

**ELASTRON S.A. – STEEL SERVICE CENTERS**

**Company Reg. No. 7365/06/B/86/32**

**Interim Condensed Financial Statements**

**for the period**

**from January 1<sup>st</sup> to March 31<sup>st</sup> 2015**

**In accordance with the International Financial Reporting Standards**

It is ascertained that the accompanying Interim Condensed Financial Statements are those approved by the Board of Directors of ELASTRON S.A. – STEEL SERVICE CENTERS on May 27<sup>th</sup> 2015 and have been posted on the internet, on the website [www.elastron.gr](http://www.elastron.gr). It is noted that the published in the Internet condensed financial information aim at providing readers with general financial information but do not provide a complete picture of the Company's and Group's financial position and results according to the International Financial Reporting Standards (I.F.R.S.). Also, it is noted that for simplification purposes, the published in the Internet condensed financial information include several groupings and reclassifications of accounts.

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## 1. Statement of Financial Position

(Amounts in €)

	Note	GROUP		COMPANY	
		31.03.2015	31.12.2014	31.03.2015	31.12.2014
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Self-used tangible assets	6	51,387,972.19	51,503,247.76	43,118,809.09	43,135,522.14
Investment property	6,7	12,894.78	13,263.20	12,894.78	13,263.20
Intangible assets	6	8,551.31	9,963.80	2,441.21	3,174.80
Investment in associates, subsidiaries and joint ventures	2.3	4,357,856.70	4,691,760.25	11,368,113.70	12,318,113.70
Long term receivables	8	1,848,296.69	1,856,927.68	3,496,558.57	3,505,189.56
<b>Total Non Current Assets</b>		<b>57,615,571.67</b>	<b>58,075,162.69</b>	<b>57,998,817.35</b>	<b>58,975,263.40</b>
<b>Current Assets</b>					
Inventories	9	19,131,971.00	21,667,314.04	18,995,514.07	21,626,017.60
Customers	8	19,671,537.66	18,249,230.37	19,979,093.15	18,539,166.68
Other receivables	8,17	2,720,897.22	2,110,710.46	2,637,148.69	1,831,384.81
Securities		38,500.00	38,500.00	38,500.00	38,500.00
Cash and cash equivalents	11	5,045,950.13	12,395,545.79	4,472,166.52	10,720,532.94
Derivatives	10	180,765.55	309,235.17	180,765.55	309,235.17
<b>Total Current Assets</b>		<b>46,789,621.56</b>	<b>54,770,535.83</b>	<b>46,303,187.98</b>	<b>53,064,837.20</b>
<b>Total Assets</b>		<b>104,405,193.23</b>	<b>112,845,698.52</b>	<b>104,302,005.33</b>	<b>112,040,100.60</b>
<b>EQUITY</b>					
<b>Shareholders' equity</b>					
Share capital	12	18,435,000.00	18,435,000.00	18,435,000.00	18,435,000.00
Share premium	12	11,171,177.70	11,171,177.70	11,171,177.70	11,171,177.70
Other reserves	12	21,451,695.05	21,451,695.05	20,894,493.73	20,894,493.73
Treasury shares	12	(5,530.90)	(3,624.10)	(5,530.90)	(3,624.10)
Retained earnings	12	14,201,531.89	15,001,392.77	19,689,318.12	20,024,169.95
<b>Total shareholders' equity</b>		<b>65,253,873.74</b>	<b>66,055,641.42</b>	<b>70,184,458.65</b>	<b>70,521,217.28</b>
Minority interest	12	19,654.73	21,650.10	0.00	0.00
<b>Total equity</b>		<b>65,273,528.47</b>	<b>66,077,291.52</b>	<b>70,184,458.65</b>	<b>70,521,217.28</b>
<b>LIABILITIES</b>					
<b>Long-Term liabilities</b>					
Loans	14	12,824,650.00	11,109,450.00	12,424,650.00	10,709,450.00
Provisions for employee benefits	16	457,389.11	444,876.14	453,389.11	444,876.14
Grants (deferred income)	25	4,983,442.49	5,068,701.31	3,648,980.95	3,719,433.52
Other long-term liabilities	13	266,888.12	266,888.12	266,888.12	266,888.12
Deferred income tax	15	841,271.05	739,838.65	753,815.67	731,140.15
<b>Total Long-term Liabilities</b>		<b>19,373,640.77</b>	<b>17,629,754.22</b>	<b>17,547,723.85</b>	<b>15,871,787.93</b>
<b>Short-Term Liabilities</b>					
Suppliers		6,286,255.77	15,534,279.16	6,244,711.25	15,404,793.82
Other liabilities	13	842,078.11	954,390.70	797,957.00	908,257.31
Grants (deferred income)	25	238,669.71	213,078.32	202,354.57	182,490.64
Derivatives	10	0.00	0.00	0.00	0.00
Short-Term Loans	14	12,391,020.40	12,436,904.60	9,324,800.01	9,151,553.62
<b>Total Short-Term Liabilities</b>		<b>19,758,023.99</b>	<b>29,138,652.78</b>	<b>16,569,822.83</b>	<b>25,647,095.39</b>
<b>Total Liabilities</b>		<b>39,131,664.76</b>	<b>46,768,407.00</b>	<b>34,117,546.68</b>	<b>41,518,883.32</b>
<b>Total Equity and Liabilities</b>		<b>104,405,193.23</b>	<b>112,845,698.52</b>	<b>104,302,005.33</b>	<b>112,040,100.60</b>

## 2. Statement of Comprehensive Income

(Amounts in €)	GROUP				COMPANY	
	Note	1.1 – 31.03.15	1.1 – 31.03.14	1.1 – 31.03.15	1.1 – 31.03.14	
Sales	18	14,592,509.17	11,715,664.82	14,291,501.65	11,345,189.02	
Cost of sales	19	-13,289,156.22	-10,575,521.86	-13,105,142.99	-10,373,049.65	
<b>Gross profit / (loss)</b>		<b>1,303,352.95</b>	<b>1,140,142.96</b>	<b>1,186,358.66</b>	<b>972,139.37</b>	
Other income	19	305,902.07	252,050.24	362,611.41	318,047.45	
Distribution expenses	19	-1,023,069.64	-900,790.50	-1,011,065.50	-900,790.50	
Administration expenses	19	-515,052.73	-527,527.06	-495,841.72	-469,591.21	
Other expenses	19	-122,031.38	-472,320.05	-114,697.03	-64,341.34	
<b>Earnings / (losses) before interest and taxes (EBIT)</b>		<b>-50,898.73</b>	<b>-508,444.41</b>	<b>-72,634.18</b>	<b>-144,536.23</b>	
Financial income	19	271,098.82	70,972.94	282,716.51	70,954.43	
Financial cost	19	-586,720.41	-350,160.38	-522,258.64	-280,814.47	
Income/(expenses) of companies consolidated with the equity method	19	-333,903.53	-341,261.37	0.00	0.00	
<b>Earnings / (losses) before taxes (EBT)</b>		<b>-700,423.85</b>	<b>-1,128,893.22</b>	<b>-312,176.31</b>	<b>-354,396.27</b>	
Income Tax	19	-101,432.40	-125,002.80	-22,675.52	-43,160.30	
<b>Earnings / (losses) after taxes (EAT) (a)</b>		<b>-801,856.25</b>	<b>-1,253,896.02</b>	<b>-334,851.83</b>	<b>-397,556.57</b>	
<b>Attributed to:</b>						
Shareholders of the parent		-799,860.88	-1,245,115.41	-334,851.83	-397,556.57	
Minority interest		-1,995.37	-8,780.61			
Other comprehensive income / (expenses) after taxes (b)	19		45,551.65		45,551.65	
<b>Total comprehensive income after taxes (a) + (b)</b>		<b>-801,856.25</b>	<b>-1,208,344.37</b>	<b>-334,851.83</b>	<b>-352,004.92</b>	
<b>Attributed to:</b>						
Shareholders of the parent		-799,860.88	-1,199,563.76	-334,851.83	-352,004.92	
Minority interest		-1,995.37	-8,780.61			
Earnings / (losses) after taxes per share – basic (in €)	20	-0.0434	-0.0675	-0.0182	-0.0216	
<b>Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)</b>		<b>429,297.32</b>	<b>-69,856.61</b>	<b>300,535.22</b>	<b>192,560.94</b>	

### 3. Statement of Changes in Equity

#### (A) 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 1.1.2013</b>	<b>29,819,177.70</b>	<b>21,326,494.80</b>	<b>18,670,987.39</b>	<b>38,650.44</b>	<b>69,855,310.33</b>
Profit / (Loss) for the period	0.00	0.00	-3,680,903.89	-5,691.07	-3,686,594.96
Share capital decrease via the cancellation of treasury shares	-213,000.00	126,477.61	0.00	0.00	-86,522.39
Purchase of treasury shares	0.00	-4,901.46	0.00	0.00	-4,901.46
Decrease of minority interests due to share capital increase of subsidiaries	0.00	0.00	11,309.27	-11,309.27	0.00
<b>Balance on 31.12.2014</b>	<b>29,606,177.70</b>	<b>21,448,070.95</b>	<b>15,001,392.77</b>	<b>21,650.10</b>	<b>66,077,291.52</b>
Profit / (Loss) for the period	0.00	0.00	-799,860.88	-1,995.37	-801,856.25
Purchase of treasury shares	0.00	-1,906.80	0.00	0.00	-1,906.80
<b>Balance on 31.03.2015</b>	<b>29,606,177.70</b>	<b>21,446,164.15</b>	<b>14,201,531.89</b>	<b>19,654.73</b>	<b>65,273,528.47</b>

#### (B) 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 1.1.2013</b>	<b>29,819,177.70</b>	<b>20,769,293.48</b>	<b>21,926,394.61</b>	<b>72,514,865.79</b>
Profit / (Loss) for the period	0.00	0.00	-1,902,224.66	-1,902,224.66
Share capital decrease	-213,000.00	126,477.61	0.00	-86,522.39
Purchase of treasury shares	0.00	-4,901.46	0.00	-4,901.46
<b>Balance on 31.12.2014</b>	<b>29,606,177.70</b>	<b>20,890,869.63</b>	<b>20,024,169.95</b>	<b>70,521,217.28</b>
Profit / (Loss) for the period	0.00	0.00	-334,851.83	-334,851.83
Share capital decrease	0.00	0.00	0.00	0.00
Purchase of treasury shares	0.00	-1,906.80	0.00	-1,906.80
<b>Balance on 31.03.2015</b>	<b>29,606,177.70</b>	<b>20,888,962.83</b>	<b>19,689,318.12</b>	<b>70,184,458.65</b>

## 4. Statement of Cash Flows

(Amounts in €)	GROUP		COMPANY	
	1.1-31.03.2015	1.1-31.03.2014	1.1-31.03.2015	1.1-31.03.2014
<b>Operating Activities</b>				
Earnings before Tax (EBT)	-700,423.85	-1,128,893.22	-312,176.31	-354,396.27
Plus / minus adjustments for:				
Depreciation & amortization	539,863.48	483,393.41	423,758.04	381,902.78
Depreciation of grants	-59,667.43	-44,805.61	-50,588.64	-44,805.61
Provisions	12,512.97	7,743.35	8,512.97	7,743.41
Impairment of assets	72,777.09	57,736.35	72,777.09	57,736.35
Results (income, expenses, profit and loss) from investment activity	420,904.27	292,761.11	90,383.05	-48,481.75
Debit interest and related expenses	586,720.41	350,160.38	522,258.64	280,814.47
	872,686.94	18,095.77	754,924.84	280,513.38
Plus/minus adjustments for changes in working capital accounts or those related to operating activities				
Decrease / (increase) of inventories	2,535,343.04	-238,840.73	2,630,503.53	-238,840.73
Decrease / (increase) of receivables	-2,095,705.65	990,011.66	-2,309,409.30	894,810.63
(Decrease) / increase of liabilities (apart from banks)	-9,360,335.96	-904,963.35	-9,270,382.88	-1,980,569.28
Minus:				
Debit interest and related expenses paid	-476,458.63	-399,460.56	-433,812.25	-330,137.65
Taxes paid	-934.50	-12,047.23	-427.15	-7,697.75
<b>Total inflows/(outflows) from operating activities (a)</b>	<b>-8,525,404.76</b>	<b>-547,204.44</b>	<b>-8,628,603.21</b>	<b>-1,381,921.40</b>
<b>Investment Activities</b>				
Acquisition of subsidiaries, associates, joint ventures and other investments	0.00	0.00	950,000.00	0.00
Purchase – Sale of Securities	-1,906.80	-124.70	-1,906.80	-124.70
Purchase of tangible and intangible fixed assets	-422,806.98	-733,105.09	-405,942.98	-142,645.81
Proceeds from sales of tangible and intangible assets	11,560.00	0.00	11,560.00	0.00
Interest received	29,908.88	48,500.26	26,526.57	48,481.75
Dividends received	0.00	0.00	0.00	0.00
<b>Total cash inflows/(outflows) from investment activities (b)</b>	<b>-383,244.90</b>	<b>-684,729.53</b>	<b>580,236.79</b>	<b>-94,288.76</b>
<b>Financial Activities</b>				
Proceeds from share capital increase	0.00	0.00	0.00	0.00
Amounts collected from issued / received Loans	7,600,000.00	22,000.00	7,600,000.00	0.00
Loan repayments	-6,040,946.00	-740,946.00	-5,800,000.00	-500,000.00
Dividends Paid	0.00	0.00	0.00	0.00
<b>Total cash inflows/(outflows) from financial activities (c)</b>	<b>1,559,054.00</b>	<b>-718,946.00</b>	<b>1,800,000.00</b>	<b>-500,000.00</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>-7,349,595.66</b>	<b>-1,950,879.97</b>	<b>-6,248,366.42</b>	<b>-1,976,210.16</b>
Cash and cash equivalents at the beginning of the period	12,395,545.79	8,998,713.59	10,720,532.94	8,867,357.78
<b>Cash and cash equivalents at the end of the period</b>	<b>5,045,950.13</b>	<b>7,047,833.62</b>	<b>4,472,166.52</b>	<b>6,891,147.62</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 Interim Condensed Financial Statements of 31.03.2015 was approved by the Company's Board of Directors on 27.05.2015.

