b>	<b>1,566,172.32</b>	<b>-177,167.46</b>	<b>1,389,004.87</b>



b) For the Company

	01.01.10	1.1. – 31.12.10	31.12.10	1.1 – 30.06.11	30.06.11
Intangible assets	-19,174.38	3,157.99	-16,016.39	5,327.72	-10,688.67
Tangible assets	-1,370,753.55	-274,811.67	-1,645,565.22	-145,685.58	-1,791,250.80
Installation expenses	4,306.68	-4,306.68	0.00	1,175.80	1,175.80
Inventories	190,184.77	-163,965.74	26,219.03	4,926.93	31,145.96
Long-term receivables	1,438.49	-179,040.33	-177,601.84	17,188.86	-160,412.98
Trade & other receivables	166,096.64	168,965.00	335,061.64	-31,404.80	303,656.84
Employee benefits	107,254.70	-3,610.86	103,643.84	-1,063.91	102,579.93
Government grants	-53,656.55	-43,151.30	-96,807.85	-23,473.77	-120,281.62
Suppliers and other liabilities	6,249.58	-13,038.05	-6,788.47	11,933.45	5,144.98
Tax loss offset by taxable earnings of subsequent years	2,405,436.62	226,079.41	2,631,516.03	-71,516.03	2,560,000.00
Other	0.00	524.02	524.02	-4,529.45	-4,005.43
<b>Total</b>	<b>1,437,383.00</b>	<b>-283,198.21</b>	<b>1,154,184.79</b>	<b>-237,120.78</b>	<b>917,064.01</b>

The tax loss creates a tax receivable equal to the income tax that will, from which the Company will benefit in the next years when it will be offset against the respective taxable earnings. The registration of the receivable for deferred tax took place as the Management of the Company and Group considers that there is reasonable certainty for the realization of earnings during financial years 2011-2015, whereas such earnings will be capable to offset the present receivable with the future tax liability.

The deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets against current tax liabilities and when the deferred income taxes correspond to the same tax authority.

The deferred tax liabilities and assets are presented offset in the account "Deferred Tax Assets" in the Statement of Financial Position of 30 June 2011, given that the financial statements of the subsidiary "BALKAN IRON GROUP SRL" do not present deferred tax liabilities but only assets, despite the fact that such correspond to the Romania tax authority.

#### 14. Analysis of post-employment benefits

The Group has assigned an actuary to conduct a study in order to investigate and calculate the actuarial figures, based on the specifications set by International Accounting Standards (IAS 19), which must be recorded on the balance sheet and the statement of comprehensive income. When performing the actuarial estimate, all economic and population parameters related to the employees of the Group were taken into account.

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
<b>Balance Sheet Liabilities</b>	<b>546,780.73</b>	<b>569,756.06</b>	<b>512,899.65</b>	<b>518,219.18</b>
<b>Charges on the Results</b>	<b>181,171.94</b>	<b>380,015.15</b>	<b>112,993.25</b>	<b>330,396.06</b>
Present value of financed liabilities	699,666.14	722,641.47	647,884.26	653,203.79
Non registered actuarial (profit) / losses	-152,885.41	(152,885.41)	-134,984.61	(134,984.61)
Non registered previous service cost	0.00	0.00	0.00	0.00
<b>Liability in the Balance Sheet</b>	<b>546,780.73</b>	<b>569,756.06</b>	<b>512,899.65</b>	<b>518,219.18</b>
<b>Changes in the net liability recognized in the Balance Sheet</b>				
Net liability at beginning of year	569,756.06	581,948.84	518,219.18	536,273.51
Employer contributions	0.00	0.00	0.00	0.00
Benefits paid	-204,147.27	(392,207.93)	-118,312.78	(348,450.39)
Total expense recognized in the results	181,171.94	380,015.15	112,993.25	330,396.06
<b>Net liability at end of period</b>	<b>546,780.73</b>	<b>569,756.06</b>	<b>512,899.65</b>	<b>518,219.18</b>
<b>Analysis of expenses recognized in the results</b>				
Cost of current employment	25,243.76	66,276.35	22,534.71	49,969.67
Interest on liability	15,599.78	34,749.18	14,370.49	31,984.77
Cost of additional benefits	133,633.46	269,196.92	70,211.51	239,651.13
Settlement cost from transfers of employees	0.00	0.00	0.00	0.00
Actuarial (profit)/losses	6,694.94	9,792.70	5,876.54	8,790.49
Effect of terminal benefits	0.00	0.00	0.00	0.00
<b>Total expense recognized in the results</b>	<b>181,171.94</b>	<b>380,015.15</b>	<b>112,993.25</b>	<b>330,396.06</b>
<b>Basic actuarial assumptions used for accounting purposes</b>				
Discount rate	5.9%	4.4%	5.9%	4.4%
Future wage increases	3.2%	3.2%	3.2%	3.2%
Expected average remaining working life during valuation date	12.45	12.57	11.85	11.85

## 15. Analysis of tax liabilities

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Income tax liability	0.00	0.00	0.00	0.00
Credit balance of tax statements to be refunded	(1,727,811.21)	(1,698,948.71)	(1,587,887.52)	(1,559,914.64)
Provision for tax audit differences	532,500.00	532,500.00	500,000.00	500,000.00
Tax dues from previous years	0.00	0.00	0.00	0.00
<b>Total</b>	<b>(1,195,311.21)</b>	<b>(1,166,448.71)</b>	<b>(1,087,887.52)</b>	<b>(1,059,914.64)</b>

## 16. Segment reporting

The Group operates only in one business segment, namely steel products. However, due to the requirements of IFRS 8, which replaces IAS 14, and adopts the approach of presenting segment information, based on the manner in which such is presented internally to those that make decisions for the allocation of resources and the audit of the effectiveness of the company's operations, the company redefined its segment reporting.

