Annual Financial Report
For the Period from 1st of January to 31st of December 2015
In accordance with International Financial Reporting Standards ("IFRS")

SOVEL HELLENIC PROCESSING COMPANY S.A.

Independent Auditor's Report

To the Shareholders of "SOVEL S.A."

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of SOVEL S.A. which comprise the statement of financial position as of 31 December 2015, the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SOVEL S.A. as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying financial statements in accordance with the requirements of article 43a (par.3a) of Codified Law 2190/1920.

Athens, 10 June 2016

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Annual Financial Report

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Statement of Financial Position

Amounts in Euro	Note	31/12/2015	31/12/2014
ASSETS			
Non-current assets			
Tangible assets	6	176.159.907	184.977.352
Investments in associates	7	4.592.682	4.610.682
Investments in subsidiaries	8	6.291.933	6.741.947
Available for sale financial assets	9	143.673	143.673
Other receivables	12	1.583.796	1.566.937
		188.771.990	**198.040.590**
Current Assets			
Inventories	11	44.998.856	59.055.089
Trade and other receivables	12	49.498.765	31.715.893
Cash and cash equivalents	13	3.456.570	143.181
		97.954.191	**90.914.164**
Total Assets		**286.726.181**	**288.954.754**
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	14	40.981.356	40.981.356
Share premium	14	47.611.049	47.611.049
Other reserves	15	41.324.658	41.324.658
Retained earnings		-51.320.724	-38.441.564
Total		**78.596.338**	**91.475.499**
Total Equity		**78.596.338**	**91.475.499**
LIABILITIES			
Non-current liabilities			
Borrowings	16	63.738.822	70.777.547
Deffered tax liabilities	10	25.063.909	22.479.653
Retirement benefit obligations	17	1.312.364	1.374.955
Government Grants	18	4.508.385	5.317.726
Provisions for other liabilities and charges	20	53.297	53.297
Other non-current liabilities	19	5.091.619	7.123.643
		99.768.398	**107.126.821**
Current Liabilities			
Trade and other payables	19	57.423.300	57.193.788
Borrowings	16	50.938.146	33.158.646
		108.361.445	**90.352.434**
Total Liabilities		**208.129.843**	**197.479.255**
Total equity and liabilities		**286.726.181**	**288.954.754**

The notes on pages 6 to 40 form an integral part of these annual financial statements.

Income Statement

Amounts in Euro	Note	12 months until 31/12/2015	12 months until 31/12/2014
Sales	5	207.640.379	242.118.123
Cost of Sales	21	-192.595.541	-224.461.068
Gross Profit		**15.044.838**	**17.657.055**
Selling expenses	21	-15.721.094	-20.571.350
Administrative expenses	21	-2.854.480	-2.729.787
Other operating income	25	2.284.128	2.303.678
Other operating expenses	25	-2.181.166	-2.640.258
Operating Results		**-3.427.774**	**-5.980.662**
Financial Income	23	7.273	8.715
Financial Expenses	23	-7.019.351	-6.566.639
Divident Income		44.400	247.200
Provision for impairment of participation costs	7	-	-4.334
Profits/(losses) before taxes		**-10.395.452**	**-12.295.720**
Income tax expense	24	-2.555.098	-368.809
Profits/(losses) after taxes		**-12.950.550**	**-12.664.528**

Statement of Comprehensive Income

Amounts in Euro	12 months until 31/12/2015	12 months until 31/12/2014
Profits/(losses) after taxes	**-12.950.550**	**-12.664.528**
Other Comprehensive income after taxes		
Recognized actuarial gains/losses after taxes	71.389	-248.630
Total income after taxes	**71.389**	**-248.630**
Cumulative Comprehensive results after taxes	**-12.879.161**	**-12.913.159**

The notes on pages 6 to 40 form an integral part of these annual financial statements.

Statement of Changes in Shareholders' Equity

Amounts in Euro	Share Capital & Share Premium reserves	Other Reserves	Retained Earnings	Total Equity
Balance as at January 1st 2014	**88.592.405**	**41.324.658**	**-25.528.405**	**104.388.658**
Recognized actuarial gains/losses	-	-	-248.630	-248.630
Profits/(losses) after taxes	-	-	-12.664.528	-12.664.528
Cumulative Comprehensive income(expenses) after taxes (1/1/2014-31/12/2014)	**-**	**-**	**-12.913.159**	**-12.913.159**
Balance as at December 31st 2014	**88.592.405**	**41.324.658**	**-38.441.564**	**91.475.499**
Balance as at January 1st 2015	**88.592.405**	**41.324.658**	**-38.441.564**	**91.475.499**
Recognized actuarial gains/losses	-	-	71.389	71.389
Profits/(losses) after taxes	-	-	-12.950.550	-12.950.550
Cumulative Comprehensive income(expenses) after taxes (1/1/2015-31/12/2015)	**-**	**-**	**-12.879.161**	**-12.879.161**
Balance as at December 31st 2015	**88.592.405**	**41.324.658**	**-51.320.724**	**78.596.338**

The notes on pages 6 to 40 form an integral part of these annual financial statements.