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

#### **2.1 New standards, interpretations and amendments of existing standards**

The following new standards, amendments of standards and interpretations have been issued and have mandatory application for annual accounting periods beginning on 1 January 2014 or after. The effect from the adoption of these new standards, amendments and interpretations is presented below.

#### **Group of standards regarding consolidation and joint arrangements**

In May 2011, the IASB published 3 new standards, IFRS 10 "Consolidated financial statements", IFRS 11 "Joint arrangements" and IFRS 12 "Disclosure of interests in other entities" and the amendments to IAS 27 "Separate financial statements" and IAS 28 "Investments in associates and joint ventures". The above standards and amendments have mandatory application from the current financial year.

The main provisions of the standards and their effect on the financial statements of the Group are presented below:

- **IAS 27 (amended) "Separate Financial Statements"**

This Standard was published together with IFRS 10 "Consolidated financial statements". The two standards replace IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 includes the accounting requirements and the disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. The Standard requires that entities that prepare separate financial statements must account for investments at cost or according to IAS 39 or IFRS 9 "Financial Instruments".

- **IAS 28 (amended) "Participations in Associates and Joint Ventures"**

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to define the accounting treatment relating to investments in associates and to present the requirements for the application of the equity method during the accounting



registration of investments in associates and joint ventures, as such are defined in IFRS “Joint arrangements”.

- **IFRS 10 “Consolidated Financial Statements”**

IFRS 10 sets the principles for the presentation and preparation of consolidated financial statements, when an entity controls one or more entities. IFRS 10 replaces the consolidation requirements that were included in IAS 27 “Consolidated and Separate Financial Statements” and Interpretation 12 “Consolidation – special purpose vehicles”. IFRS 10 is based on the existing principles, defining the definition of control as the definitive factor for whether the entity must be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the definition of control, when such is difficult to be assessed.

- **IFRS 11 “Joint arrangements”**

IFRS 11 replaces IAS 31 “Interests in joint ventures” and SIC 13 “Jointly controlled entities – non-monetary contributions from venturers”. IFRS 11 provides a more realistic treatment of joint arrangements, focusing on the rights and obligation rather than their legal form. The types of arrangements are limited to two: jointly controlled activities and joint ventures. The method of proportionate consolidation is no longer permitted. Participants in a joint venture must apply consolidation based on the equity method. Entities that participate in jointly controlled activities apply a similar accounting treatment as that applied currently by participants in jointly controlled assets or jointly controlled activities. This standard also provides clarification regarding the participants in joint arrangements, without joint control.

- **IFRS 12 “Disclosure of interests in other entities”**

IFRS 12 refers to the disclosure requirements of an entity, including significant judgments and assumptions, which allow readers of the financial statements to evaluate the nature, risks and economic effects related to the interest of the entity in subsidiaries, associates, joint arrangements and non-consolidated entities (structured entities). An entity has the option to proceed with some or all of the above disclosures without the obligation to apply IFRS 12 overall or IFRS 10 or 11 or the amended IAS 27 or 28.

#### **Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition guidance**

The amendments were issued by the IASB on June 28<sup>th</sup> 2012 and provide additional relief as regards to the transition to IFRS 10, IFRS 11 and IFRS 12, by limiting the obligation to provide comparative information only for the immediately preceding comparative period. For disclosures related to non-consolidated structured entities, the amendments delete the requirement to present comparative information for periods before the first implementation of IFRS 12.

#### **Amendments to IFRS 10, IFRS 12 and IAS 27 – consolidation exemptions for Investment Entities**

The amendments that were issued by the IASB on October 31<sup>st</sup> 2012 provide an exemption from the consolidation requirements for Investment Entities, which instead must present their investments in subsidiaries as a net investment measured at fair value with the changes in the results for the year. The amendment had no impact on the financial statements of the Company and the Group.

#### **Standards and Interpretations mandatory for the current financial year 2014**

##### **IAS 32 (Amendment) “Financial instruments: Presentation” and IFRS 7 (Amendment) “Financial Instruments: Disclosures – Offsetting of financial assets and financial liabilities”**

The amendment of IAS 32 refers to the application guidance of the standard in relation to offsetting a financial asset and a financial liability and to the relevant disclosures of IFRS 7. The amendment had no impact on the financial statements of the Company and the Group.

##### **IAS 36 (Amendment) “Impairment of Assets - Recoverable amount disclosures of non financial assets”**

The amendment introduces the disclosure of information on the recoverable amount of impaired assets if the amount is based on fair value less the disposal cost. The amendment is effective for annual periods beginning on or after January 1, 2014 and has not been adopted by the European Union. The amendment had no impact on the financial statements of the Company and the Group.

**IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement - Novation of derivatives and continuation of hedge accounting"**

The amendment allows the continuation of hedge accounting in a situation where a derivative, that has been designated as a hedging instrument, is novated in order to be cleared with a new central counterparty as a result of laws or regulations, provided certain conditions are met. The amendment is effective for annual periods beginning on or after January 1, 2014. The amendment had no impact on the financial statements of the Company and the Group.

**Standards and Interpretations mandatory for future periods which have not been adopted on a prior basis by the Company and the Group**

**The following new standards, amendments of standards and interpretations have been issued but they are mandatory for future periods. The Company and the Group have not adopted the following standards on a prior basis and examine their effect on the financial statements.**

**IFRIC 21 "Levies"**

The Interpretation clarifies that the "event which is equivalent to a commitment" and generates an obligation for payment of a levy is the activity prescribed in the relevant legislation which activates the payment of the levy. The interpretation is applied to the annual accounting periods starting on or after 17<sup>th</sup> June 2014 and is not expected to have a significant effect on the financial statements of the Company and the Group.

**IAS 19 (Amendment) "Employee benefits" – "Contributions from employees"**

The amendment clarifies the manner by which contributions from employees or third parties related to the service should be attributed to periods of service. Furthermore, it provides a practical solution if the amount of contributions is independent of the number of years in service. The amendment is effective for annual periods beginning on or after January 1, 2014 and has not been adopted by the European Union.

**IFRS 9 "Financial Instruments"**

IFRS 9 is to replace IAS 39. The sections of IFRS 9 which were issued in November 2009 and October 2010 replace the sections of IAS 39 which relate to the classification and measurement of the financial assets and liabilities. In November 2013, IASB added to IFRS 9 the requirements concerning the hedge accounting. In later phase, new requirements will be added with regard to the impairment of the financial instruments. The Company (or and the Group) is (are) in the process for the estimation of IFRS 9 on its financial statements.

The date concerning the mandatory adoption of the standard will be defined by IASB within 2014, with the standard's completion. Earlier adoption of the standard for the part that has been issued is allowed. The Company and the Group cannot proceed with an earlier application since the standard has not been adopted by the European Union.

**IFRS 7 (Amendment) "Financial Instruments: Disclosures"**

On 16.12.2011, the International Accounting Standards Board (IASB) issued an amendment to IFRS 7, based on which new disclosures were added to the standard with regard to the transition to IFRS 9. The amendment has not been adopted by the European Union. The Company and the Group examine the effect from the adoption of the standard on the financial statements.

**Amendments to standards that constitute part of the annual improvements program of the IASB - International Accounting Standards Board**

The IASB in the context of the annual improvements program issued on December 2013 two cycles of limited amendments to existing standards. These amendments are applicable for periods starting on or after 1<sup>st</sup> July 2014 and have not been adopted by the European Union. The following amendments are not expected to have significant effect on the financial statements of the Company and the Group, unless it is otherwise noted.

**Annual Improvements in the IFRS 2010 – 2012**

**IFRS 2 “Share-based payment”**

The definitions of the “vesting conditions” and the “market conditions” are amended, and definitions regarding the “performance conditions” and the “service conditions” (which were previously part of the definition of the “vesting conditions”) are added.

**IFRS 3 “Business Combinations”**

The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

**IFRS 8 “Operating Segments”**

The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

**IFRS 13 Fair Value Measurement**

The amendment clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 do not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

**IAS 16 Property, Plant and Equipment**

The amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

**IAS 24 Related Party Disclosures**

The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

**IAS 38 Intangible Assets**

The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

***Annual Improvements in IFRS, Cycle 2011 - 2013***

**IFRS 1 First-time Adoption of International Financial Reporting Standards**

The amendment clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application. An entity is required to apply the same version of the IFRS throughout the periods covered by those first IFRS financial statements.

### **IFRS 3 Business Combinations**

The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

### **IFRS 13 Fair Value Measurement**

The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

### **IAS 40 Investment Property**

The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

### **IAS 16 and IAS 38 (Amendments) - «Clarification of acceptable methods of depreciation and amortization»**

The amendments clarify that revenue-based method is not considered to be appropriate for the calculation of the depreciation of a fixed asset and that revenues are not considered to be the appropriate basis for the measurement of the consumption of economic benefits attached to an intangible asset. The amendments are applicable to annual periods beginning on or after 1 January 2016 and have not been adopted by the European Union.

### **IAS 16 and IAS 41 (Amendments)- «Agriculture: Bearer Plants»**

The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted, and have not been adopted by the European Union.

### **IFRS 11 (Amendments) “Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations”**

The amendments requires from an investor to apply the acquisition method when the investor acquires an interest in a joint operation which constitutes a business. The amendments are effective for annual periods beginning on or after 1 January 2016 and have not been adopted by the European Union.

### **IFRS 14 — Regulatory Deferral Accounts**

On 30 January 2014, IASB published IFRS 14 “Regulatory Deferral Accounts”. The scope of IFRS 14 is to define the requirements concerning the financial information about the outstanding balances of the “regulatory deferred accounts” arising when an entity provides good or services to customers at a price or rate that is subject to state regulation.

IFRS 14 permits an economic entity adopting for the first time the IFRS to continue accounting, with minor changes, for the “regulatory deferral account balances” according to the previous accounting standards, both in the case of the first time adoption of IFRS and in the case of subsequent financial periods. The balances and movements of these accounts are recorded separately in the statements of financial position, results and other comprehensive income, while certain disclosures are required. The new standard is applied for annual financial periods beginning on or after 1 January 2016 and has not been adopted by the European Union.

### **IFRS 15 “Revenue from Contracts with Customers”**

On 28 May 2014, IASB issued IFRS 15 “Revenue from Contracts with Customers” which must be applied in annual financial periods beginning on or after 1 January 2017 and constitutes the new standard which concerns the recognition of revenue.

IFRS 15 supersedes IAS 18, IAS 11 and interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. The new standard specifies how and when an economic entity will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers for the recognition of revenue. IFRS 15 has not been adopted by the European Union.