The business segments are now the following:

- Segment of polyurethane panels
- Segment of other long and flat steel products

a) Statement of Financial Position per segment on 30.06.2011 and 31.12.2010 respectively

(Amounts in €)	30.06.2011			
	PANELS	OTHER STEEL PRODUCTS	CONSOLIDATION ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
<b>ASSETS</b>				
Tangible and intangible fixed assets	2,998,674.29	52,670,033.12		55,668,707.41
Other non-current assets	181,309.05	5,152,033.84	(3,081,314.13)	2,252,028.76
Inventories	2,459,434.21	22,889,595.43	(2,179.33)	25,346,850.31
Trade and other receivables	3,269,104.64	49,385,448.85	(420,318.38)	52,234,235.10
Cash and cash equivalents	867,269.04	17,915,119.86		18,782,388.90
<b>Total Assets</b>	<b>9,775,791.23</b>	<b>148,012,231.10</b>		<b>154,284,210.48</b>
<b>EQUITY &amp; LIABILITIES</b>				
Equity	4,615,113.47	78,638,476.88	(3,083,493.46)	80,170,096.89
Long-term loans	275,038.72	24,364,456.02		24,639,494.74
Other long-term liabilities	158,769.75	6,507,048.72		6,665,818.46
Short-term loans	3,705,475.20	27,306,311.07		31,011,786.27
Other short-term liabilities	1,021,394.09	11,195,938.41	(420,318.38)	11,797,014.12
<b>Total Equity &amp; Liabilities</b>	<b>9,775,791.23</b>	<b>148,012,231.10</b>		<b>154,284,210.48</b>

(Amounts in €)

31.12.2010

	31.12.2010			
	PANELS	OTHER STEEL PRODUCTS	CONSOLIDATION ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
<b>ASSETS</b>				
Tangible and intangible fixed assets	3,131,561.18	53,451,917.34		56,583,478.52
Other non-current assets	135,205.70	5,457,230.53	(3,078,356.40)	2,514,079.83
Inventories	2,602,812.65	18,079,262.79	(14,140.01)	20,667,935.43
Trade and other receivables	4,106,473.26	45,452,986.26	(13,548.74)	49,545,910.78
Cash and cash equivalents	245,840.95	27,732,881.91		27,978,722.86
<b>Total Assets</b>	<b>10,221,893.74</b>	<b>150,174,278.83</b>		<b>157,290,127.42</b>
<b>EQUITY &amp; LIABILITIES</b>				
Equity	5,089,952.51	78,779,974.87	(3,092,496.41)	80,777,430.97
Long-term loans	366,714.17	30,889,458.74		31,256,172.91
Other long-term liabilities	179,440.70	5,603,058.20		5,782,498.89
Short-term loans	2,639,428.75	24,054,945.47		26,694,374.22
Other short-term liabilities	1,946,357.61	10,846,841.55	(13,548.74)	12,779,650.43
<b>Total Equity &amp; Liabilities</b>	<b>10,221,893.74</b>	<b>150,174,278.83</b>		<b>157,290,127.42</b>

b) Statement of Comprehensive Income per segment for the periods 1.1 - 30.06.2011 and 1.1 - 30.06.2010 respectively

(Amounts in €)

1.1-30.06.2011

	1.1-30.06.2011			
	PANELS	OTHER STEEL PRODUCTS	CONSOLIDATION ENTRIES	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Sales	3,527,208.23	42,037,425.07	(560,949.14)	45,003,684.16
Cost of sales	-3,359,153.60	-36,649,437.12	614,419.81	-39,394,170.91
<b>Gross profit / (loss)</b>	<b>168,054.63</b>	<b>5,387,987.95</b>		<b>5,609,513.25</b>
Other income	64,407.65	825,698.47	(86,631.98)	803,474.14
Distribution expenses	-380,762.05	-2,916,661.01	26,781.98	-3,270,641.08
Administration expenses	-189,393.85	-1,894,313.58	4,200.00	-2,079,507.43
Other expenses	-92,925.92	-323,892.61		-416,818.53
<b>Earnings / (losses) before interest and taxes (EBIT)</b>	<b>-430,619.54</b>	<b>1,078,819.22</b>		<b>646,020.35</b>
Financial income	1,602.18	540,617.32	(1,136.37)	541,083.13
Financial cost	-110,023.07	-1,491,156.63	1,136.37	-1,600,043.33
Dividends from Subsidiary Companies	0.00	0.00		0.00
<b>Earnings / (losses) before taxes (EBT)</b>	<b>-539,040.43</b>	<b>128,279.91</b>		<b>-412,939.85</b>
Income Tax	64,201.39	-241,804.72	435.87	-177,167.46
<b>Earnings / (losses) after taxes (EAT) (a)</b>	<b>-474,839.04</b>	<b>-113,524.81</b>		<b>-590,107.31</b>

<b>Attributed to:</b>				
Shareholders of the parent	-474,839.04	-113,524.81		-590,107.31
Minority interest	0.00	0.00		0,00
Other comprehensive income after taxes (b)	0.00	-17,226.76		-17,226.76
<b>Total comprehensive income after taxes (a) + (b)</b>	<b>-474,839.04</b>	<b>-130,751.57</b>		<b>-607,334.07</b>
<b>Attributed to:</b>				
Shareholders of the parent	-474,839.04	-130,751.57		-607,334.07
Minority interest	0.00	0.00		0.00
<b>Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)</b>	<b>-295,166.29</b>	<b>1,916,420.78</b>		<b>1,619,075.17</b>