Statement of Cash Flows

Amounts in Euro	Note	1/1 to 31/12/2015	1/1 to 31/12/2014
Cash flow from operating activities			
Cash flows from operating activities	26	644.319	11.497.407
Interest paid		-6.900.091	-6.484.771
Net cash flows from operating activities		**-6.255.772**	**5.012.636**
Cash Flows from investing activities			
Purchase of property, plant and equipment	6	-1.962.485	-11.010.057
Sale of tangible assets	26	372.000	305.342
Dividents received		41.160	246.480
Increase - acquisition of participation in subsidiaries	8	-250.000	-50.000
Capital return of subsidiary		700.014	999.600
Capital return of associate		18.000	1.094
Net Cash Flows from investing activities		**-1.081.311**	**-9.507.541**
Cash flow from financing activites			
Proceeds from borrowings		13.868.200	4.917.143
Repayment of borrowings		-3.225.000	-645.268
Interest received		7.273	8.715
Net Cash Flow from financing activities		**10.650.472**	**4.280.590**
Net (decrease)/ increase in cash and cash equivalents		**3.313.389**	**-214.316**
Cash and cash equivalents at the beginning of the year		143.181	357.497
Cash and cash equivalents at the end of the period	13	**3.456.570**	**143.181**

The notes on pages 6 to 40 form an integral part of these annual financial statements.

1 General Information

The main activities of SOVEL HELLENIC STEEL PROCESSING COMPANY S.A ("the Company" or "Sovel S.A") are the production and sale of steel construction and industrial products. The Company operates in Greece and the broader region of the Balkans and Europe. The Company is a member of the SIDENOR Group of companies.

The Company is registered in Athens, Greece, 2-4 Mesogheion Ave., Attiki. The Company also has branches in Almyros, Magnesia where the total of its production activity is being carried out.

The financial statements have been approved for publication by the Board of Directors on 22/3/2016 and are subject to approval by the Annual General Meeting which will convene on 30/6/2016.

The Company's financial statements are published at (http://sovel.vionet.gr) and are also included in the Parent Company's consolidated financial statements.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

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

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

The Company's major priorities as a member of the SIDENOR Group are:

- the preservation and further increase of its market share
- the reinforcement of its presence in the Central Europe, the Balkans and the Eastern Mediterranean markets to compensate for the considerable decline in the Greek construction market.
- the reduction of its production costs
- the efficient management of its working capital.

Within this framework, innovative investments have been almost completed not only at SOVEL's premises but at SIDENOR's as well , in order to reduce both the consumption of energy and the factory's carbon foot-print (Co2).

Consequently the Group and the Company continue to adopt the "principle of going concern" in preparing individual and consolidated financial statements for the year ended 31st of December, 2015.

Macroeconomic Risks in Greece

According to the Greek Legislative Act of 28.06.2015, Greek banks were suspended while at the same time capital controls were imposed. Bank suspension ended on 20.07.2015, while capital controls are still in effect.

The recovery of economic stability depends mostly on the successful implementation of the agreed terms and conditions of the latest bailout agreement.

As a result, both macroeconomic and financial environment remain fluid.

The aforementioned facts may negatively affect Group's operations, financial results, financial position as well as future prospects, in a way that it could not be accurately forecasted, due to the fact that the majority of Group's operations relates to export activity.

Liquidity Risk

The instability of the Greek Banking sector combined with the aforementioned facts, lead to an uncertain situation that might affect the Group's liquidity.

The Borrowing of the Group is mainly long term bearing with an average maturity period of 3 years. Furthermore, the fact that the Group exports the bulk of its production, significantly counterweights the current situation in Greece.

The financing of the Group, mainly derives from Greek financial institutions.

The liquidity management approach adopted by the Group aims to ensure cash availability to meet its liabilities when due under normal or difficult conditions, without risking the incurrence of unacceptable losses or damage its reputation. This goal is achieved by maintaining a minimum permissible level of its cash reserves and sufficient credit lines from financial institutions. Furthermore, the Group in order to avoid liquidity risks, estimates the cash flows for the following fiscal year as part of the annual budget workings and manages, in a monthly basis, a three month dynamic rolling cash flow forecast model, in order to ensure sufficient cash availability to meet its operating needs.

The Group maintains instant access in financing sources and historically refinances its short-term debt, if necessary. The Group evaluates that its short-term debt refinancing will continue in the future based both on past evidences and smooth cooperation with financial institutions.