## 2.2 Basis for preparation of the financial statements

ELASTRON S.A Company and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations, as such have been adopted by the European Union. The transition date of the Group to IFRS was set as January 1<sup>st</sup> 2004, during which the Opening Balance Sheet was prepared.

The above statements are based on the financial statements prepared by the Company and Group in accordance with Greek Trade Law and the tax legislation as it is in effect, with the appropriate off-balance sheet adjustments made in order to comply with the IFRS, and they have been prepared according to the historic cost principle (tangible assets, land-plots, buildings – building facilities were valued at fair value during the transition date) except for financial derivatives that are valued at fair value.

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.

## 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:

COMPANY	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
TATA ELASTRON S.A.	Thessalonica	Processing-distribution and sale of steel products	50.00% (Joint venture)	5,000,000.00	Equity
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Processing-distribution and sale of steel products	33.33% (Joint venture)	800,000.00	Equity
CORUS – KALPINIS SIMOS SA	Aspropyrgos	Construction of metallic panels from polyurethane	50.00% (Joint venture)	3,081,750	Equity
PHOTODEVELOPMENT SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTDIODOS SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.15%	265,533.70	Full
PHOTOENERGY SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
ILIOSKOPIO SA	Aspropyrgos	Production of electric energy from	97.5%	175,500	Full

		Photovoltaic stations			
PHOTOKYPSELI SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropyrgos	Production of electric energy from Photovoltaic stations	100.00%	80,000	Full
ELASTRON AGRICULTURAL SA	Xanthi	Production of agricultural products from glasshouse cultivations	100.00%	724,000 554,830(*)	Full

(\*) Amount of Euro 554,830 concerns deposits of the parent Company "ELASTRON SA" that will be utilized for the share capital increase of a subsidiary company.

The participation in the company ELASTRON AGRICULTURAL includes an amount available for the company's share capital increase which is expected to complete within the current year. For the purposes of correct depiction, the particular amount is recorded in the participations of the parent company ELASTRON SA.

The participations in subsidiaries and related companies which are not included in the consolidation concern the following:

A subsidiary of ELASTRON SA in Bulgaria under the name KALPINIS – SIMOS BULGARIA EOOD based in Sofia, Bulgaria. The equity stake in this company is 100%. The total assets of the company amounts to € 674 thous. and the participation value to € 10,000.00. The turnover of the company is zero. No consolidation was performed due to insignificant interest in relation with the purpose of article 100, paragraph 3 of L. 2190/1920.

Cross-company transactions, balances and unrealized profit from transactions between the companies of the Group are written-off. The unrealized losses are also written-off, unless the transaction provides indications of impairment of the transferred asset. During the acquisition of a company, the assets, liabilities as well as contingent obligations acquired are estimated at fair value on the acquisition date. The acquisition cost, by the amount that exceeds the fair value of the acquired net assets (assets – liabilities – contingent obligations), is recorded as goodwill in the financial year when the acquisition took place.

In the event that the acquisition cost is less than the above fair value, the difference is recorded in the results of the financial year when the acquisition took place. Minority interest is recorded according to its proportion on fair value. In subsequent financial years, any losses are proportionally distributed to the minority, in addition to minority interest.

The results of the acquired or sold subsidiaries within the financial year are included in the statement of comprehensive income from or until the date of acquisition or sale, respectively. The accounting principles of the Group's companies have been amended so as to conform to those adopted by the Group. "TATA ELASTRON SA" records the land-plots, buildings and facilities at fair value. However for consolidation purposes, the company compiles separate financial statements which depict the assets based on acquisition cost. The participation of the above companies in the ELASTRON S.A. Company financial statements is measured at acquisition cost, minus any provision for impairment of their value.

## 2.4 Foreign Exchange translations

The reference currency of the Group is the Euro and therefore the financial statements are presented in Euro (€). Transactions in foreign currency are translated to Euro using the applicable exchange rates on the date of the transactions. Receivables and liabilities in foreign currency on the date the financial statements were prepared are adjusted so as to reflect the exchange rates prevailing during the preparation date. The profits and losses that arise from such transactions are recorded in the results.



The operating currency of foreign subsidiaries is the official currency of the country where each respective company operates. As regards to foreign subsidiaries which operate in a country with a currency other than the Euro, all balance sheet figures of such during the preparation of the Financial Statements, are translated to Euro using the spot exchange rate as at the financial statements date, while the revenues and expenses are translated using the average exchange rate during the reporting period. The cumulative difference that results from the aforementioned conversion is registered directly in equity until the sale, write-off or non-recognition of a subsidiary, in which case such are transferred to the results.

## 2.5 Consolidated Financial Statements

### (a) Subsidiaries

Subsidiaries are companies over which the parent Company exercises control. The subsidiaries are fully consolidated using the full consolidation method from the date whereupon control over them is acquired and they stop being consolidated from the date upon which such control ceases to exist. The inter-company balances between the Group's companies, transactions between the Group's companies, as well as the unrealized profits are fully written-off in the consolidated financial statements. The consolidated financial statements are prepared using the same accounting principles, while necessary adjustments are made whenever deemed necessary. Investments in subsidiaries are registered at acquisition cost minus any impairment.

### (b) Related – Associate Companies

Associated companies are those over which the parent Company exercises substantial influence and which are not considered subsidiaries or joint ventures. In general, ownership of 20% to 50% of voting rights indicates the existence of substantial influence. Investments in related companies are accounted for using the net equity method and are initially registered at acquisition cost.

### (c) Joint Ventures (Entities under joint control)

The entity under joint control is a joint venture that consists of the incorporation of a Company in which each participant receives a share. It operates like any other entity except that there is a contractual arrangement between the participants that determines the joint control of the entity's financial activities. From 01.01.2013, the Company consolidates its stake in joint ventures using the equity consolidation method.

## 2.6 Tangible Fixed Assets

Tangible assets are recorded in the financial statements at their acquisition cost (historical cost) minus accumulated depreciation and any impairment in value. The acquisition cost of land plots and buildings/building installations was determined on the transition date to market value. The Group assigned the appraisal of its properties to an independent appraiser in order to record such at fair value on the transition date. The acquisition cost includes all the expenses directly attributable to the acquisition of the assets. Subsequent additions and improvements are recorded as an increase in the cost of related assets, given that such increase the useful life or production capacity of the asset or decrease its operating cost. Repairs and maintenance are recorded as expenses in the period during which such were carried out.

Depreciation of tangible assets (apart from land plots, which are not depreciated) is calculated based on the straight-line method over their estimated useful life. The estimated useful life per class of fixed assets is as follows:

Buildings/ Building Installations etc.	10 – 30 years
Mechanical Equipment etc.	10 – 30 years
Vehicles	10 – 20 years
Other Equipment	3.3 – 15 years

When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is recorded as an expense in the results. The related cost and accumulated depreciations of assets that are sold or withdrawn are written off from the corresponding accounts at the time of withdrawal or sale, and corresponding profits or losses are recorded in the period's results.

#### Installation Expenses

The depreciation of multi-year costs that did not meet the IAS recognition criteria have been written off. Asset acquisition expenses that were included in the depreciation of multi-year costs were transferred to an increase in the acquisition cost of property.

### **2.7 Intangible Assets**

Intangible assets include software, which is valued at acquisition cost minus amortization. The amortization is estimated using the straight line method throughout the useful life of such assets, which is approximately 3.3 years. Expenses generated from the development and maintenance of software are acknowledged as expenses when they are incurred.

### **2.8 Investment property**

Investments property corresponds to property (land plots or buildings or part of a building or both) that are owned (by the owner or by the lessee with financial leasing) in order to yield rents or an increase in their value or both, and not for:

- Use in production (plants) or procurement of goods (warehouses) or for administrative purposes (office buildings);
- Sale in the regular course of the Company's business.

Investments property is valued according to the acquisition cost method (in the exact manner as operational property) and are recorded in the balance sheet at acquisition cost minus accumulated amortization and accumulated impairment losses.

### **2.9 Non-current assets held for sale and discontinued operations**

The aim of the present IFRS 5 is to determine the accounting treatment of the assets being held for sale and the presentation and disclosure of discontinued operations. Specifically, the present IFRS requires:

- a) assets that fulfill the classification criteria of being held for sale should be valued at the lowest value between the book value and the fair market value minus the sales cost, while the amortization of these assets should cease, and
- b) the assets that fulfill the classification criteria of being held for sale should be separately presented in the statement of financial position and the results of the discontinued operations should be separately presented in the results.

### **2.10 Impairment review of tangible and intangible assets**

Assets that are depreciated are subject to and impairment review when there are indications that their book value is not recoverable. Recoverable value is the larger value between the net sale value (selling price less selling expenses) and value in use. Loss due to impairment of assets is recognized when the book value of these items or the cash-flow generating units is greater than their recoverable amount.

### **2.11 Segment reporting**

IFRS 8 which replaces IAS 14, 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 segments constitute parts of an entity that are reviewed regularly by the entity's CEO / Board of Directors and are presented in the financial statements according to this internal categorization.



A business segment is defined as a group of assets and operations which include products and services that are subject to different risks and returns than those of other business segments. A geographic segment is defined as a geographic area where products and services are provided and which is subject to different risks and returns than other areas.

## **2.12 Borrowing Cost**

The underwriting, legal, and other direct costs incurred related to the issue of a loan, readjust the borrowing amount recorded in the Results based on the effective interest rate method for the duration of the loan agreement. The borrowing costs are recorded in the results on the date they are incurred. The amount of the borrowing cost that corresponds to the construction period of tangible fixed assets is recognized as an increase to the latter's value.

## **2.13 Financial Assets**

(a) Financial Assets measured at fair value with changes recorded in the results

Such concern financial assets that meet any of the following criteria:

- Financial assets held for commercial purposes (including derivatives, excluding those that are specified and effective as hedging instruments), are those acquired or created with the intent of sale or re-purchase, and finally those that are part of a portfolio of recognized financial instruments that are managed with the objective to create profit.
- Upon initial recognition, the company specifies the asset as measured at fair value by recording the changes in the results.
- On the Group's Balance Sheet, the transactions and fair value measurements of derivatives are recorded in separate accounts of the Assets and Liabilities under the title "Financial Derivatives." Fair value changes of derivatives are recorded in the results.

(b) Financial Derivatives and Hedging Instruments

The Group uses financial derivatives such as forward foreign exchange contracts. Derivatives are valued at fair value during the reference date. For purposes of hedge accounting, the hedges are classified as cash flow hedges when used to hedge the volatility of cash flows in relation to a recognized asset or liability, or in relation to a very possible commitment.

The overall hedged portion of the profit – loss in a measurement of derivatives, is recognized and recorded directly in equity if such is a cash flow hedge, while the non-effective portion is recorded in the results.

Amounts recorded as an equity reserve are transferred to the results in the period when the hedged item affects the profit or losses.

In cases of hedged of estimated future transactions, which lead to the recognition of a non-monetary item (inventory etc) or liability, then the profit or losses that had been recorded in equity are transferred to the acquisition cost of the resulting non-financial assets.

(c) Investment held until maturity

This category includes non-derivative financial assets with fixed or pre-defined payments and a specific maturity, which the Group has the intent and ability to hold until maturity.

(d) Financial assets available for sale

Such include non-derivative financial assets that cannot be included in any of the above categories. They are included in the non-current assets, provided that management does not intend to liquidate them within a 12-month period from the Balance Sheet date.

The purchase and sales of investments are recorded on the date of the transaction, which is the date that the Group commits itself to purchase or sell the asset. The investments are initially accounted for at fair value increased by the direct expenses ascribed to the transaction, with the exception as regards to the direct expenses ascribed to the transaction, for those assets that are measured at fair value with changes recorded in the results. Investments are written-off when the right to the cash flows from

investments ceases to exist and the Group has transferred all the risks and rewards that the emanate from ownership. The financial assets available for sale are valued at fair value, while the profit or losses that may arise are recorded in the equity reserves until such assets are sold or designated as impaired. During the sale or when designated as impaired, the profit or losses are transferred to the results. The fair values of financial assets that are traded on active markets are determined by their market prices. For the non-traded assets, the fair values are determined using valuation techniques, such as discounted future cash flows and option valuation models.

On each balance sheet date, the Group must proceed with estimations on whether its financial assets have been subject to impairment. For equity instruments, which have been classified as financial assets available for sale, such an indication constitutes a significant reduction to their fair value compared to their acquisition cost. If there is impairment, the cumulative loss in equity is transferred to the results. Impairment losses from equity instruments that have been registered in the results are not reversed through results.