	1.1-30.06.2010			
	PANELS	OTHER STEEL PRODUCTS	CONSOLIDATION ENTRIES	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
<b>(Amounts in €)</b>				
Sales	4,225,999.27	42,699,794.80	(298,886.27)	46,626,907.80
Cost of sales	-3,981,056.38	-37,216,415.84	394,885.57	-40,802,586.65
<b>Gross profit / (loss)</b>	<b>244,942.89</b>	<b>5,483,378.96</b>		<b>5,824,321.15</b>
Other income	108,521.33	854,612.12	(107,046.98)	856,086.47
Distribution expenses	-494,912.62	-3,319,967.55	33,408.40	-3,781,471.77
Administration expenses	-168,129.37	-1,366,467.80	5,257.51	-1,529,339.66
Other expenses	-114,185.46	-414,474.74		-528,660.20
<b>Earnings / (losses) before interest and taxes (EBIT)</b>	<b>-423,763.23</b>	<b>1,237,080.99</b>		<b>840,935.99</b>
Financial income	2,965.23	1,074,086.28		1,077,051.51
Financial cost	-58,430.30	-1,154,607.20		-1,213,037.50
Dividends from Subsidiary Companies	0.00	0.00		0.00
<b>Earnings / (losses) before taxes (EBT)</b>	<b>-479,228.30</b>	<b>1,156,560.07</b>		<b>704,950.00</b>
Income Tax	109,639.57	-354,133.06	(6,628.38)	-251,121.87
<b>Earnings / (losses) after taxes (EAT) (a)</b>	<b>-369,588.73</b>	<b>802,427.01</b>		<b>453,828.13</b>
<b>Attributed to:</b>				
Shareholders of the parent	-369,588.73	802,427.01		453,828.13

Minority interest	0.00	0.00		
Other comprehensive income after taxes (b)	0.00	-181,959.89		-181,959.89
<b>Total comprehensive income after taxes (a) + (b)</b>	<b>-369,588.73</b>	<b>620,467.12</b>		<b>271,868.24</b>
<b>Attributed to:</b>				
Shareholders of the parent	-369,588.73	620,467.12		271,868.24
Minority interest	0.00	0.00		
<b>Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)</b>	<b>-288,164.01</b>	<b>2,011,562.36</b>		<b>1,751,016.59</b>

The geographic segment may be considered as the secondary reporting segment, and includes the following reporting sectors:

- Domestic Sales (approximately 85 %)
- Foreign Sales (approximately 15 %)

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

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Sales of Merchandise	18,187,912.37	20,030,813.90	16,625,268.70	17,966,627.37
Sales of Products	25,890,085.12	25,513,917.18	21,279,054.79	20,710,985.48
Other Sales	925,686.67	1,082,176.72	1,000.40	0.00
<b>Total Sales</b>	<b>45,003,684.16</b>	<b>46,626,907.80</b>	<b>37,905,323.89</b>	<b>38,677,612.85</b>

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Domestic Sales	38,410,980.47	40,559,395.95	33,660,781.97	34,961,955.24
Foreign Sales	6,592,703.69	6,067,511.85	4,244,541.92	3,715,657.61
<b>Total Sales</b>	<b>45,003,684.16</b>	<b>46,626,907.80</b>	<b>37,905,323.89</b>	<b>38,677,612.85</b>

## 17. Analysis of other results

### (a) Other income

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

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Income from transport & delivery expenses	489,860.76	540,540.56	434,171.33	428,450.28
Rental Income	85,396.24	105,150.76	170,100.00	210,300.00
Income from commissions, brokerage etc	22,468.80	36,792.60	27,772.95	37,105.84
Income from Grants	157,508.36	132,810.53	117,368.84	101,967.51
Profit from sale of fixed assets	0.00	0.00	0.00	0.00
Income brought forward	26,387.20	18,587.77	0.00	3,879.71
Other income	21,852.78	22,204.25	658.95	17,810.19
<b>Total other operating income</b>	<b>803,474.14</b>	<b>856,086.47</b>	<b>750,072.07</b>	<b>799,513.53</b>

## (b) Other expenses

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

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Bad debts	302,778.84	305,063.08	192,470.77	196,585.38
Losses from sale of fixed assets	0.00	0.00	0.00	0.00
Previous years' expenses	980.99	2,517.49	896.99	2,049.35
Remuneration of Board of Directors	0.00	214,500.00		214,500.00
Other expenses	113,058.70	6,579.63	103,353.80	518.19
<b>Total other operating expenses</b>	<b>416,818.53</b>	<b>528,660.20</b>	<b>296,721.56</b>	<b>413,652.92</b>

## (c) Expenses

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

	GROUP		
	1.1-30.06.11		
	SALES COST	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,129,521.22	1,351,533.99	709,070.92
Third party fees & expenses	248,472.60	184,272.21	414,241.32
Third party benefits	355,244.44	337,785.48	565,256.10
Taxes - dues	36,561.52	28,540.39	30,638.17
Sundry expenses	213,349.28	1,012,390.33	263,612.23
Depreciation	677,755.80	356,118.68	96,688.69
Cost of inventories	36,733,266.05	0.00	0.00
<b>Total</b>	<b>39,394,170.91</b>	<b>3,270,641.08</b>	<b>2,079,507.43</b>