Moreover, the Group's management is currently negotiating the transfer of the short term contractual bond repayments beyond 2016. Any negative aspects and uncertainty in this field may affect Group's operations, financial position and prospects. On the contrary, any positive outcome will lead to an efficient working capital management.

In any case, banks' response on this issue is positive and negotiations are in the final stage before an agreement. The Group considers the outcome of those negotiations will certainly be completed successfully within 2016.

As a result, the Group's Consolidated Financial Statements for the fiscal year ended at 31st of December 2015 were prepared on a Going Concern Basis.

Operating Risks

Production/Sales and Suppliers

The Group's operations in Greece significantly depend on foreign suppliers. Assuming that capital controls imposed will remain in effect, the companies of the Group will have to continue requesting permission from the competent authorities, in order to proceed foreign vendor payments by utilizing cash and cash equivalents held in Greek Financial Institutions. The aforementioned process could cause delays in raw

material imports. However, it is not considered as a major concern, since the Group's payments are also carried out through cash and equivalents held outside Greece or through foreign subsidiaries. The Group estimates that this approach could continue in the foreseeable future.

Events that could negatively affect the Greek economy are beyond the Group's control and Management is not in a position to assess any possible consequences. However, the fact that the group's exporting sales portion is constantly rising coupled with the cutting edge technology applied in the production facilities both in Greece and abroad, empower the Management's ability to assess the current situation and its possible effects and decide effectively on the necessary actions to minimize their impact on the Group's operations.

Credit Risk

The Group applies a specific credit policy based on assessing the customers' creditworthiness/credit rating. Whenever deemed necessary, further insurance coverage is requested. Receivables from public institutions are considered to bear further credit risk. The current Greek market downturn may further affect the group's customer base in Greece, negatively affecting working capital's time span. However, sales per customer are distributed to a large number of customers and as a result risk is also distributed and thus decreased to an acceptable level.

Cash and cash equivalents are also considered to bear high credit risk, as the current macroeconomic conditions in Greece are negatively affect domestic Financial Institutions.

2.2 New standards, amendments to standards and interpretations

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

Standards and Interpretations effective for the current financial year

IFRIC 21 "Levies"

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

Annual Improvements to IFRSs 2013

The amendments set out below describe the key changes to three IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project.

IFRS 3 "Business combinations"

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 "Fair value measurement"

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 "Investment property"

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Company is currently investigating the impact of IFRS 9 on its financial statements. The Company cannot currently early adopt IFRS 9 as it has not yet been endorsed by the EU.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company is currently investigating the impact of IFRS 15 on its financial statements. The standard has not yet been endorsed by the EU.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 February 2015)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 16 and IAS 41 (Amendments) "Agriculture: Bearer plants" (effective for annual periods beginning on or after 1 January 2016)

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

IAS 27 (Amendment) "Separate financial statements" (effective for annual periods beginning on or after 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception" (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 February 2015)

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016)

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

IFRS 5 "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"

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

IAS 19 "Employee benefits"

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

IAS 34 "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

2.3 Investments in Subsidiaries and Associates

(a) Subsidiary companies

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

The Company applies the acquisition method to account for business combinations. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. By each case of purchase the Company recognizes eventual non-controlling interest of the subsidiary either in its fair value or in the value of the share of the non-controlling interest in the net position of the subsidiary.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. In case that the contingent consideration is classified as equity item it is not re-measured until the final settlement through equity.

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

(b) Changes in ownership interests in subsidiaries without change of control

The Company's transactions with non-controlling interests are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

(b) *Disposal of subsidiaries*

When the Company ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company's investment in associates includes goodwill identified on acquisition.

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

The Company's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured

receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company's investments in associate companies are presented at acquisition cost less impairment.

2.4 Segment Reporting

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

2.5 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 Property, plant and equipment

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

Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

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

- Builldings	10-33	Years
- Machinery	2-25	Years
- Vehicles	6-7	Years
- Furniture, fittings and equipment	3-8	Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

Borrowing costs directly attributable to the acquisition, construction of qualifying assets, which need a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.8 Financial Assets

The Company classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(α) Loans and receivables

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

(β) Available-for-sale financial assets

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

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

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

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

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

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

(γ) Impairment of financial assets at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

2.9 Derivative Financial Instruments

Cash Flow Hedge

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

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

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

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis.

2.10 Inventories

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

2.11 Trade and other receivables

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

2.12 Cash and cash equivalents

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

2.13 Share Capital

Ordinary shares are classified as equity.