(e) Recognition, write-off, definition of fair values

The purchase and sales of investments are recognized on the date of the transaction, which is the date that the Group commits itself to purchase or sell the asset. Investments are initially recognized at fair value plus the expenses directly attributed to the transaction, with the exception as regards to those expenses directly attributed to the transaction, for items that are valued at fair value with changes in the results.

The investments are written-off when the right to the cash flows from investments expires or is transferred and the Group has essentially transferred all the risks and rewards emanating from ownership.

The realized and unrealized profit or losses arising from changes in fair values of the financial assets measured at fair value with changes in the results are recorded in the results during the period in which such arise.

The fair values of the financial assets that are traded on active markets are determined by the current bid prices. For non-traded assets, fair values are determined using evaluation techniques such as the analysis of recent transactions, comparative assets traded, and discounted cash flows. The equity instruments, non-traded in an active market, that have been classified under the category Financial Assets Available For Sale and the fair value of which cannot be determined in a reliable way, are valued at acquisition cost.

(f) Impairment of financial assets

On every balance sheet date, the Group estimates whether there is objective evidence leading to the conclusion that the financial assets have been subject to impairment. For shares of companies classified as financial assets available for sale, such an indication consists of the significant or extended drop of their fair value in relation to their acquisition cost. If impairment is substantiated, the accumulated loss to equity, namely the difference between acquisition cost and fair value, is transferred to the results.

## **2.14 Inventories**

Inventories are measured at the lower value between acquisition or production cost and their net liquidation value.

The cost is determined by the weighted average cost method and includes expenses for acquiring the inventories or expenses for their production and the expenses for transporting them to their storage location. Borrowing cost is not included in the acquisition cost of inventories.

The net liquidation value is estimated based on the current selling price of inventories in the context of normal activity, minus the given distribution cost, where applicable.

## **2.15 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and demand deposits.

## 2.16 Share capital and reserves

Share capital includes common registered shares of the company and reserves from the issue of shares above par (share premium). Expenses that were made for the issue of shares are recorded following the deduction of the relevant income tax, minus the issue product, in the share premium.

## 2.17 Loans

Loans are initially recorded at fair value minus by any direct costs for the implementation of the transaction. They are subsequently measured at the net book cost, using the effective interest rate method. Loans for which the Company is entitled to defer repayment for more than 12 months are considered long term.

## 2.18 Income Tax – Deferred Income Tax

The burden of the financial year with income tax includes current taxes and deferred taxes, namely taxes or tax deductions related to the economic benefits arising in the current period but which have already been accounted for or will be accounted for by the tax authorities in different periods.

Deferred tax is calculated upon all the temporary differences of the balance sheet (the difference between the book value of each asset and its corresponding recognized tax value).

Concerning readjustment for non-depreciated fixed assets (sports fields, etc.) at their fair value, the deferred tax is calculated upon their liquidation (selling) value.

The cost of deferred taxes burdens the results of the financial year in which such are accounted. However, in the event that the temporary differences have been recorded in equity, the corresponding deferred tax is directly recorded in equity.

Deferred tax is not recorded for a tax liability that may be created solely pursuant to a decision made by the Company.

Deferred tax assets and liabilities are valued based on the expected tax rates to be applied during the fiscal period when the asset or liability will be settled, after considering the tax rates (and tax laws) in effect up to the Balance Sheet date. In case where the reversal time of the temporary differences cannot be determined, the tax rate to be applied is the tax rate in effect as of the date following the Balance Sheet date.

The recording of an asset for deferred income tax occurs only when there is certainty that the Company will achieve profits in the future, in order to offset the present asset with the future tax liability.

The loss during a financial year (or period) that is carried forward to the next financial year (or period) in order to offset the taxable profits of a following financial year (or period) contains a tax asset equal to the income tax that will be to the benefit of the Company in the next financial year (or period) in which the offsetting will occur. This asset is recorded when it is deemed certain that the Company will achieve profits in the future in order for it to be possible to offset the liability.

When there is a change in tax legislation, the tax liabilities and assets recorded in the books are adjusted accordingly. The adjustment differences are accounted for in the financial year results.

	Income tax & deferred taxation rate
Greece	26%
Romania	16%

## **2.19 Employee benefits**

### (a) Short-Term Benefits:

Short-term employee benefits in cash and in goods are recorded as expenses when such become accrued.

### (b) Post-employment benefits

Post-employment benefits include both defined contribution plans as well as defined benefit plans. The accrued cost of the defined contribution plans is recorded as expense in the period it refers to. The liabilities emerging from the defined benefit plans to employees are calculated in the discounted value of the future benefits granted to the personnel and have been defined as accrued at the balance sheet date. The commitment for the defined benefit is calculated annually from independent actuarial professional with the use of the projected unit credit method.

The actuarial gains and losses emerging from empirical adjustments and from changes in the actuarial assumptions, are recognized in the other comprehensive income of the period they refer to. The prior service cost is directly recognized in the results.

### (c) Benefits of service termination

The benefits of service termination are payable when the Group either terminates the employment of employees prior to retirement, or following a decision made by employees to accept the benefits offered from the Group in exchange for their employment termination. The Group recognizes the benefits for employment termination as liability and expense during the earliest of the following dates: a) when the economic entity is not able any longer to withdraw the offer of these benefits and b) when the economic entity recognizes the restructuring cost which relates to the field of IAS 37 and results into the payment of benefits for service termination. Benefits for service termination which are due for 12 months after the balance sheet date are discounted.

## **2.20 Provisions**

Conditions for recording provisions:

- Legal Commitment

Contract, Legislation, or other application of the Law.

- or Constructive Obligation

This is an obligation that arises from past Company practice, published practices or a specific public statement.

- Reliable estimate of the amount
- Arises from past events (present obligation)
- Possible outflow of economic resources is possible from the settlement of the obligation.

The conditions for registration of provisions must apply cumulatively. A provision shall only be registered where the obligation exists, regardless of future Company actions. Where the Company can avoid the expense, no obligation exists and no provision is registered. A Board decision does not suffice for the registration of a provision, since the Board may revoke its decision. A provision may also represent future expenses necessary for the acquisition of future economic benefits. In these cases, the amount of the provision is capitalized as an asset.

Provisions are reviewed at the end of each period and are adjusted in order to reflect the best possible estimates and, where necessary, are discounted at a pre-tax discount rate.

### **2.21 Recognition of income**

Income includes the fair value of sales of goods and the provision of services, net of VAT, discounts and refunds and are accounted for only when the economic benefits associated with the transaction shall be received by the Company.

Inter-Company income within the Group is written-off entirely.

Income recognition is carried out as follows:

#### (a) Income from sale of goods

Sales of goods are recognized when the Group has transferred the material risks and benefits arising from ownership of the goods to the buyer and the receivable amount can be reliably valued and its collection is reasonably assured.

#### (b) Income from provision of services

Income from the provision of services is calculated based on the service's completion stage with regard to its estimated total cost.

#### (c) Interest income

Interest income is recorded based on the time proportion (accrual principle) and by employing the effective interest rate.

#### (d) Income from dividends

Dividends are recognized as income when the shareholders' right to collect them has been established (that is, after their approval by the General Meeting).

### **2.22 Leases**

Leases where risks and benefits of ownership are transferred from the lessor to the lessee are classified as financial leases, regardless of whether the ownership is eventually transferred or not. In this case, the fixed asset and liability are recorded at the lowest of the present value of minimum benefits guaranteed by the lessor or the fair value of the asset. Financial lease payments include the amount of principal and the financial expense. The financial expense should be allocated in the results so as to provide a fixed rate on the balance of the liability.

A lease is classified as financial or operating based on the essence of the transaction and not the type of contract.

If it arises from the lease agreement that all the benefits and risks derived from the ownership of the asset substantially remain with the lessor, then it is classified as an operating lease. The lease payments of an operating lease are registered as an expense in the results on a regular basis during the lease period.

### **2.23 Dividend distribution**

Distribution of dividends to the parent Company's shareholders is recorded as a liability in the financial statements when distribution is approved by the shareholders' General Meeting.

### **2.24 Government Grants**

Government grants are initially recognized in the Balance Sheet as deferred income, when the collection of the grant is fairly certain and the Group is expected to comply with all required conditions. Grants that concern the Group's expenses are recognized as other operating income on a regular base in periods when the respective expenses are recognized. Grants that concern the acquisition cost of the

Group's assets are recognized as other operating income on a regular base according to the useful life of the corresponding assets.

### **2.25 Earnings per share**

Basic earnings per share are calculated by dividing the net earnings after taxes with the weighted average number of shares during each financial year.

### **2.26 Long-term Receivables / Liabilities**

Long term receivables and liabilities, which are without interest or bear an interest lower than the given market rates, appear at their net present value. The discount differences are presented as financial income / expenses in the Results of the given year in which they occur.

### **2.27 Related parties**

Transactions and balances with related parties appear separately in the Financial Statements. Such related parties basically concern the major shareholders and the Management of a business and/or its subsidiary companies, companies with a joint ownership status and/or Management with the business and the consolidated subsidiaries or subsidiaries of these companies.

### **2.28 Capital management**

It is the Group's policy to maintain a strong capital base in order to retain investors' and creditors' confidence and so that its future development will be supported. Management monitors equity, which it considers aggregately, with the exception of minority interest, so that the debt equity ratio (except for Company deposits) will amount to less than between 2 and 2.5 to 1.

In accordance with Codified Law 2190/1920, regarding société anonymes (SAs), limitations are imposed in relation to equity, as follows:

The acquisition of treasury shares, with the exception of acquisition with the intent of distribution to employees, cannot exceed 10% of the paid share capital and cannot result in the decrease of equity to an amount less than the amount of the share capital augmented by the reserves for which distribution is prohibited by Law.

In the event where the company's total equity amounts to less than ½ of share capital, the Board of Directors is obligated to convene a General Meeting, within a period of six months from the end of the financial year, which will decide on the dissolution of the Company or the adoption of another measure.

When the Company's total equity reaches below 1/10 of the share capital and the General Meeting does not take the appropriate measures, the Company may be dissolved by a court decision following a claim by anyone with a lawful interest.

At least 1/20 of net earnings are deducted annually in order to form a statutory reserve, which is used exclusively to counterbalance, before any dividend distribution, any debit balance of the retained earnings account. The formation of this reserve is rendered optional when its amount reaches 1/3 of share capital. The payment of annual dividends to shareholders in cash, to an amount at least 35% of net earnings, after the deduction of the statutory reserve and the net result from the measurement of assets and liabilities at fair value, is mandatory. This is not applicable if decided by a General Shareholders' Meeting by a majority of at least 65% of the fully paid share capital.

In this case, the non-distributed dividend of up to at least 35% of the above net earnings is recorded in a special reserve for capitalization account, within four years with the issue of new shares that are offered at no charge to the entitled shareholders.

Finally, with a majority of at least 70% of the fully paid share capital, the General Meeting of shareholders may decide on the non-distribution of dividend.

The company complies fully with the relevant provisions imposed by law in relation to equity.

## ***3. Financial risk management***

### **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 10% 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 20% 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 tangible 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 31.03.2015.

**Company:**

Amounts in euro	Up to 1 year	From 1 to 5 years	Total
Loans	9,324,800.01	12,424,650.00	21,749,450.01
Suppliers & other liabilities	7,042,668.25	1,474,092.90	8,516,761.15
Grants (deferred income)	202,354.57	3,648,980.95	3,851,335.52
<b>Total liabilities</b>	<b>16,569,822.83</b>	<b>17,547,723.85</b>	<b>34,117,546.68</b>

**Group:**

Amounts in euro	Up to 1 year	From 1 to 5 years	Total
Loans	12,391,020.40	12,824,650.00	25,215,670.40
Suppliers & other liabilities	7,128,333.88	1,565,548.28	8,693,882.16
Grants (deferred income)	238,669.71	4,983,442.49	5,222,112.20
<b>Total liabilities</b>	<b>19,758,024.01</b>	<b>19,373,640.77</b>	<b>39,131,664.76</b>

Long-term and bond loans with maturity within the next financial year from the reporting date of the financial statements, are transferred to the short term liabilities.

On 31.03.2015 the Company and the Group possessed cash and cash equivalents of € 4.5 and € 5.0 million 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 \$ (US Dollar) as well as from the joint venture BALKAN IRON GROUP SRL whose operating currency unit is the RON.

The Group's borrowings are euro denominated in their entirety while there are no receivables denominated in foreign currency.