<b>GROUP</b>			
<b>1.1-30.06.10</b>			
	<b>SALES COST</b>	<b>DISTRIBUTION EXPENSES</b>	<b>ADMINISTRATIVE EXPENSES</b>
Employee fees & expenses	1,410,389.51	1,772,407.04	825,883.17
Third party fees & expenses	217,574.84	163,756.80	86,103.21
Third party benefits	348,243.62	257,804.75	274,923.01
Taxes - dues	43,405.07	60,681.24	22,339.69
Sundry expenses	81,996.13	1,196,353.22	221,244.38
Depreciation	613,356.97	330,468.72	98,846.20
Cost of inventories	38,087,620.51	0.00	0.00
<b>Total</b>	<b>40,802,586.65</b>	<b>3,781,471.77</b>	<b>1,529,339.66</b>

<b>COMPANY</b>			
<b>1.1-30.06.11</b>			
	<b>SALES COST</b>	<b>DISTRIBUTION EXPENSES</b>	<b>ADMINISTRATIVE EXPENSES</b>
Employee fees & expenses	911,409.74	1,116,922.59	471,785.15
Third party fees & expenses	219,136.85	120,222.23	389,077.78
Third party benefits	244,893.22	173,129.36	550,130.75
Taxes - dues	21,204.29	24,958.62	26,007.68
Sundry expenses	57,863.09	877,482.39	247,218.60
Depreciation	450,498.91	306,503.96	80,388.22
Cost of inventories	31,110,142.64	0.00	0.00
<b>Total</b>	<b>33,015,148.74</b>	<b>2,619,219.15</b>	<b>1,764,608.18</b>

<b>COMPANY</b>			
<b>1.1-30.06.10</b>			
	<b>SALES COST</b>	<b>DISTRIBUTION EXPENSES</b>	<b>ADMINISTRATIVE EXPENSES</b>
Employee fees & expenses	1,035,668.01	1,504,719.47	630,593.05
Third party fees & expenses	190,200.14	110,028.66	61,965.00
Third party benefits	200,970.73	185,833.49	261,029.22
Taxes - dues	29,676.19	54,164.24	2,255.70
Sundry expenses	55,538.84	901,883.77	198,435.85
Depreciation	399,208.77	304,903.93	84,673.73
Cost of inventories	31,808,259.01	0.00	0.00
<b>Total</b>	<b>33,719,521.69</b>	<b>3,061,533.56</b>	<b>1,238,952.55</b>



(d) Financial expenses – income

The Group's and Company's financial expenses are analyzed as follows:

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Debit interest	1,206,806.52	575,611.24	901,743.68	462,363.88
Other bank expenses and fees	160,459.51	387,375.26	128,974.21	281,063.82
Foreign exchange differences	232,777.30	250,051.00	213,142.46	237,663.25
Losses from Derivatives	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1,600,043.33</b>	<b>1,213,037.50</b>	<b>1,243,860.35</b>	<b>981,090.95</b>

The Group's and Company's financial income is analyzed as follows:

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Credit interest	404,095.95	808,262.92	402,319.74	804,135.81
Receivable credit interest from customers	67,742.98		66,370.45	
Income from participations & securities	0.00	0.00	0.00	0.00
Foreign exchange differences	49,217.05	164,954.47	35,622.50	133,351.16
Profit from derivatives	20,027.15	103,834.12	20,027.15	103,834.12
<b>Total</b>	<b>541,083.13</b>	<b>1,077,051.51</b>	<b>524,339.84</b>	<b>1,041,321.09</b>

(e) Income tax expense

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Results before taxes (taxable)	(1,297,898.36)	(213,597.63)	(402,714.47)	468,851.75
Expenses not recognized	401,883.83	181,117.55	361,566.91	131,148.25
Income not subject to tax	0.00	(700,000.00)	0.00	(700,000.00)
	<b>(896,014.53)</b>	<b>(732,480.08)</b>	<b>(41,147.56)</b>	<b>(100,000.00)</b>
Income tax of current year	0.00	0.00	0.00	0.00
Deferred taxation	177,167.46	250,591.65	237,120.78	345,000.63
Tax audit differences	0.00	530.22	0.00	0.00
Provision for possible tax differences	0.00	0.00	0.00	0.00
<b>Effective tax burden</b>	<b>177,167.46</b>	<b>251,121.87</b>	<b>237,120.78</b>	<b>345,000.63</b>

(f) Other comprehensive income / expenses after taxes

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Foreign exchange differences of consolidation	3,947.12	(162,710.74)	0.00	0.00
Result from cash flow hedge minus the corresponding tax	(21,173.88)	(19,249.15)	(14,546.30)	(161,217.68)
<b>Total</b>	<b>(17,226.76)</b>	<b>(181,959.89)</b>	<b>(14,546.30)</b>	<b>(161,217.68)</b>

## 18. Analysis of earnings per share

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Net earnings corresponding to shareholders	-590,107.31	453,828.13	3,057.04	758,695.17
Number of shares	18,648,000	18,648,000	18,648,000	18,648,000
<b>Earnings / (losses) per share (€)</b>	<b>-0.0316</b>	<b>0.0243</b>	<b>0.0002</b>	<b>0.0407</b>

According to the decision / approval by the Ministry of Finance, Competitiveness and Shipping dated 28/07/2010 under Reg. No. K2-7573, the company's share capital amounted to € 18,648,000 consisting of 18,648,000 common registered shares with a nominal value of € 1 each. As a result of the above, the company and consolidated earnings / (losses) per share of the comparable periods were readjusted in order to render such comparable.