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

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

2.14 Suppliers

The trade payables are accounted for initially at fair value and later on are evaluated at the net value using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.15 Borrowings

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

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2.16 Deferred income tax

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

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

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

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

Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.17 Income Tax

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.18 Employ benefits

(a) Pension obligations

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

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

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The

group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Short term benefits

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

2.19 Government Grants

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

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

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

2.20 Provisions

A provision shall be recognized when:

i. The Group has a current legal or inferable commitment as a result of past events
ii. It is likely that a cash outflow will be required to settle the commitment
iii. The amount can be reliably estimated

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognision

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

(a) Sales of goods — wholesale

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

(b) Sales of services

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

(c) Interest income

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

(d) Dividends

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

2.22 Leases

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

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

2.23 Divident distribution

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

2.24 Roundings

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

3 Financial Risk Management

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

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

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

3.1 Market risk

3.1.1 Foreign exchange risk

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

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

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

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

3.1.2 Price risk

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

α) Products

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

β) Investments

Investments are classified by the Group based on the purpose for which they were acquired.

Management decides on the suitable classification of the investment at the time of its purchase and re-examines said classification on each presentation date.

3.1. 3 Cash flow and fair value interest rate risk

The Company finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that charges its financial results. Upward trends in interest rates will have adverse effects on results, as the Company will incur additional cost of debt.

Interest rate risk is contained, as part of the Company's loans is subject to fixed interest rates.

If, as at 31/12/2015, interest rates were increased (decreased) by 0.25% / (-0.25%), the Company's profits before taxes effect would be (loss) / profit equal to (-€194 thousand) / €194 thousand. Company net assets would be affected proportionally.

Respectively, if, as at 31/12/2014, interest rates were increased (decreased) by 0.25% / (-0.25%), the Company's profits before taxes effect would be (loss) / profit equal to (-€261 thousand). /€261 thousand.

3.2 Credit Risk

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

3.2.1 Customers and other receivables

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

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

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

The Company records a depreciation provision which represents its assessment of losses incurred in relation to customer liabilities, other receivables. This provision mainly consists of losses due to the devaluation of specific receivables that were deemed realizable in relation to specific conditions but which have not as yet been finalized.

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

3.2.2 Guarantees

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

3.3 Liquidity risk

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

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

The developments that have taken place in 2015, as well as the national and international discussions

regarding the reconsideration of the terms of Greece's financing program, have resulted in the continuation of an unstable macroeconomic and financial environment in the country. The return to economic stability depends to a large extent on the actions and decisions of local and international institutions.

The uncertainty of the economic environment in Greece constitutes a key risk factor and any negative developments in this area is likely to affect the Company's indigenous operations, and its financial performance and position. Taking into consideration the export orientation of the Group and its technologically advanced production facilities both in Greece and abroad, the Group's management continually assesses the situation and takes all necessary actions and measures in order to minimize any impact on the Company's operations.

3.4 Capital Management

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

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

The leverage ratio at December 31, 2015 and 2014 were as follows:

	31/12/2015	**31/12/2014**
Total borrowing	114.676.968	103.936.193
Less		
Cash and cash equivalent	-3.456.570	-143.181
Net borrowing	**111.220.398**	**103.793.012**
Total net worth	78.596.338	91.475.499
Total employed capital	**189.816.736**	**195.268.510**
Leverage ratio	**59%**	**53%**

There have been no changes to the Company's approach on capital management during the financial year.

3.5 Fair value estimation

The table below analyses financial instruments carried in the balance sheet at fair value, for both Group and Company, by level of the following fair value measurement hierarchy:

First level – Includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Second level – Includes inputs other than quoted prices included within the first level, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Third level – Includes inputs that are not based on observable market data (that is, unobservable inputs).

The different levels are defined as follows:

Amounts in Euro		**31/12/2015**				**31/12/2014**			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets available for sale	9	-	-	143.673	**143.673**	-	-	143.673	**143.673**
		-	**-**	143.673	**143.673**	-	**-**	143.673	**143.673**

There were no transfers between Levels 1 and 2 during the period.

Valuation techniques used to derive Level 2 fair values

Level 2 trading comprise forward foreign exchange contracts (forward).

These forward foreign exchange contracts have been fair valued using forward exchange rates at balance sheet date and quoted in an active market.

Valuation of Level 3 fair value

The available-for-sale financial assets and the derivative financial assets of level 3 are non-traded securities. So it is not possible to measure their fair value reliably. Correspondingly, they are valued at acquisition cost.

Valuation processes

For financial reporting purposes, the group's financial department performs the valuations of financial assets and Level 3 fair values. The procedure is performed at least once every quarter in line with the group's quarterly reporting dates.