Foreign currency is purchased in advance in order for the Company to limit its foreign exchange risk emerging from inventory purchase. The total liabilities of the Group as of 31.03.2015 are covered by equivalent purchases in advance of foreign currency and as a result there is no foreign exchange risk associated with the fluctuations of the US Dollar.

➤ **Interest rate risk**

Interest rate risk arises mainly from long-term and short-term bank loans in € at the floating rate of Euribor.

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 rates of loans (Euribor) would be 1% higher/lower on average during the first quarter of 2015:

(Amounts in millions)	<b>Loans 31.03.2015</b>	<b>Effect on results before tax ( + / - )</b>
Group	25.2	0.06
Company	21.7	0.05

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 first quarter of 2015:

(Amounts in millions)	<b>Sight and term deposits 31.03.2015</b>	<b>Effect on results before tax ( + / - )</b>
Group	5.0	0.01
Company	4.5	0.01

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

#### **4. Fair value of financial assets**

There is no difference between the fair values and the respective book values of the financial items of assets and liabilities, namely the trade and other receivables, the cash equivalents, the suppliers and other liabilities, the derivatives financial products and the loans.

Fair value of a financial item is the amount which is received from the sale of a financial item or paid for the settlement of an obligation in a transaction under normal conditions between two trading parties at the date of its valuation. The fair value of the financial items on 31.03.2015 was based on the best possible estimate on behalf of the Company's Management.

The ranking levels of fair value are the following:

- a) official stock exchange prices (without adjustment) in markets with significant trading volumes for similar assets or liabilities (Level 1)
- b) inflows, other than stock exchange prices which are included in Level 1, which can be observed for the financial asset or the liability, either directly (for example prices) or indirectly (as derivative of prices) (Level 2), and
- c) inflows for the financial asset or the liability which are not based on observable market data (non observable inflows) (Level 3).

The levels in the ranking scale of fair value, within which the measurement of fair value is fully classified, is defined by the inflow of the lowest level which is deemed as significant for the measurement of the entire fair value.

The methods and assumptions which were utilized for the estimation of the fair value are the following:

Cash and cash equivalents, trade and other receivables, suppliers and other liabilities: The accounting value is especially close to the fair value as the maturity of these financial items is in short-term and because there is no foreign exchange risk affecting the fair value.

Loans: The book value is the same with the fair value as these loans are in local currency and with Euribor as floating interest rate.

## 5. 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.

The parent company and the company “CORUS – KALPINIS SIMOS SA COATING MATERIALS” have not been tax audited for the financial year 2010. The company “TATA ELASTRON STEEL SERVICE CENTER” has not been tax audited until the financial years 2009 and 2010. However, the level of tax losses is deemed to exceed the accounting differences that may arise due to a tax audit in future. For the other companies of the Group, it is estimated that there is no need for provision with regard to the tax unaudited financial years. Therefore, on 31.03.2015, for the Company and the Group, there is no outstanding amount for provision for tax unaudited financial years.

## 6. 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 & fixed assets for sale	Total
Book value	33,697,255.60	32,315,317.53	1,094,835.38	460,122.16	328,326.12	29,473.68	67,925,330.47
Accumulated depreciation/amortization and impairment	-6,825,119.39	-8,372,585.06	-866,578.46	0.00	-318,362.32	-16,210.48	-16,398,855.71
<b>Net book value 31.12.14</b>	<b>26,872,136.21</b>	<b>23,942,732.47</b>	<b>228,256.92</b>	<b>460,122.16</b>	<b>9,963.80</b>	<b>13,263.20</b>	<b>51,526,474.76</b>
Book value	34,050,077.70	32,535,545.52	1,096,047.26	239,108.00	328,326.12	29,473.68	68,278,578.28
Accumulated depreciation/amortization and impairment	-7,009,738.17	-8,645,571.90	-877,496.22	0.00	-319,774.81	-16,578.90	-16,869,160.00
<b>Net book value 31.03.15</b>	<b>27,040,339.53</b>	<b>23,889,973.62</b>	<b>218,551.04</b>	<b>239,108.00</b>	<b>8,551.31</b>	<b>12,894.78</b>	<b>51,409,418.28</b>

<b>MOVEMENT OF FIXED ASSETS</b>	<b>Land-plots &amp; buildings</b>	<b>Vehicles &amp; Mechanical Equipment</b>	<b>Furniture &amp; other equipment</b>	<b>Assets under construction</b>	<b>Intangible assets</b>	<b>Investment property &amp; fixed assets for sale</b>	<b>Total</b>
<b>Net book value 1.1.2014</b>	<b>24,226,059.74</b>	<b>21,151,875.75</b>	<b>192,090.11</b>	<b>3,658,213.29</b>	<b>7,813.18</b>	<b>14,736.88</b>	<b>49,250,788.95</b>
Additions	3,303,969.14	4,056,247.81	82,433.96	-3,198,091.13	9,234.93	0.00	4,253,794.71
Depreciation/Amortization	-657,892.67	-1,256,775.63	-44,817.15	0.00	-7,084.31	-1,473.68	-1,968,043.44
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales - write-offs	0.00	-42,127.46	-1,500.00	0.00	0.00	0.00	-43,627.46
Depreciation of assets sold/written-off	0.00	33,512.00	50.00	0.00	0.00	0.00	33,562.00
<b>Net book value 31.12.14</b>	<b>26,872,136.21</b>	<b>23,942,732.47</b>	<b>228,256.92</b>	<b>460,122.16</b>	<b>9,963.80</b>	<b>13,263.20</b>	<b>51,526,474.76</b>
Additions	352,822.10	289,787.18	1,211.88	-221,014.16	0.00	0.00	422,807.00
Depreciation/Amortization	-184,618.78	-342,546.03	-10,917.76	0.00	-1,412.49	-368.42	-539,863.48
Sales - write-offs	0.00	-69,559.19	0.00	0.00	0.00	0.00	-69,559.19
Depreciation of assets sold/written-off	0.00	69,559.19	0.00	0.00	0.00	0.00	69,559.19
<b>Net book value 31.03.15</b>	<b>27,040,339.53</b>	<b>23,889,973.62</b>	<b>218,551.04</b>	<b>239,108.00</b>	<b>8,551.31</b>	<b>12,894.78</b>	<b>51,409,418.28</b>

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

<b>MOVEMENT OF FIXED ASSETS</b>	<b>Land-plots &amp; buildings</b>	<b>Vehicles &amp; Mechanical Equipment</b>	<b>Furniture &amp; other equipment</b>	<b>Assets under construction</b>	<b>Intangible assets</b>	<b>Investment property &amp; fixed assets for sale</b>	<b>Total</b>
Book value	32,376,890.53	24,246,833.11	1,052,832.53	449,397.16	319,274.12	29,473.68	58,474,701.13
Accumulated depreciation/a mortization and impairment	-6,762,552.77	-7,368,000.13	-859,878.29	0.00	-316,099.32	-16,210.48	-15,322,740.99
<b>Net book value 31.12.14</b>	<b>25,614,337.76</b>	<b>16,878,832.98</b>	<b>192,954.24</b>	<b>449,397.16</b>	<b>3,174.80</b>	<b>13,263.20</b>	<b>43,151,960.14</b>
Book value	32,729,712.61	24,439,472.10	1,054,044.41	239,108.00	319,274.12	29,473.68	58,811,084.92
Accumulated depreciation/a mortization and impairment	-6,932,103.58	-7,542,413.98	-869,010.47	0.00	-316,832.91	-16,578.90	-15,676,939.84
<b>Net book value 31.03.15</b>	<b>25,797,609.03</b>	<b>16,897,058.12</b>	<b>185,033.94</b>	<b>239,108.00</b>	<b>2,441.21</b>	<b>12,894.78</b>	<b>43,134,145.08</b>

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
<b>Book value 1.1.2014</b>	<b>24,104,894.02</b>	<b>14,721,011.01</b>	<b>188,499.54</b>	<b>2,012,140.67</b>	<b>7,813.18</b>	<b>14,736.88</b>	<b>41,049,095.30</b>
Additions	2,117,085.02	3,037,636.75	44,354.05	-1,562,743.51	182.93	0.00	<b>3,636,515.24</b>
Depreciation/Amortization	-607,641.28	-871,199.32	-39,899.35	0.00	-4,821.31	-1,473.68	<b>-1,525,034.94</b>
Sales - write-offs	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Depreciation of assets sold/written-off	0.00	-42,127.46	0.00	0.00	0.00	0.00	<b>-42,127.46</b>
Additions	0.00	33,512.00	0.00	0.00	0.00	0.00	<b>33,512.00</b>
<b>Net book value 31.12.14</b>	<b>25,614,337.76</b>	<b>16,878,832.98</b>	<b>192,954.24</b>	<b>449,397.16</b>	<b>3,174.80</b>	<b>13,263.20</b>	<b>43,151,960.14</b>
Additions	352,822.08	262,198.18	1,211.88	-210,289.16	0.00	0.00	<b>405,942.98</b>
Depreciation/Amortization	-169,550.81	-243,973.04	-9,132.18	0.00	-733.59	-368.42	<b>-423,758.04</b>
Sales - write-offs	0.00	-69,559.19	0.00	0.00	0.00	0.00	<b>-69,559.19</b>
Depreciation of assets sold/written-off	0.00	69,559.19	0.00	0.00	0.00	0.00	<b>69,559.19</b>
<b>Net book value 31.03.15</b>	<b>25,797,609.03</b>	<b>16,897,058.12</b>	<b>185,033.94</b>	<b>239,108.00</b>	<b>2,441.21</b>	<b>12,894.78</b>	<b>43,134,145.08</b>

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

## 7. Investment property

	COMPANY	
	31.03.2015	31.12.2014
Land Plot on Thivon Street 1,191.7 sq.m.	0.00	0.00
Apartment at Filippiados Str.	29,473.68	29,473.68
<b>Total Value</b>	<b>29,473.68</b>	<b>29,473.68</b>
Amortized	(16,578.90)	(16,210.48)
<b>Net book value</b>	<b>12,894.78</b>	<b>13,263.20</b>

## 8. Analysis of receivables

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Customers	14,296,692.42	12,050,983.71	14,604,247.91	12,340,920.02
Notes	6,500.00	6,500.00	6,500.00	6,500.00
Post-dated cheques	6,458,298.63	7,208,922.96	6,458,298.63	7,208,922.96
Provisions for bad debt	(1,089,953.39)	(1,017,176.30)	(1,089,953.39)	(1,017,176.30)
<b>Total trade receivables</b>	<b>19,671,537.66</b>	<b>18,249,230.37</b>	<b>19,979,093.15</b>	<b>18,539,166.68</b>

The movement of the provision for doubtful receivables is presented in the following table:  
*Interim Condensed Financial Statements of 31.03.2015*

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Initial balance	1,017,176.30	703,000.00	1,017,176.30	703,000.00
Additional provision (results)	72,777.09	314,176.30	72,777.09	314,176.30
Use of provision	0.00	0.00	0.00	0.00
<b>Final balance</b>	<b>1,089,953.39</b>	<b>1,017,176.30</b>	<b>1,089,953.39</b>	<b>1,017,176.30</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 80%) of the Company's trade receivables are insured against credit risk, whereas whenever it is required, there is utilization of guarantees and tangible insurance. In addition, the Group proceeds with the formation of the necessary provisions for the coverage of the impaired trade receivables.

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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Receivables from employees	7,251.54	5,450.88	7,251.54	5,450.88
Receivables from other partners - third parties	251,230.28	248,877.53	311,344.02	132,359.37
Greek State– income tax receivable	79,673.62	78,739.12	64,193.20	63,766.05
Greek State – receivable of other taxes	1,869,904.68	1,264,805.83	1,741,522.83	1,116,971.41
Receivables from related companies	0.00	0.00	0.00	0.00
Grants receivable	512,837.10	512,837.10	512,837.10	512,837.10
<b>Total</b>	<b>2,720,897.22</b>	<b>2,110,710.46</b>	<b>2,637,148.69</b>	<b>1,831,384.81</b>

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Given guarantees	48,814.46	69,183.35	39,576.34	59,945.23
Receivables from associates	1,799,482.23	1,787,744.33	3,456,982.23	3,445,244.33
<b>Total</b>	<b>1,848,296.69</b>	<b>1,856,927.68</b>	<b>3,496,558.57</b>	<b>3,505,189.56</b>

The given guarantees presented in long-term receivables concern guarantees and receivables 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.