## 19. Transactions with related parties

The amounts of the Group's and Company's sales and purchases, from and towards related parties, as well as the balances of receivables and liabilities, are analyzed as follows:

(a) Income

	COMPANY	
	1.1-30.06	
	2011	2010
Sales of Inventories to Corus-Kalpinis-Simos S.A.	120,129.80	253,360.30
Sales of Inventories to Tata Elastron S.A.	1,400,565.46	2,485,285.20
Sales of Inventories to Steel Center S.A.	118,034.71	58,179.13
Rental Income by Corus –Kalpinis-Simos S.A.	170,100.00	210,300.00
Sales of fixed assets to Tata Elastron S.A.	0.00	0.00
Processing Income from Steel Center S.A.	1,276.27	1,745.13
Income of transfer services from Tata Elastron	3,490.00	581.00
Processing income from Corus-Kalpinis-Simos S.A.	6,134.50	67.12
Processing income from Tata Elastron S.A.	1,213.41	559.35
Income of transfer services from Steel Center S.A.	0.00	0.00
	<b>1,820,944.15</b>	<b>3,010,077.23</b>

(b) Expenses

	COMPANY	
	1.1-30.06	
	2011	2010
Purchases of inventories from Corus-Kalpinis-Simos S.A.	1,001,768.47	336,778.97
Purchases of inventories from Tata Elastron S.A.	913,806.36	592,529.08
Purchases of inventories from Steel Center S.A.	474,687.66	396,116.63
Processing expenses from Tata Elastron S.A.	3,704.50	0.00
Purchases of consumables from Tata Elastron S.A.	0.00	
Purchases of consumables from Corus-Kalpinis-Simos S.A.	70.80	7,374.26
Purchases of fixed assets from Corus-Kalpinis-Simos S.A.	0.00	259.00
Purchases of fixed assets from Steel Center S.A.	0.00	64.19
Processing expenses from Steel Center S.A.	117.72	12,473.99
Purchases of consumables from Steel Center S.A.	1,005.88	1,164.43
Security expenses from Steel Center S.A.	0.00	0.00
	<b>2,395,161.39</b>	<b>1,346,760.55</b>

(c) Receivables

	COMPANY	
	1.1-30.06	1.1-31.12
	2011	2010
From Tata Elastron S.A.	1,019,847.37	1,748,225.32
From Corus-Kalpinis-Simos S.A.	0.00	27,097.45
From Steel Center S.A.	0.00	0.00
From Balkan Iron Group S.R.L.	150,000.00	160,000.00
From Kalpinis Simos Bulgaria EOOD	720,000.00	710,000.00
From Elastron Serbia Doo	0.00	0.00
	<b>1,889,847.37</b>	<b>2,645,322.77</b>

(d) Liabilities

	COMPANY	
	1.1-30.06	1.1-31.12
	2011	2010
To Corus-Kalpinis-Simos S.A.	840,636.75	0.00
To Tata Elastron S.A.	0.00	0.00
To Steel Center S.A.	12,080.92	77,032.27
To Balkan Iron Group Srl	68,000.00	68,000.00
	<b>920,717.67</b>	<b>145,032.27</b>

(e) Income

	GROUP	
	1.1-30.06	
	2011	2010
Sales of inventories to Steel Center S.A.	118,034.71	115,969.88
Processing Income from Steel Center S.A.	1,276.27	1,745.13
Income of transfer services from Steel Center S.A.	80.00	0.00
Rental income from Steel Center S.A.	84.23	
	<b>119,475.21</b>	<b>117,715.01</b>

(f) Expenses

	GROUP	
	1.1-30.06	
	2011	2010
Purchases of inventories from Steel Center S.A.	503,343.03	536,596.34
Purchases of consumables from Steel Center S.A.	1,005.88	1,164.43
Processing expenses from Steel Center S.A.	420.20	20,764.35
Purchases of Fixed Assets from Steel Center S.A.	0.00	64.19
Security expenses from Steel Center S.A.	0.00	0.00
	<b>507,769.11</b>	<b>558,589.31</b>

(g) Receivables

	GROUP	
	1.1 – 30.06	1.1-31.12
	2011	2010
From Steel Center S.A.	103.60	0.00

(h) Liabilities

	GROUP	
	1.1 – 30.06	1.1-31.12
	2011	2010
To Steel Center S.A.	29,885.97	106,475.10

## Transactions and remuneration of management and senior executives

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Transactions and remuneration of Board Members	218,000.00	214,500.00	218,000.00	214,500.00
Transactions and remuneration of senior executives	540,461.56	651,412.95	247,719.10	384,457.13
Transactions and remuneration of other related entities	131,427.59	124,243.13	131,427.59	124,243.13
Receivables from senior executives and Board members	0.00	0.00	0.00	0.00
Liabilities to senior executives and Board members	0.00	0.00	0.00	0.00

## 20. Contingent Liabilities - Receivables

There are no disputes in court or in arbitration, nor are there any decisions by judicial or arbitration bodies that may have a significant impact on the Company's or Group's financial position or operation. The Parent Company has been audited by the tax authorities up to fiscal year 2005 included. The tax audit for fiscal years 2006-2007 is currently in progress.

“CORUS-KALPINIS-SIMOS S.A. COATING MATERIALS” has been audited up to and including fiscal year 2007 and “TATA ELASTRON STEEL SERVICE CENTRE S.A.” has been audited up to and including fiscal year 2006, while it has been submitted to the tax settlement finalization process for 2007. Therefore, tax obligations have not been finalized for the non-audited fiscal years.

The Group and company have made a provision for tax un-audited fiscal years amounting to euro 532.5 thousand and 500 thousand respectively.