Fair value of financial assets and liabilities measured at unamortised cost

The carried value of the short terms borrowings approximate its fair value because the effect from discount is immaterial.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities
- Other short-term financing liabilities

4 Accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

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

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

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

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

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

e) The current value of the employee benefit commitments is based on a number of factors specified actuarially using some assumptions. The assumptions used to define the net expenditure of employee

benefits include discount rates, future pay raises as well as inflation rates. Possible changes in these assumptions would affect the accounting value of the commitment.

f) Employee benefits

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

The present value of the defined benefits is calculated based on the appropriate discount rate (Bond index "iBoxx AA-rated Euro corporate bond 10+year") plus increases in staff salaries. The assumptions used are further illustrated in Note 17.

4.2 Critical judgement in applying the entity's accounting policies

By application of the provisions of IAS 2, according to which inventories are valued at the lower of the acquisition cost and the net realizable value, a depreciation of € (1,156) thousand for the Company. The above amount burdened the results of the period.

5 Sales

Amounts in Euro

Sales	**31/12/2015**	**31/12/2014**
Greece	104.774.275	121.919.848
European Union	71.228.091	69.472.688
Other European Countries	23.305.837	38.298.538
Asia	3.261.765	-
Africa	4.733.378	12.210.509
Oceania	337.033	216.541
Total	**207.640.379**	**242.118.123**

Analysis of sales per category

Amounts in Euro	**31/12/2015**	**31/12/2014**
Sales of merchandise & products	174.338.154	241.174.242
Income from services	13.640.405	152.131
Other	19.661.820	791.750
Total	**207.640.379**	**242.118.123**

Total assets other than assiociates	**31/12/2015**	**31/12/2014**
Greece	282.133.500	284.344.072
Total	**282.133.500**	**284.344.072**
Investments in associates		
Greece	4.592.682	4.610.682
Total	**4.592.682**	**4.610.682**
Total Assets	**286.726.181**	**288.954.754**
Investments in property, plant and equipment and intangible assets		
Greece	3.482.485	14.050.057
Total	**3.482.485**	**14.050.057**

6 Property, plant and equipment and intangible assets

Amounts in Euro	Land	Buildings	Machinery	Vehicles	Furniture & fittingd	Assets under Construction	Total
Cost							
Balance as at January 1st 2014	**9.254.863**	**72.710.583**	**232.758.602**	**1.273.854**	**5.656.795**	**4.860.130**	**326.514.827**
Additions	-	67.714	13.712.330	19.600	180.058	70.354	**14.050.057**
Sales	-	-	-458.940	-	-	-	**-458.940**
Spare part consumption	-	-	-885.392	-	-	-	**-885.392**
Reclassifications	-	289.500	4.367.458	-	3.616	-4.660.573	-
Balance as at December 31st 2014	**9.254.863**	**73.067.797**	**249.494.058**	**1.293.454**	**5.840.469**	**269.911**	**339.220.552**
Accumulated Depreciation							
Balance as at January 1st 2014	-	**-26.379.271**	**-111.156.140**	**-1.186.753**	**-5.337.149**	-	**-144.059.313**
Depreciation of the year	-	-1.712.378	-9.006.368	-62.428	-168.747	-	**-10.949.921**
Sales	-	-	291.681	-	-	-	**291.681**
Spare part consumption	-	-	474.353	-	-	-	**474.353**
Balance as at December 31st 2014	-	**-28.091.649**	**-119.396.474**	**-1.249.181**	**-5.505.895**	-	**-154.243.200**
Net book value as at December 31st 2014	**9.254.863**	**44.976.148**	**130.097.584**	**44.273**	**334.573**	**269.911**	**184.977.352**

Amounts in Euro	Land	Buildings	Machinery	Vehicles	Furniture & fittings	Assets under construction	Total
Cost							
Balance as at January 1st 2015	**9.254.863**	**73.067.797**	**249.494.058**	**1.293.454**	**5.840.469**	**269.911**	**339.220.552**
Additions	-	-	2.488.479	45.360	116.947	831.699	**3.482.485**
Sales	-	-	-487.556	-	-	-	**-487.556**
Spare part consumption	-	-	-1.174.927	-	-	-	**-1.174.927**
Reclassifications	-	-	21.368	-	-	-21.368	-
Balance as at December 31st 2015	**9.254.863**	**73.067.797**	**250.341.423**	**1.338.814**	**5.957.416**	**1.080.241**	**341.040.554**
Accumulated depreciation							
Balance as at January 1st 2015	-	**-28.091.649**	**-119.396.474**	**-1.249.181**	**-5.505.895**	-	**-154.243.200**
Depreciation of the year	-	-1.720.363	-9.580.869	-22.444	-172.290	-	**-11.495.966**
Sales	-	-	268.274	-	-	-	**268.274**
Spare part consumption	-	-	590.244	-	-	-	**590.244**
Balance as at December 31st 2015	-	**-29.812.012**	**-128.118.825**	**-1.271.626**	**-5.678.185**	-	**-164.880.648**
Net book value as at December 31st 2015	**9.254.863**	**43.255.785**	**122.222.598**	**67.189**	**279.230**	**1.080.241**	**176.159.907**

The fixed assets incorporate mortgages in favor of the banks amounting to € 85.636 thousand for a current loan account balance of € 73.363 thousand.