## 9. Analysis of inventories

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Merchandise	15,870,758.56	13,815,222.86	15,870,758.56	13,815,222.86
Products	2,815,476.88	3,047,342.96	2,805,357.02	3,030,185.99
Impairment of products	0.00	(100,000.00)	0.00	(100,000.00)
Orders	319,398.49	4,880,608.75	319,398.49	4,880,608.75
Raw materials – consumables	21,637.07	24,139.47	0.00	0.00
Production underway	104,700.00	0.00	0.00	0.00
<b>Total</b>	<b>19,131,971.00</b>	<b>21,667,314.04</b>	<b>18,995,514.07</b>	<b>21,626,017.60</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.

## 10. Derivatives

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Forward foreign exchange contracts (current assets/ short-term liabilities)	180,765.55	309,235.17	180,765.55	309,235.17
Amounts registered in the results	(128,469.62)	(309,235.17)	(128,469.62)	(309,235.17)

## 11. Analysis of cash reserves

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Cash in hand	9,551.65	9,662.58	1,385.76	3,207.90
Sight & term deposits	5,036,398.48	12,385,883.21	4,470,780.76	10,717,325.04
<b>Total</b>	<b>5,045,950.13</b>	<b>12,395,545.79</b>	<b>4,472,166.52</b>	<b>10,720,532.94</b>

Term deposits refer to short-term placements, usually 3-month and monthly, at the banks which the Company and the Group co-operate with.

## 12. Analysis of all equity accounts

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
<b>Share Capital</b>	<b>18,435,000.00</b>	<b>18,435,000.00</b>	<b>18,435,000.00</b>	<b>18,435,000.00</b>
<b>Share premium</b>	<b>11,171,177.70</b>	<b>11,171,177.70</b>	<b>11,171,177.70</b>	<b>11,171,177.70</b>
Statutory reserve	3,446,214.81	3,446,214.81	3,334,000.00	3,334,000.00
Extraordinary reserves	3,270,400.00	3,270,400.00	3,270,400.00	3,270,400.00
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
Special reserves	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
<b>Total Reserves</b>	<b>21,451,695.05</b>	<b>21,451,695.05</b>	<b>20,894,493.73</b>	<b>20,894,493.73</b>
<b>Treasury shares</b>	<b>(5,530.90)</b>	<b>(3,624.10)</b>	<b>(5,530.90)</b>	<b>(3,624.10)</b>
Retained earnings	15,001,392.77	18,670,987.39	20,024,169.95	21,926,394.61
Transfer in the reserves	0.00	0.00	0.00	0.00
Net profit / (loss) for the period	(799,860.88)	(3,680,903.89)	(334,851.83)	(1,902,224.66)
Change of minority interests due to share capital increase	0.00	11,309.27	0.00	0.00
<b>Accumulated Earnings</b>	<b>14,201,531.89</b>	<b>15,001,392.77</b>	<b>19,689,318.12</b>	<b>20,024,169.95</b>
<b>Total equity without minority interest</b>	<b>65,253,873.74</b>	<b>66,055,641.42</b>	<b>70,184,458.65</b>	<b>70,521,217.28</b>
Minority interest	19,654.73	21,650.10	0.00	0.00
<b>Total Equity</b>	<b>65,273,528.47</b>	<b>66,077,291.52</b>	<b>70,184,458.65</b>	<b>70,521,217.28</b>

The Annual General Meeting of Shareholders on 28.06.2012 had approved a share buyback program of the company up to the amount of 10% of the paid up share capital, namely up to 1,864,800 shares (from a total of 18,648,000 shares), at a price range from twenty (20) cents of a euro up to one (1) euro. The aforementioned proposed share buyback had to be implemented in a period of twenty four (24) months beginning from the day following the approval of such by the General Meeting. According to the above decision, the Company has proceeded until 12.06.2014 with the purchase of two hundred and thirteen thousand (213,000) shares with a total cost of € 126,477.61 (average acquisition price net of expenses at € 0.5915). According to the clauses of article 16 of PL 2190/1920, the General Meeting of 12.06.2014 approved the cancellation of the above two hundred and thirteen thousand (213,000) shares with a nominal value of one (1) euro per share, and therefore the reduction of the Company's share capital by the amount of two hundred and thirteen thousand (213,000) euro. After the cancellation, the share capital of the Company accounts for 18,435,000 euro divided into 18,435,000 shares with a nominal value of one (1) euro per share.

Furthermore, the General Meeting on 12.06.2014 approved the purchase of up to 1,651,800 own shares which represent 8.96% of the Company's outstanding and paid in cash share capital. The range of the purchase price per share will be from twenty (20) cents to one euro and fifty cents (1.50) and will be implemented in a time period of twenty four (24) months beginning on the day following the approval by the General Meeting.

The Company according to the Greek tax law, proceeded into the creation of tax exempt reserves in the past, with the objective to achieve tax reliefs.



The Company has not recognized any provision for potential income tax obligation in case of future distribution of such reserves to the shareholders, since such obligation is recognized at the same time with the dividend obligation corresponding to such distributions.

The purpose of the Company's and Group's management in relation to capital management is to ensure the smooth operation of activities with the objective of providing satisfactory returns to shareholders, and to maintain as much as possible an ideal capital structure, thus reducing the cost of capital. For this reason, the management, according to the prevailing conditions, may adjust its dividend policy, increase its capital by cash or sell assets in order to reduce debt.

The monitoring of the above is performed on the basis of the leverage ratio. This ratio is calculated by dividing the net debt by the total employed capital. Total employed capital are calculated as the "Shareholders' equity" as they are recorded in the balance sheet, plus the net debt.

### 13. Analysis of other liabilities

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Insurance accounts & other taxes	251,545.67	173,151.33	218,599.71	380,369.59
Customer prepayments	417,587.80	433,537.65	417,587.80	433,537.65
Other liabilities / provisions	170,760.74	345,517.82	159,585.59	92,166.17
Dividends payable	2,183.90	2,183.90	2,183.90	2,183.90
<b>Total</b>	<b>842,078.11</b>	<b>954,390.70</b>	<b>797,957.00</b>	<b>908,257.31</b>

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.

Other long-term liabilities of € 266,888.12 in the Statement of Financial Position concern duties with regard to the settlement of urban planning violations according to Law 4178/2013.

### 14. Analysis of loans

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

#### Long-term loans

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Bond loans	12,824,650.00	11,109,450.00	12,424,650.00	10,709,450.00

#### Short-term loans

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Bank loans	10,453,220.40	6,215,521.43	7,540,000.01	3,083,170.43
Short-term part of bond loans	1,937,800.00	6,221,383.17	1,784,800.00	6,068,383.19
<b>Total</b>	<b>12,391,020.40</b>	<b>12,436,904.60</b>	<b>9,324,800.01</b>	<b>9,151,553.62</b>

<b>TOTAL LOANS</b>	<b>25,215,670.40</b>	<b>23,546,354.60</b>	<b>21,749,450.01</b>	<b>19,861,003.62</b>
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	GROUP		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.03.15	12,391,020.40	12,824,650.00	0.00
Bank loans 31.12.14	12,436,904.60	11,109,450.00	0.00

	COMPANY		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.03.15	9,324,800.01	12,424,650.00	0.00
Bank loans 31.12.14	9,151,553.62	10,709,450.00	0.00

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
<b>Loans outstanding at beginning of the period</b>	<b>23,546,354.62</b>	<b>22,087,512.20</b>	<b>19,861,003.62</b>	<b>17,679,323.18</b>
Subsidiaries' loans during the acquisition	0.00	0.00	0.00	0.00
Loans received	7,600,000.00	20,909,450.00	7,600,000.00	20,909,450.00
Interest	378,467.91	1,270,494.53	314,015.14	1,007,756.58
	<b>31,524,822.53</b>	<b>44,267,456.73</b>	<b>27,775,018.76</b>	<b>39,596,529.76</b>
Loans repaid	(6,040,946.00)	(19,422,838.01)	(5,800,000.00)	(18,700,000.00)
Interest paid	(268,206.13)	(1,298,264.12)	(225,568.75)	(1,035,526.14)
<b>Balance of Loans</b>	<b>25,215,670.40</b>	<b>23,546,354.60</b>	<b>21,749,450.01</b>	<b>19,861,003.62</b>

## 15. 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

	01.01.2014	1.1. – 31.12.14	31.12.2014	1.1 – 31.03.15	31.03.2015
Intangible assets	-2,031.43	-559.16	-2,590.59	367.25	-2,223.34
Tangible assets	-2,936,994.71	-314,068.77	-3,251,063.48	-42,868.45	-3,293,931.93
Installation expenses	35,211.88	36,321.87	71,533.75	-2,870.80	68,662.95
Inventories	33,556.44	8,166.73	41,723.17	-25,117.46	16,605.71
Long-term receivables	18,062.67	2,379.79	20,442.46	59.68	20,502.14
Trade & other receivables	202,248.49	11,991.51	214,240.00	0.00	214,240.00
Employee benefits	84,222.70	31,445.10	115,667.80	3,253.37	118,921.17
Government grants	-261,956.29	-55,330.11	-317,286.40	-14,712.45	-331,998.85
Suppliers and other liabilities	2,555.80	77,510.63	80,066.43	0.00	80,066.43
Extraordinary levy	174,741.60	-25,479.25	149,262.35	-52,945.64	96,316.71
Tax loss offset by taxable earnings of subsequent years	2,528,458.56	-313,258.56	2,215,200.00	0.00	2,215,200.00
From unrealized profit of intercompany transactions	229.24	-229.24	0.00	0.00	0.00
Other	4,396.76	-81,430.90	-77,034.14	33,402.10	-43,632.04
Directly to equity	0.00	-27,325.73	0.00	0.00	0.00
<b>Total</b>	<b>-117,298.29</b>	<b>-649,866.06</b>	<b>-739,838.65</b>	<b>-101,432.40</b>	<b>-841,271.05</b>

b) For the Company

	01.01.2014	1.1. – 31.12.14	31.12.2014	1.1 – 31.03.15	31.03.2015
Intangible assets	-2,031.43	1,205.98	-825.45	190.74	-634.71
Tangible assets	-2,813,717.26	-165,499.38	-2,979,216.64	-20,270.90	-2,999,487.54
Installation expenses	0.08	0.00	0.08	0.00	0.08
Inventories	33,556.44	8,166.73	41,723.17	-25,117.46	16,605.71
Long-term receivables	18,062.67	2,379.79	20,442.46	59.68	20,502.14
Trade & other receivables	202,248.49	11,991.51	214,240.00	0.00	214,240.00
Employee benefits	84,222.70	31,445.10	115,667.80	2,213.37	117,881.17
Government grants	-261,956.29	-47,447.57	-309,403.86	-13,153.05	-322,556.91
Suppliers and other liabilities	0.00	80,066.43	80,066.43	0.00	80,066.43
Tax loss offset by taxable earnings of subsequent years	2,507,820.02	-344,620.02	2,163,200.00	0.00	2,163,200.00
Other	0.00	-77,034.14	-77,034.14	33,402.10	-43,632.04
Directly to equity	0.00	-27,325.73	0.00	0.00	0.00
<b>Total</b>	<b>-231,794.58</b>	<b>-526,671.30</b>	<b>-731,140.15</b>	<b>-22,675.52</b>	<b>-753,815.67</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 in future years, whereas such earnings will be capable to offset the present receivable with the future tax liability.

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 deferred income tax refers to the same tax authority.

## 16. 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. When performing the actuarial estimate, all economic and population parameters related to the employees of the Group were taken into account.