The Group and Company incur contingent liabilities and receivables with regard to banks, suppliers, other guarantees and other issues that arise in the context of their ordinary activities, as follows:

	30.06.2011	
	GROUP	COMPANY
Guarantees to secure obligations to suppliers	11,389,572.29	9,142,512.57
Guarantees to secure trade receivables	3,979,250.34	3,289,250.34
Other guarantees	1,978,151.15	1,698,151.15
<b>Total</b>	<b>17,346,973.78</b>	<b>14,129,914.06</b>

## 21. Staff information

### (a) Number of staff

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

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Regular staff	122	138	79	78
Staff on day-wage basis	116	139	92	98
<b>Total staff</b>	<b>238</b>	<b>277</b>	<b>171</b>	<b>176</b>

## (b) Staff remuneration

The remuneration of the Group's and Company's employees is presented in the following table:

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2011	2010	2011	2010
Employee remuneration	2,576,731.38	3,210,952.07	1,968,873.03	2,547,587.75
Employer contributions	455,500.26	768,197.60	325,653.16	605,222.15
Other benefits	20,510.74	29,530.05	12,902.44	18,170.63
<b>Total</b>	<b>3,052,742.38</b>	<b>4,008,679.72</b>	<b>2,307,428.63</b>	<b>3,170,980.53</b>

## 22. Government Grants

	30.06.2011		31.12.2010	
	GROUP	COMPANY	GROUP	COMPANY
Grants on completed investments	7,109,483.09	5,469,852.66	6,014,429.10	4,698,487.74
Grants on revenue for financial year 2011 / 2010	(157,508.36)	(117,368.84)	(276,882.77)	(215,756.48)
Grants on revenue from previous financial years	(612,506.06)	(484,039.25)	(335,623.29)	(268,282.77)
<b>Balance on deferred income</b>	<b>6,339,468.67</b>	<b>4,868,444.57</b>	<b>5,401,923.04</b>	<b>4,214,448.49</b>
Short-term portion	311,325.63	234,737.67	279,398.63	215,756.48
Long-term portion	6,028,143.04	4,633,706.90	5,122,524.41	3,998,692.01
Received Prepayment	2,363,511.79	1,543,773.77	2,363,511.78	1,543,773.77
Receivable from Grant	4,745,971.30	3,926,078.89	3,650,917.32	3,154,713.97

### (a) ELASTRON S.A. - STEEL PRODUCTS

On 22 December 2006 the Ministry of Development approved a five-year investment plan worth € 14.7 million. A grant for 35% of the above amount is anticipated.

### (b) CORUS - KALPINIS – SIMOS S.A. COVERING MATERIALS S.A

On 13 October 2008 the Ministry of Economy and Finance approved a new two-year investment plan worth € 2.43 million. A grant for 25% of the above amount is anticipated.

### (c) TATA ELASTRON S.A. STEEL SERVICE CENTRE S.A.

On 23.07.08 the Ministry of Economy and Finance approved a new two-year investment plan worth €11.6 million. A grant for 25% of the above amount is anticipated.

### (d) Proceeds on account of Grants

In June 2007 ELASTRON S.A. received an advance payment of €1.54 million, corresponding to 30% of the total grant amount, making use of the option of a lump sum advance payment. Until 31/12/2010, CORUS - KALPINIS – SIMOS S.A. had received an advance payment of € 182,250.00 for the grant until 30.06.2011. On 15/04/2009 TATA ELASTRON S.A. received an advance payment of €1,457,226.

The above investments are executed at the facilities of the companies in Aspropyrgos and Skaramaga Attica, as well as at the industrial area of Sindos in Thessalonica. The companies CORUS – KALPINIS – SIMOS S.A. and TATA ELASTRON S.A. have completed the total approved investment, while the parent company has submitted a request to extend the completion of the approved investment until August 2013.

The investment cost grant is subject to limitations and conditions that are reasonably expected to be implemented in whole. For this reason the Company and Group account for grant receivables against completed investments.

The government grants that refer to expenses are deferred and registered in the results when the granted expense is registered, in order to match the income with the expense.

## *23. Exchange rates*

The exchange rates used to translate the financial statements of the company “BALKAN IRON GROUP SRL”, from foreign currency to € are the following:

### **30.06.2011**

1 € = 4.2435 RON (Exchange rate used in the Statement of Financial Position)

1 € = 4.1798 RON (Exchange rate used in the Statement of Comprehensive Income)

### **30.06.2010**

1 € = 4.3688 RON (Exchange rate used in the Statement of Financial Position)

1 € = 4.1480 RON (Exchange rate used in the Statement of Comprehensive Income)

## *24. Events after the end of the reporting period*

There were no events that would affect the financial statements.

Aspropyrgos, 24 August 2011

THE CHAIRMAN OF THE BOARD

THE DEPUTY CEO

THE CHIEF FINANCIAL OFFICER

PANAGIOTIS SIMOS

ID No.AE 063856

STYLIANOS KOUTSOTHANASSIS

ID No.AB 669589

STATHIS LAGIOS

ID No. N 133407

Prof. License No. 0020811

THE CHIEF ACCOUNTANT

VASILIS MANESIS

ID No. AE 008927

Prof. License No. 0072242



The following figures which stem from the financial statements, aim at providing general information about the financial standing and results of the company ELASTRON S.A. Therefore, before proceeding to any manner of investment or other transaction with the Company, readers are advised to visit the company's site where the financial statements and the auditor's report, are posted.