7 Participations in Affiliated companies consolidated in SIDENOR Group's financial statements using the equity method

Amoutns in Euro	31/12/2015	31/12/2014
Beginning of the period	**4.610.682**	**4.610.682**
Capital return	-18.000	-
Balance at end of period	**4.592.682**	**4.610.682**

The Company's financial statements, as well as its associates', are included in SIDENOR Group's consolidated financial statements and as such, in terms with IAS 27, does not compile nor publish consolidated financial statements of its own.

The associates companies consolidated in SIDENOR Group's financial statements using the equity method are the following:

Company	Country of establishment	Participation rate 31/12/2015	31/12/2014	Activity sector
SIDMA S.A.	Greece	28,21%	28,21%	Steel construction products
BIODIESEL S.A.	Greece	25,00%	25,00%	Steel construction products

8 Participations in Affiliated companies fully consolidated in SIDENOR Group's financial statements

Amounts in Euro	31/12/2015	31/12/2014
Beginning of the year	**6.741.947**	**7.691.547**
Additions	250.000	50.000
Return of subsidiariry's share capital	-700.014	-999.600
Balance at period end	**6.291.933**	**6.741.947**

The ownership rates in subsidiary companies have not changed during financial year 2015.

The Company's financial statements, as well as its associates', are included in SIDENOR Group's consolidated financial statements and as such, in terms with IAS 27, does not compile nor publish consolidated financial statements of its own.

The companies fully consolidated in SIDENOR Group are the following:

2014

Company	Country of establishment	Direct & indirect participation %	Activity sector
ERLIKON S.A.	Greece	0,64%	Steel
VET S.A	Greece	100,00%	Steel
VEAT S.A.	Greece	65,00%	Steel

2015

Company	Country of establishment	Direct & indirect participation %	Activity sector
ERLIKON S.A.	Greece	0,64%	Steel
VET S.A	Greece	100,00%	Steel
VEAT S.A.	Greece	65,00%	Steel

9 Financial assets available for sale

Available for sale financial assets include the following:

Amounts in Euro	31/12/2015	31/12/2014
Non Listed Securities		
- Foreign participations	143.673	143.673
Total	**143.673**	**143.673**

	31/12/2015	31/12/2014
Balance at beginning of the year	**143.673**	**149.100**
Capital return	-	-1.094
Impairment	-	-4.334
Balance at year end	**143.673**	**143.673**
Non-current assets	**143.673**	**143.673**

All participations are in Euros.

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

10 Deferred Income Tax

Amounts in Euro		
Deferred tax liabilities	**31/12/2015**	**31/12/2014**
Recoverable after 12 months	-25.063.909	-22.479.653
Total	**-25.063.909**	**-22.479.653**
Net deferred tax (liability)/ asset	**-25.063.909**	**-22.479.653**

The total change in deferred income tax is as follows:

	31/12/2015	31/12/2014
Balance at beginning of fiscal year	**-22.479.653**	**-22.198.201**
Income Statement (debit)/ credit	-2.555.098	-368.809
Tax (debited)/ credited to other comprehensive income	-29.159	87.357
Balance at beginning of fiscal year	**-25.063.909**	**-22.479.653**

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

Deferred tax liabilities	**Depreciation Difference**	**Difference in provisions**	**Other**	**Total**
Amounts in Euro				
Balance as at January 1st 2014	**-22.439.659**	**283.986**	**-42.527**	**-22.198.201**
(Debit)/ Credit to income statement	-278.615	19.497	-109.691	**-368.809**
(Debit)/credit to other comprehensive income	-	87.357	-	**87.357**
Balance as at December 31st 2014	**-22.718.274**	**390.839**	**-152.218**	**-22.479.653**

Deferred tax liabilities and assets	**Depreciation Difference**	**Difference in provisions**	**Other**	**Total**
Amounts in Euro				
Balance as at January 1st 2015	**-22.718.274**	**390.839**	**-152.218**	**-22.479.653**
(Debit)/ Credit to income statement	-2.611.202	56.104	-	**-2.555.098**
(Debit)/credit to other comprehensive income	**-**	-29.159	-	**-29.159**
Balance as at December 31st 2015	**-25.329.476**	**417.785**	**-152.218**	**-25.063.910**

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

The income tax rate applicable to companies transacting in Greece is 29%. From 1/1/2015, in accordance to Article 1, paragraph 4 of Law 4334/2015, the tax rate changed from 26% to 29%. The deferred taxation on the temporary differences of 1/1/2015 has been re-measured with the new tax rate. The difference of deferred taxation was recognized in the results.