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
<b>Balance Sheet liabilities</b>	<b>457,389.11</b>	<b>444,876.14</b>	<b>453,389.11</b>	<b>444,876.14</b>
<b>Charges to the Results</b>	<b>12,512.97</b>	<b>34,051.88</b>	<b>8,512.97</b>	<b>34,051.88</b>
Actuarial gains / (losses)	0.00	105,098.98	0.00	105,098.98
Present value of financed liabilities	0.00	0.00	0.00	0.00
Present value of non-financed liabilities	457,389.11	339,777.16	453,389.11	339,777.16
<b>Balance Sheet Liability</b>	<b>457,389.11</b>	<b>444,876.14</b>	<b>453,389.11</b>	<b>444,876.14</b>
<b>Changes in the net liability recognized in the Balance Sheet</b>				
Net liability at beginning of year	444,876.14	323,933.45	444,876.14	323,933.45
Contributions paid	0.00	(18,208.17)	0.00	(18,208.17)
Total expense recognized in the results	12,512.97	34,051.88	8,512.97	34,051.88
Actuarial gains / (losses)	0.00	105,098.98	0.00	105,098.98
<b>Net liability at end of year</b>	<b>457,389.11</b>	<b>444,876.14</b>	<b>453,389.11</b>	<b>444,876.14</b>
<b>Analysis of expenses recognized in the results</b>				
Cost of current employment	10,399.81	18,796.16	6,399.81	18,796.16
Financial cost	2,113.16	11,512.51	2,113.16	11,512.51
Prior service cost	0.00	3,743.21	0.00	3,743.21
<b>Total expense recognized in the results</b>	<b>12,512.97</b>	<b>34,051.88</b>	<b>8,512.97</b>	<b>34,051.88</b>
Cost of sales	6,439.59	12,514.50	3,439.59	12,514.50
Distribution expenses	4,111.56	15,889.12	3,611.56	15,889.12
Administrative expenses	1,961.82	5,648.26	1,461.82	5,648.26
<b>Total</b>	<b>12,512.97</b>	<b>34,051.88</b>	<b>8,512.97</b>	<b>34,051.88</b>

## 17. Analysis of tax liabilities

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Income tax liability	0.00	0.00	0.00	0.00
Credit balance of tax statements to be refunded	(79,673.62)	(78,739.12)	(64,193.20)	(63,766.05)
Provision for tax audit differences	0.00	0.00	0.00	0.00
Tax dues from previous years	0.00	0.00	0.00	0.00
<b>Total</b>	<b>(79,673.62)</b>	<b>(78,739.12)</b>	<b>(64,193.20)</b>	<b>(63,766.05)</b>

## 18. Segment reporting

The Group is organized in three business segments, according to the manner in which such are presented internally to those that make decisions for the allocation of resources and the audit of the effectiveness of the group's operations.

The three business segments are as follows:

- Segment of steel products
- Segment of production & trade of electric energy from Photovoltaic stations
- Segment of production & trade of agricultural products from glasshouse cultivations

a) Statement of Financial Position per segment on 31.03.2015 and 31.12.2014 respectively

(Amounts in €)	31.03.2015				
	STEEL PRODUCTS	ENERGY SEGMENT	AGRICULTURAL PRODUCTS	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
<b>ASSETS</b>					
Tangible and intangible fixed assets	43,134,145.08	6,066,211.50	2,209,061.70		51,409,418.28
Trade and other receivables	22,616,241.84	557,048.88	130,007.69	(910,863.53)	22,392,434.88
Other assets	34,017,725.11	87,776.04	667,172.65	(4,169,333.73)	30,603,340.07
<b>Total Assets</b>	<b>99,768,112.03</b>	<b>6,711,036.42</b>	<b>3,006,242.04</b>		<b>104,405,193.23</b>
<b>EQUITY &amp; LIABILITIES</b>					
Equity	65,650,565.35	1,115,601.08	983,725.72	(2,496,018.41)	65,253,873.74
Other liabilities	34,117,546.68	5,595,435.34	2,022,516.32	(2,584,178.85)	39,151,319.49
<b>Total Equity &amp; Liabilities</b>	<b>99,768,112.03</b>	<b>6,711,036.42</b>	<b>3,006,242.04</b>		<b>104,405,193.23</b>

(Amounts in €)	31.12.2014				
	STEEL PRODUCTS	ENERGY SEGMENT	AGRICULTURAL PRODUCTS	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
<b>ASSETS</b>					
Tangible and intangible fixed assets	43,151,960.14	6,153,598.92	2,220,915.70		51,526,474.76
Trade and other receivables	20,290,856.10	812,383.38	147,071.88	(1,002,714.14)	20,247,597.22
Other assets	44,397,294.61	120,493.49	1,677,081.01	(5,123,242.57)	41,071,626.54
<b>Total Assets</b>	<b>107,840,110.85</b>	<b>7,086,475.79</b>	<b>4,045,068.59</b>		<b>112,845,698.52</b>
<b>EQUITY &amp; LIABILITIES</b>					
Equity	66,321,227.53	1,228,853.52	1,953,574.17	(3,426,363.70)	66,077,291.52
Other liabilities	41,518,883.32	5,857,622.27	2,091,494.42	(2,699,593.01)	46,768,407.00
<b>Total Equity &amp; Liabilities</b>	<b>107,840,110.85</b>	<b>7,086,475.79</b>	<b>4,045,068.59</b>		<b>112,845,698.52</b>

b) Statement of Comprehensive Income per segment on 01.01 - 31.03.2015 and 01.01-31.03.2014 respectively

(Amounts in €)	01.01 – 31.03.2015				
	STEEL PRODUCTS	ENERGY SEGMENT	AGRICULTURAL PRODUCTS	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Sales	14,291,501.65	215,974.01	85,033.51		14,592,509.17
Gross profit / (loss)	1,186,358.66	40,216.18	11,678.11	65,100.00	1,303,352.95
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	300,535.24	117,158.16	11,603.92		429,297.32
Earnings / (losses) before interest and taxes (EBIT)	-72,634.18	27,716.74	-5,981.29		-50,898.73
Earnings / (losses) before taxes (EBT)	-642,206.75	-38,404.40	-15,939.61	(3,873.09)	-700,423.85
Earnings / (losses) after taxes	-664,882.27	-113,252.44	-19,848.45	(3,873.09)	-801,856.25

(Amounts in €)	01.01 – 31.03.2014				
	STEEL PRODUCTS	ENERGY SEGMENT	AGRICULTURAL PRODUCTS	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Sales	11,345,189.02	365,466.90	5,498.50	-489.60	11,715,664.82
Gross profit / (loss)	972,139.37	84,644.43	3,747.72	79,611.44	1,140,142.96
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	192,560.94	-278,551.43	7,837.63	8,296.25	-69,856.61
Earnings / (losses) before interest and taxes (EBIT)	-144,536.23	-377,590.82	-2,711.59	16,394.23	-508,444.41
Earnings / (losses) before taxes (EBT)	-354,396.27	-436,691.08	-12,115.29	-325,690.58	-1,128,893.22
Earnings / (losses) after taxes	-397,556.57	-493,767.13	-21,652.53	-340,919.79	-1,253,896.02

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

- Domestic Sales (approximately 90%)
- Foreign Sales (approximately 10%)

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

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Sales of Merchandise	8,127,496.24	5,733,017.72	8,127,496.24	5,733,017.72
Sales of Products	6,463,804.68	5,982,107.10	6,162,797.16	5,611,631.30
Other Sales	1,208.25	540.00	1,208.25	540.00
<b>Total Sales</b>	<b>14,592,509.17</b>	<b>11,715,664.82</b>	<b>14,291,501.65</b>	<b>11,345,189.02</b>

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Domestic Sales	13,322,910.22	10,375,598.75	13,021,902.70	10,005,122.95
Foreign Sales	1,269,598.95	1,340,066.07	1,269,598.95	1,340,066.07
<b>Total Sales</b>	<b>14,592,509.17</b>	<b>11,715,664.82</b>	<b>14,291,501.65</b>	<b>11,345,189.02</b>

## 19. Analysis of other results

### (a) Other income

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

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Income from transport & delivery expenses	143,282.27	112,947.95	143,282.27	112,947.95
Rental Income	85,050.00	151,930.00	151,830.00	151,930.00
Income from commissions, brokerage etc	5,281.53	8,249.99	5,281.53	8,249.99
Income from Grants	59,667.43	44,805.61	50,588.64	44,805.61
Profit from sale of fixed assets	11,560.00	0.00	11,560.00	0.00
Income from previous years	0.00	113.90	0.00	113.90
Other income	1,060.84	(65,997.21)	68.97	0.00
<b>Total other operating income</b>	<b>305,902.07</b>	<b>252,050.24</b>	<b>362,611.41</b>	<b>318,047.45</b>

(b) Other expenses

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

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Bad debts	72,777.09	57,736.35	72,777.09	57,736.35
Losses from sale of fixed assets	7,168.20	0.00	0.00	0.00
Previous years' expenses	630.84	410,360.23	630.84	2,481.55
Other expenses	41,455.25	4,223.47	41,289.10	4,123.44
<b>Total other operating expenses</b>	<b>122,031.38</b>	<b>472,320.05</b>	<b>114,697.03</b>	<b>64,341.34</b>

(c) Expenses

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

	GROUP		
	01.01-31.03.15		
	SALES COST	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	259,304.45	364,006.60	156,175.87
Third party fees & expenses	110,432.17	67,050.14	194,267.74
Third party benefits	146,119.50	103,120.42	68,002.45
Taxes - duties	19,375.93	21,799.07	2,244.80
Sundry expenses	44,949.97	310,539.21	62,605.80
Depreciation	336,349.99	156,554.20	31,756.07
Cost of inventories	12,372,624.21	0.00	0.00
<b>Total</b>	<b>13,289,156.22</b>	<b>1,023,069.64</b>	<b>515,052.73</b>

	<b>GROUP</b>		
	<b>01.01-31.03.14</b>		
	<b>SALES COST</b>	<b>DISTRIBUTION EXPENSES</b>	<b>ADMINISTRATIVE EXPENSES</b>
Employee fees & expenses	343,375.87	344,441.36	148,293.75
Third party fees & expenses	117,134.75	77,020.18	147,551.23
Third party benefits	159,618.10	59,487.30	70,901.69
Taxes - duties	128,248.27	41,070.88	43,874.86
Sundry expenses	69,712.55	246,604.65	75,542.65
Depreciation	324,643.86	132,166.13	41,362.88
Cost of inventories	9,432,788.46	0.00	0.00
<b>Total</b>	<b>10,575,521.86</b>	<b>900,790.50</b>	<b>527,527.06</b>

	<b>COMPANY</b>		
	<b>01.01-31.03.15</b>		
	<b>SALES COST</b>	<b>DISTRIBUTION EXPENSES</b>	<b>ADMINISTRATIVE EXPENSES</b>
Employee fees & expenses	238,965.16	363,506.60	152,704.26
Third party fees & expenses	105,086.47	62,057.38	182,466.28
Third party benefits	60,665.58	102,298.99	67,275.87
Taxes - duties	16,697.53	21,799.07	2,057.12
Sundry expenses	21,114.08	306,199.26	60,972.12
Depreciation	238,187.77	155,204.20	30,366.07
Cost of inventories	12,424,426.40	0.00	0.00
<b>Total</b>	<b>13,105,142.99</b>	<b>1,011,065.50</b>	<b>495,841.72</b>

	<b>COMPANY</b>		
	<b>01.01-31.03.14</b>		
	<b>SALES COST</b>	<b>DISTRIBUTION EXPENSES</b>	<b>ADMINISTRATIVE EXPENSES</b>
Employee fees & expenses	291,416.13	344,441.36	148,293.75
Third party fees & expenses	104,167.79	77,020.18	140,674.66
Third party benefits	84,223.42	59,487.30	68,982.98
Taxes - duties	14,857.75	41,070.88	10,589.71
Sundry expenses	32,946.28	246,604.65	70,785.21
Depreciation	219,471.75	132,166.13	30,264.90
Cost of inventories	9,625,966.53	0.00	0.00
<b>Total</b>	<b>10,373,049.65</b>	<b>900,790.50</b>	<b>469,591.21</b>



(d) Financial expenses – income

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

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Debit interest	340,031.91	307,060.06	326,288.63	232,488.11
Other bank expenses and fees	111,538.99	43,100.32	60,820.50	48,326.36
Foreign exchange differences	6,679.89	0.00	6,679.89	0.00
Losses from derivatives	128,469.62	0.00	128,469.62	0.00
<b>Total</b>	<b>586,720.41</b>	<b>350,160.38</b>	<b>522,258.64</b>	<b>280,814.47</b>

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

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Credit interest	51,884.95	69,533.24	63,502.64	69,514.73
Profit from sale of securities	0.00	0.00	0.00	0.00
Interest receivable from customers	3,647.93	1,439.70	3,647.93	1,439.70
Foreign exchange differences	215,565.94	0.00	215,565.94	0.00
Profit from derivatives	0.00	0.00	0.00	0.00
<b>Total</b>	<b>271,098.82</b>	<b>70,972.94</b>	<b>282,716.51</b>	<b>70,954.43</b>