(Amounts in thousand euros)

**COMPANY DETAILS**

Competent Authority:	Ministry of Development, Department of S.A. & Credit
Company's website:	<a href="http://www.elastron.gr">http://www.elastron.gr</a>
Date of approval of the annual financial statements by the BoD:	29/08/2011
Certified Auditors - Accountants:	Ioannis Tr. Karalis
Audit firm:	SOL SA
Type of audit report:	Unqualified Opinion

**STATEMENT OF FINANCIAL POSITION**

	GROUP		COMPANY	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
<b>ASSETS</b>				
Own use fixed assets	54.478,75	55.463,29	43.653,71	44.374,22
Investments in real estate	1.109,13	1.109,87	1.109,13	1.109,87
Intangible Assets	80,83	106,49	53,44	70,52
Other non current assets	2.252,03	2.417,91	10.698,47	10.912,82
Inventory	25.346,85	20.667,94	20.860,74	16.210,48
Trade receivables	44.050,40	43.317,62	37.953,64	36.237,97
Other current assets	26.433,72	34.207,01	23.123,21	31.411,06
<b>TOTAL ASSETS</b>	<b>153.751,71</b>	<b>157.290,13</b>	<b>137.452,34</b>	<b>140.326,94</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	18.648,00	18.648,00	18.648,00	18.648,00
Other company's shareholders equity	61.522,10	62.129,43	61.265,23	61.276,72
Tota company's shareholders equity (a)	80.170,10	80.777,43	79.913,23	79.924,72
Minority interests (b)	0,00	0,00	0,00	0,00
<b>Total equity (c) = (a) + (b)</b>	<b>80.170,10</b>	<b>80.777,43</b>	<b>79.913,23</b>	<b>79.924,72</b>
Long term borrowings	24.639,49	31.256,17	21.500,00	27.000,00
Provisions / Other long term liabilities	6.665,82	5.782,50	5.146,61	4.516,91
Short term borrowings	31.011,79	26.694,37	21.120,00	19.105,12
Other short term liabilities	11.264,51	12.779,66	9.772,50	9.780,19
<b>Total liabilities (d)</b>	<b>73.581,61</b>	<b>76.512,70</b>	<b>57.539,11</b>	<b>60.402,22</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>153.751,71</b>	<b>157.290,13</b>	<b>137.452,34</b>	<b>140.326,94</b>

**STATEMENT OF COMPREHENSIVE INCOME (GROUP)**

	1.1-30.6.2011	1.1-30.6.2010	1.4-30.6.2011	1.4-30.6.2010
	Turnover	45.003,68	46.626,91	23.351,04
Gross Profit/(Loss)	5.609,51	5.824,32	2.379,36	3.520,73
Profit/(Loss) before taxes, financing and investments	646,02	840,94	-69,57	887,22
Profit/(Loss) before taxes	-412,94	704,95	-718,80	481,88
<b>Profit/(Loss) after taxes (a)</b>	<b>-590,11</b>	<b>453,83</b>	<b>-471,57</b>	<b>427,09</b>
Attributable to:				
Shareholders	-590,11	453,83	-471,57	427,09
Minority interest	0,00	0,00	0,00	0,00
Other comprehensive income after tax (b)	-17,22	-181,96	260,71	-12,20
<b>Cumulative comprehensive income after tax (a)+(b)</b>	<b>-607,33</b>	<b>271,87</b>	<b>-210,86</b>	<b>414,89</b>
Attributable to:				
Shareholders	-607,33	271,87	-210,86	414,89
Minority interest	0,00	0,00	0,00	0,00
Earnings / (Losses) after taxes - basic per share (in €)	-0,0316	0,0243	-0,0253	0,0229
Profit/(Loss) before taxes, financing investments and depreciation	1.619,07	1.751,02	415,51	1.347,03

**STATEMENT OF COMPREHENSIVE INCOME (COMPANY)**

	1.1-30.6.2011	1.1-30.6.2010	1.4-30.6.2011	1.4-30.6.2010
	Turnover	37.905,32	38.677,61	19.941,32
Gross Profit/(Loss)	4.890,18	4.958,09	2.150,45	2.958,82
Profit/(Loss) before taxes, financing and investments	959,70	1.043,47	222,58	904,82
Profit/(Loss) before taxes	240,18	1.103,70	-241,01	609,71
<b>Profit/(Loss) after taxes (a)</b>	<b>3,06</b>	<b>758,70</b>	<b>-127,56</b>	<b>519,77</b>
Attributable to:				
Shareholders	3,06	758,70	-127,56	519,77
Minority interest	0,00	0,00	0,00	0,00
Other comprehensive income after tax (b)	-14,55	-161,22	277,90	37,48
<b>Cumulative comprehensive income after tax (a)+(b)</b>	<b>-11,49</b>	<b>597,48</b>	<b>150,34</b>	<b>557,25</b>
Attributable to:				
Shareholders	-11,49	597,48	150,34	557,25
Minority interest	0,00	0,00	0,00	0,00
Earnings / (Losses) after taxes - basic per share (in €)	0,0002	0,0407	-0,0068	0,0279
Profit/(Loss) before taxes, financing investments and depreciation	1.679,72	1.730,28	582,49	1.251,54

**STATEMENT OF CHANGES IN EQUITY**

	GROUP		COMPANY	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
Total equity at the beginning of the period (01.01.2011 and 01.01.2010 respectively)	80.777,43	81.604,83	79.924,72	79.872,22
Cumulative comprehensive income after tax (continued and discontinued operations)	-607,33	271,87	-11,49	597,48
Share capital increase / (decrease)	0,00	0,00	0,00	0,00
Distributed dividends	0,00	0,00	0,00	0,00
<b>Total equity at the end of the period (30.6.2011 and 30.6.2010 respectively)</b>	<b>80.170,10</b>	<b>81.876,70</b>	<b>79.913,23</b>	<b>80.469,70</b>

**ASPROPIRGOS, AUGUST 26, 2011**

THE CHAIRMAN OF THE BOD	DEPUTY MANAGING DIRECTOR	THE FINANCIAL SERVICES DIRECTOR
PANAGIOTIS SIMOS ID CARD No AE 063856/07	STILIANOS KOUTSOTHANASIS ID CARD No AB 669589/06	STATHIS LAGIOS ID CARD No N 133407 A CLASS LICENSE NUMBER 0020811
THE CHIEF ACCOUNTANT		
VASILIS MANESIS ID CARD No AE 008927 A CLASS LICENSE NUMBER 0072242		