The deferred tax recognized in other comprehensive income is related is related to the differed tax arouse from the recognition of the actuarial loss/profit to the personnel retirement benefit liability.

11 Inventories

Amoutns in Euro	**31/12/2015**	**31/12/2014**
Finished products	12.991.250	25.622.952
Semi-finished	407.843	6.767.973
By-products & residues	415.011	534.342
Raw materials-consumables- spare parts & packaging materials	31.132.611	26.084.668
Advance payments for inventory purchases	52.141	45.155
Total net realizable value	**44.998.856**	**59.055.089**

Cost of inventories recorded as an expense in the cost of sales amounts to €157 million (2014:€185 million).

By application of the provisions of IAS 2 inventories are valued at the lower of the acquisition cost and the net realizable value.

12 Trade & Other Receivables

Amoutns in Euro	**31/12/2015**	**31/12/2014**
Trade receivables	61.407	52.093
Net trade receivables	**61.407**	**52.093**
Other advances	8.143	9.915
Notes receivable	14.599	14.599
Receivables from related parties	41.719.217	27.811.243
Other debtors	7.875.237	4.007.881
Minus: Impairment provisions	-179.837	-179.837
Total	**49.498.765**	**31.715.893**
Non-Current Assets		
Other non-current receivables	1.583.796	1.566.936
Total	**1.583.796**	**1.566.936**
Total Receivables	**51.082.561**	**33.282.830**

Provisions for bad debts	**31/12/2015**	**31/12/2014**
Beginning of the year	**-179.837**	**-179.837**
End of the year	**-179.837**	**-179.837**
Trade customers and other receivables (per currency)		
Euro	51.082.561	33.282.830
Total	**51.082.561**	**33.282.830**

Other non-current receivables relate to given guarantees to third parties within the framework of the Company’s activity that do not have a maturity date. The Company has assessed the receivables’ balance to be approximately equal to their current value.

Financial instruments per Category

Balance as at December 31st 2015
Amounts in Euro

Assets	**Loans and receivables**	**Available for sale**	**Total**
Non-current financial assets available for sale	-	143.673	**143.673**
Trade and other receivables	46.787.406	-	**46.787.406**
Cash and cash equivalents	3.456.570	-	**3.456.570**
Total	**50.243.977**	**143.673**	**50.387.649**

Balance as at December 31st 2014
Amounts in Euro

Assets	**Loans and receivables**	**Available for sale**	**Total**
Non-current financial assets available for sale	-	143.673	**143.673**
Trade and other receivables	30.253.575	-	**30.253.575**
Cash and cash equivalents	143.181	-	**143.181**
Total	**30.396.756**	**143.673**	**30.540.428**

13 Cash and Cash Equivalents

Amoutns in Euro	**31/12/2015**	**31/12/2014**
Cash in hand and banks	447	3.065
Short term bank deposits	3.456.123	140.116
Total	**3.456.570**	**143.181**

Cash rating based on FITCH credit rating is as follows:

	31/12/2015	**31/12/2014**
B-	-	140.116
C	3.456.123	-
Total	**3.456.123**	**140.116**

14 Share Capital

Amoutns in Euro	**Number of shares**	**Common shares**	**Share premium**	**Total**
January 1st 2014	**1.193.400**	**40.981.356**	**47.611.049**	**88.592.405**
December 31st 2014	**1.193.400**	**40.981.356**	**47.611.049**	**88.592.405**
December 31st 2015	**1.193.400**	**40.981.356**	**47.611.049**	**88.592.405**

The nominal value of the shares is € 34.34.

15 Other Reserves

Amoutns in Euro	Statutory reserve	Untaxed reserves	Other reserves	Total
Balance as at January 1st 2014	**4.152.029**	**36.977.890**	**194.739**	**41.324.658**
Balance as at December 31st 2014	**4.152.029**	**36.977.890**	**194.739**	**41.324.658**
Balance as at January 1st 2015	**4.152.029**	**36.977.890**	**194.739**	**41.324.658**
Balance as at December 31st 2015	**4.152.029**	**36.977.890**	**194.739**	**41.324.658**

Based on Greek tax legislation, tax-free reserves are exempted from income tax, provided that they are not distributed to the shareholders.

According to new Income Tax Law No. 4172/2013, article 72, paragraph 12, reserves created of tax exempted profits by legal entities as a provision of previous Income Tax Law No.2238/1994, article 45, which are not distributed or capitalized as of December 31st 2014, from January 1st 2015 these reserves since are not distributed or capitalized, at the end of every forthcoming tax year should be offset tax recognized loses of the preceding five (5) years until their complete depletion

The offsetting of the credit reserves will take place in the Company's income tax return. No tax liability is expected to arise.