(e) Income / expenses of companies consolidated via the equity method

	01.01-31.03.2015		
	Results for the period	Other	Total
CORUS – KALPINIS SIMOS SA	155,433.41	0.00	155,433.41
TATA ELASTRON SA	168,149.81	1,739.98	169,889.79
BALKAN IRON GROUP SRL	6,447.21	2,133.12	8,580.33
<b>Total</b>	<b>330,030.43</b>	<b>3,873.10</b>	<b>333,903.53</b>

	01.01-31.03.2014		
	Results for the period	Other	Total
CORUS – KALPINIS SIMOS SA	158,192.81	0.00	158,192.81
TATA ELASTRON SA	176,620.26	-4,251.76	172,368.50
BALKAN IRON GROUP SRL	11,463.81	-763.75	10,700.06
<b>Total</b>	<b>346,276.88</b>	<b>-5,015.51</b>	<b>341,261.37</b>

(f) Income tax expense

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Income tax of current year / provision	0.00	0.00	0.00	0.00
Deferred taxation	101,432.40	125,002.80	22,675.52	43,160.30
Tax audit differences	0.00	0.00	0.00	0.00
Provision for possible tax differences	0.00	0.00	0.00	0.00
<b>Effective tax burden</b>	<b>101,432.40</b>	<b>125,002.80</b>	<b>22,675.52</b>	<b>43,160.30</b>

(g) Other comprehensive income / expenses after taxes

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Actuarial gains / losses	0.00	0.00	0.00	0.00
Result from cash flow hedge minus the corresponding tax	0.00	45,551.65	0.00	45,551.65
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>45,551.65</b>	<b>0.00</b>	<b>45,551.65</b>

## 20. Analysis of earnings per share

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Net earnings corresponding to shareholders	-799,860.88	-1,245,115.41	-334,851.83	-397,556.57
Number of shares (W. Avg)	18,426,968	18,436,096	18,426,968	18,436,096
<b>Earnings / (losses) per share (€)</b>	<b>-0.0434</b>	<b>-0.0675</b>	<b>-0.0182</b>	<b>-0.0216</b>

## 21. 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:

	COMPANY	
	01.01-31.03	
	2015	2014
<b>a) Income</b>		
Sales of Inventories to Corus-Kalpinis-Simos S.A.	59,650.50	29,684.22
Sales of Inventories to Tata Elastron S.A.	477,705.59	226,875.29
Sales of other inventories to Tata Elastron S.A.	0.00	0.00
Rental Income from Corus –Kalpinis-Simos S.A.	85,050.00	85,050.00
Rental Income from Photodevelopment S.A.	21,600.00	21,600.00
Rental Income from Photodiodos S.A.	18,780.00	18,780.00
Rental Income from Photoenergy S.A.	9,900.00	9,900.00
Rental Income from Ilioskopio S.A.	9,300.00	9,300.00
Rental Income from Photokypseli S.A.	7,200.00	7,200.00
Income of transfer services from Tata Elastron S.A.	0.00	0.00
Interest income from Tata Elastron S.A.	0.00	0.00
Interest income from Photodevelopment S.A.	0.00	0.00
Interest income from Photodiodos S.A.	0.00	0.00
Interest income from Photoenergy S.A.	0.00	0.00
Interest income from Ilioskopio S.A.	0.00	0.00
Interest income from Photokypseli S.A.	0.00	0.00
Interest income from Photoishis MEPE	0.00	0.00
Processing income from Corus-Kalpinis-Simos S.A.	577.48	114.40
Processing income from Tata Elastron S.A.	332.00	496.40
Income from sale of fixed assets to Elastron Agricultural SA	0.00	0.00
Rental income from Elastron Agricultural SA	0.00	100.00
Sales of inventories to Elastron Agricultural SA	0.00	489.60
	<b>690,095.57</b>	<b>409,589.91</b>
<b>b) Expenses</b>		
Purchases of inventories from Corus-Kalpinis-Simos S.A.	297,891.23	253,389.25
Purchases of inventories from Tata Elastron S.A.	52,288.17	38,193.70
Processing expenses from Tata Elastron S.A.	1,743.60	2,910.35
Purchases of consumables from Corus-Kalpinis-Simos S.A.	0.00	0.00
Transfer services expenses from Tata Elastron S.A.	0.00	0.00
Rental expense from Tata Elastron S.A.	0.00	0.0
Purchases of fixed assets from Elastron Agricultural SA	0.00	0.00
	<b>351,923.00</b>	<b>294,493.30</b>

	COMPANY	
	01.01-31.03	01.01-31.12
	2015	2014
<b>c) Receivables</b>		
From Tata Elastron S.A.	997,391.38	1,499,227.10
From Corus-Kalpinis-Simos S.A.	0.00	0.00
From Balkan Iron Group S.R.L.	122,245.68	109,900.73
From Kalpinis Simos Bulgaria EOOD	713,496.18	709,953.07
From Photodevelopment LTD	543,233.38	565,610.98
From Photodiodos LTD	487,646.98	507,103.06
From Photoenergy LTD	225,655.85	235,912.25
From Ilioskopio LTD	203,968.25	213,603.05
From Photokypseli LTD	124,987.99	132,447.19
From Photoisxis LTD	965,537.62	1,005,537.62
From Elastron Agricultural	559,382.11	4,552.11
	<b>4,943,545.42</b>	<b>4,983,847.16</b>
<b>d) Liabilities</b>		
To Tata Elastron S.A.	184,477.52	118,018.44
To Corus-Kalpinis-Simos S.A.	397,523.55	472,898.26
To Elastron Agricultural	0.00	0.00
	<b>582,001.07</b>	<b>590,916.70</b>

	GROUP	
	01.01-31.03	
	2015	2014
<b>e) Income</b>	<b>0.00</b>	<b>0.00</b>
<b>f) Expenses</b>	<b>0.00</b>	<b>0.00</b>

	GROUP	
	01.01-31.03	01.01-31.12
	2015	2014
<b>g) Receivables</b>	<b>713,496.18</b>	<b>709,953.07</b>
<b>h) Liabilities</b>	<b>0.00</b>	<b>0.00</b>

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
<b>i) Transactions and remuneration of Board Members &amp; senior executives</b>				
Transactions and remuneration of Board Members	55,500.00	55,500.00	55,500.00	55,500.00
Transactions and remuneration of senior executives	52,800.00	52,800.00	18,000.00	18,000.00
Transactions and remuneration of other related entities	4,095.00	4,095.00	4,095.00	4,095.00
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

Senior executives according to IAS 24 are those individuals that have the authority and responsibility for the planning, management and control of the entity's activities, directly or indirectly, and include all members of the Board of Directors (executive and non-executive) of the entity, as well as all other senior executives according to the above definition.

## 22. 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 and Group's financial position or operation.

### Tax un-audited financial years

The Parent Company and the company "CORUS-KALPINIS-SIMOS S.A. COATING MATERIALS" have not been audited by the tax authorities for financial year 2010. The company "TATA ELASTRON STEEL SERVICE CENTER" has not been tax audited for the financial years 2009 and 2010. However, the level of tax losses is deemed to exceed the accounting differences that may arise due to a tax audit in future. For the other companies of the Group, it is estimated that there is no need for provision with regard to the tax unaudited financial years. Therefore, on 31.03.2015, for the Company and the Group, there is no outstanding amount for provision for tax unaudited financial years.

From 2011, the parent company as well as the other Group companies have been subject to the tax audit by Certified Auditors Accountants, in accordance with the provisions of article 82, par. 5 of C.L. 2238/1994.

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:

	31.03.2015	
	ΟΜΙΛΟΣ	ΕΤΑΙΡΙΑ
Guarantees to secure obligations to suppliers	8,142,406.03	7,347,411.00
Guarantees to secure trade receivables	2,953,638.00	2,703,638.00
Other Guarantees	4,814,114.34	3,082,626.87
<b>Total</b>	<b>15,910,158.37</b>	<b>13,133,675.87</b>

## 23. Dividends

According to Greek commercial law, companies are obligated to distribute at least 35% of earnings after the deduction of taxes and the statutory reserve, to shareholders. The planned Annual General Meeting of the company's shareholders on 18.06.2015 will propose not to distribute dividend for the financial year 2014 due to negative results.

## 24. Staff information

### (a) Number of staff

The number of employees working for the Group (including the employees of companies consolidated with the equity method) and the Company is presented in the following table:

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Regular staff	102	96	53	47
Staff on day-wage basis	77	78	51	56
<b>Total staff</b>	<b>179</b>	<b>174</b>	<b>104</b>	<b>103</b>

### (b) Staff remuneration

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

	GROUP		COMPANY	
	01.01-31.03		01.01-31.03	
	2015	2014	2015	2014
Employee remuneration	651,697.52	662,340.68	607,424.85	621,592.85
Employer contributions	137,960.83	154,882.99	126,464.57	143,671.08
Other benefits	12,773.64	11,143.97	12,773.64	11,143.97
<b>Total</b>	<b>802,431.99</b>	<b>828,367.64</b>	<b>746,663.06</b>	<b>776,407.90</b>

## 25. Government Grants

	31.03.2015		31.12.2014	
	GROUP	COMPANY	GROUP	COMPANY
Grants on completed investments	6,502,382.16	5,091,939.01	6,502,382.16	5,091,939.01
Grants on revenue for the financial year	(59,667.43)	(50,588.64)	(213,078.33)	(182,490.65)
Grants on revenue from previous financial years	(1,220,602.53)	(1,190,014.85)	(1,007,524.20)	(1,007,524.20)
<b>Balance on deferred income</b>	<b>5,222,112.20</b>	<b>3,851,335.52</b>	<b>5,281,779.63</b>	<b>3,901,924.16</b>
Short-term portion	238,669.71	202,354.57	213,078.32	182,490.64
Long-term portion	4,983,442.49	3,648,980.95	5,068,701.31	3,719,433.52
Received Prepayment	5,989,545.06	4,579,101.91	5,989,545.06	4,579,101.91
Receivable from Grant	512,837.10	512,837.10	512,837.10	512,837.10

On 22/12/2006 the Ministry of Development approved a five-year investment plan worth € 14.7 million for the account of the parent Company. A grant for 35% of the above amount is anticipated. In June 2007 the company ELASTRON S.A. received a prepayment of € 1.54 million, which corresponds to 30% of the total grant by using the capability for a lump sum prepayment. On 29/04/2013, the total

budget of the investment was revised to € 13.1 million. On 02/07/2013 an amount of € 0.75 million was paid corresponding to the full collection of 50% of the grant, whereas on 16/10/2013 an amount of € 2.3 paid corresponding to the completion of the collection of the full (100%) grant. The above investments were implemented in the Company's facilities in Aspropyrgos and Skaramagka, Attica.

In May 2014, the parent company's new investment plan was approved and included in the category of General Entrepreneurship of the General Business Plans of article 6 of Law 3908/2011. The total amount of the investment accounts for Euro 3.4 million and includes the purchase of modern mechanical equipment and the construction of new storage and industrial facilities. The above investment will received a grant of 15% of the total amount.

The subsidiary company ELASTRON AGRICULTURAL S.A. completed recently an investment plan amounting to Euro 2.1 million in the county of Xanthi (Northern Greece) which concerns the development of hydroponic cultivation of glasshouse agricultural products via the utilization of geothermal energy. The particular investment was classified under the provisions of the investment Law 3908/2011 which provides for a 40% grant of the total investment amount. The grant accounts for Euro 0.8 million and has been already collected by the company. At the same time, ELASTRON AGRICULTURAL S.A. has prepared a new investment plan for the expansion of the existing hydroponic cultivation unit for a total amount of Euro 6 million. The particular plan has been also classified under the provisions of Law 3908/2011 and will similarly receive a 40% grant.

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.

## *26 . 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:

### **31.03.2015**

1 € = 4.4098 RON (Exchange rate used in the Statement of Financial Position)

1 € = 4.451587 RON (Exchange rate used in the Statement of Comprehensive Income)

### **31.12.2014**

1 € = 4.4828 RON (Exchange rate used in the Statement of Financial Position)

1 € = 4.447116 RON (Exchange rate used in the Statement of Comprehensive Income)

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

After the end of the reporting period no events occurred that may affect the financial statements.

Aspropyrgos, 25 May 2015

THE CHAIRMAN OF THE BOARD

THE DEPUTY CEO

THE CHIEF FINANCIAL OFFICER

PANAGIOTIS SIMOS

STILIANOS KOUTSOTHANASSIS

VASILIS MANESIS

ID No. AE 063856

ID No. AB 669589

ID No. AE 008927

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