**CASH FLOW STATEMENT FOR THE PERIOD**

	GROUP		COMPANY	
	1.1-30.06.2011	1.1-30.06.2010	1.1-30.06.2011	1.1-30.06.2010
<b>Operating activities</b>				
Profit / (Loss) before taxes	-412,94	704,95	240,18	1.103,70
Plus/less adjustments for:				
Depreciation	1.130,56	1.042,89	837,39	788,79
Depreciation of Grants	-157,51	-132,81	-117,37	-101,98
Provisions	-22,98	-127,86	-5,32	-132,22
Foreign exchange differences	0,00	113,10	0,00	113,11
Results (income, expenses, profit & loss) from investments	-325,50	-829,35	-322,35	-825,22
Interest & related expenses	1.597,32	1.213,03	1.243,86	981,07
Plus/less adjustments for changes in working capital or related to operating activities				
Decrease / (Increase) of inventory	-4.678,91	-1.728,15	-4.650,26	-528,87
Decrease / (Increase) of receivables	-2.139,39	-3.488,48	-2.923,96	-2.706,47
Decrease / (Increase) of liabilities (excl. banks)	-362,26	-6.484,97	834,98	-7.248,06
Interest charges & related expenses paid	-1.719,08	-959,43	-1.328,98	-770,32
Paid taxes	-28,86	-42,01	-27,97	-16,20
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>-7.119,55</b>	<b>-10.719,09</b>	<b>-6.219,80</b>	<b>-9.342,67</b>
<b>Investing activities</b>				
Acquisition of affiliates, subsidiaries, joint ventures and other investments	0,00	-10,00	0,00	-10,00
Acquisition of tangible and intangible fixed assets	-199,54	-2.364,19	-180,19	-2.261,03
Purchase - sale of securities	0,00	0,00	0,00	0,00
Proceeds from the sale of tangible and intangible fixed assets	0,00	0,00	0,00	0,00
Interest received	305,46	725,52	302,32	721,39
Dividends received	0,00	0,00	0,00	0,00
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>105,92</b>	<b>-1.648,67</b>	<b>122,13</b>	<b>-1.549,64</b>
<b>Financing activities</b>				
Proceeds from share capital increase	0,00	0,00	0,00	0,00
Proceeds from bank loans	30.000,46	39.243,30	27.950,00	36.250,00
Repayments of loans	-32.177,96	-16.391,68	-31.350,00	-14.950,00
Dividends paid	-9,15	-4,54	-9,15	-4,54
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>-2.186,65</b>	<b>22.847,08</b>	<b>-3.409,15</b>	<b>21.295,46</b>
Cash flow Foreign Exchange Differences	3,95	-19,25	0,00	0,00
<b>Net increase / (decrease) on cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>-9.196,33</b>	<b>10.460,07</b>	<b>-9.506,82</b>	<b>10.403,15</b>
Cash and cash equivalents at the beginning of the period	27.978,72	16.936,15	27.026,78	16.326,82
<b>Cash and cash equivalents at the end of the period</b>	<b>18.782,39</b>	<b>27.396,22</b>	<b>17.519,96</b>	<b>26.729,97</b>

**ADDITIONAL DATA & INFORMATION**

- The Group's structure is illustrated in note 2.3 of the financial statements.
- Note 22 of the financial statements includes reference to the Group's unaudited fiscal years
- The number of employed personnel as of 30.06.2011 was 238 people for the Group and 171 people for the Company while on 30.06.2010 that number was 176 for the Group and 206 people for the Company.
- There are no Company disputes in litigation or arbitration nor court or arbitration bodies judgments that might significantly affect the financial status or operation of the Company and the Group.
- There are no liens on the fixed assets of the Company and the Group
- The provisions of the Group and the Company as of 30.6.2010 are the following:

	GROUP	COMPANY
a) Any form of litigations or arbitrations	-	-
b) Tax unaudited fiscal years	532,50	500,00
c) Inventory impairment provisions	-	-
- Amounts of sales and purchases of the Group and the Company to and from associated parties for the period from 1.1.2010 to 30.6.2010 as well as the balances of receivables and obligations are analyzed as follows (amounts in thousand €):

	GROUP	COMPANY
a) Revenues	119,48	1.820,94
b) Expenses	507,77	2.395,16
c) Receivables	0,10	1.889,85
d) Payables	29,89	920,72
e) Transactions and fees of executives and Directors of the Board:	889,89	597,15
f) Receivables from executives and Directors of the Board	0,00	0,00
g) Liabilities to executives and Directors of the Board	0,00	0,00
- The consolidated comprehensive income / (other expenses) after tax formed at € (17,22) th. and includes foreign exchange differences from the conversion of the financial statement of the company BALKAN IRON GROUP SRL, amount € 3,95 th. and the result from cash flow hedging of amount € (21,17) th. The company comprehensive income / (other expenses) after tax formed at € (14,55) th. and includes the result from cash flow hedging. Note No 19 of the financial statements refers to other comprehensive income / (expenses).
- On 14.07.2011, the Repeated General Shareholders' Meeting approved the expansion of the company's objective with the aim to include activities in the sector of production and trade of electric energy from renewable sources. Additionally, the Repeated General Shareholder's Meeting approved the partial amendment of Resolution No. 6 of the Ordinary General Meeting dated 30.06.2010 with the corresponding amendment of article 5 of the Articles of Association and committing funds of "Extraordinary reserves" for the company's participation in an investment of L. 3299/2004.