16 Borrowings

Amoutns in Euro	**31/12/2015**	**31/12/2014**
Long term Borrowings		
Bond loans	63.738.822	70.777.547
Total long term borrowings	**63.738.822**	**70.777.547**
Current Borrowings		
Credit limit bank accounts	16.814.846	16.271.646
Bank loans	34.123.300	16.887.000
Total current borrowings	**50.938.146**	**33.158.646**
Total borrowings	**114.676.968**	**103.936.193**
Total cash and casd equivalents	3.456.570	143.181
Net debt	**111.220.398**	**103.793.012**

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

Ποσά σε Ευρώ	**31/12/2015**	**31/12/2014**
Μεταξύ 1 και 2 ετών	7.038.724	7.038.724
Μεταξύ 2 και 5 ετών	56.700.098	63.738.822
	63.738.822	**70.777.547**

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

	31/12/2015	**31/12/2014**
Bank loans (short-term)	6,41%	6,73%
Bond loans	4,96%	5,33%

The maturity dates of all the company's borrowings are as follows:

	31/12/2015	31/12/2014
Up to 1 year	50.938.146	33.158.646
Between 1 and 2 years	7.038.724	7.038.724
Between 2 and 5 years	56.700.098	63.738.822
Total	**114.676.968**	**103.936.193**

	Current Value	
Non-current borrowings	**At the beginning of the period**	**At the end of the period**
Bond loans	70.777.547	63.738.822
Total	**70.777.547**	**63.738.822**

Total borrowings (per currency)	31/12/2015	31/12/2014
Euro	114.676.968	103.936.193
Total	**114.676.968**	**103.936.193**

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

Contractual reset dates	31/12/2015	31/12/2014
< 6 monthes	70.875.122	87.664.547

The fair market values of loans are equal to their book values, as the impact of discounting is not significant. The fair values are evaluated based on parameters such as interest expense, specific country risk factors, or price quotations at the reporting date and are within level 2 of the fair value hierarchy.

The group for the bonds has given guarantees (Note 29).

The Group has direct access in funding sources and has been historically engaging in refinancing its short-term debt liabilities. The Group estimates that the refinancing of its short-term debt will continue in the future, as before.

17 Employee Retirement Obligations

Amounts in Euro	31/12/2015	31/12/2014
Amounts recognized in Balance Sheet		
Present value of obligations	1.312.365	1.374.955
Net Liability/(Asset) in Balance Sheet	1.312.365	1.374.955
Amounts recognized in Profit and Loss		
Service cost	96.000	77.505
Net interest on the net defined benefit liability/(asset)	20.624	30.847
Settlement/Curtailment/Termination loss/(gain)	372.256	668.518
Regular P&L Charge	**488.880**	**776.870**

The analysis of changes in benefit obligations of employees due to retirement for the years 2015 and 2014 is as follows:

Reconciliation of benefit obligation	31/12/2015	31/12/2014
DBO at start of period	1.374.955	963.980
Service cost	96.000	77.505
Interest cost	20.624	30.847
Settlement/Curtailment/Termination loss/(gain)	372.256	668.518
Benefits paid directly by the Company	-450.923	-701.882
DBO adjustment (through OCI)	8.627	-5.492
Actuarial (gain)/loss - financial assumptions	-111.482	337.435
Actuarial (gain)/loss - experience	2.307	4.044
DBO at end of period	**1.312.365**	**1.374.955**

The amounts that have been recognized at net equity through the other total income are:

Remeasurements	31/12/2015	31/12/2014
Liability gain/(loss) due to changes in assumptions	111.482	-337.435
Liability experience gain/(loss) arising during the year	-2.307	-4.044
Total actuarial gain/(loss) recognised in OCI	**109.175**	**-341.479**
Other adjustements recognised in OCI	-8.627	5.492
Total amount recognised in OCI over the period	**100.548**	**-335.987**

The total changes in net liability recognized in the financial statements are:

Movements in Net Liability/(Asset) in BS	31/12/2015	31/12/2014
Net Liability/(Asset) in BS at the beginning of the period	1.374.955	963.980
Benefits paid directly	-450.923	-701.882
Total expense recognized in the income statement	488.880	776.870
Total amount recognized in the OCI	-100.548	335.987
Net Liability/(Asset) in BS	**1.312.365**	**1.374.955**

The principal actuarial assumptions used are as follows:

Assumptions	31/12/2015	31/12/2014
Discount rate	2,00%	1,50%
Price inflation	1,75%	1,75%
Rate of compensation increase	0,50%	0,50%
Plan duration	16,34	17,26

The sensitivity analysis for each significant actuarial assumption which was reasonably possible, at the end of the reporting period and shows how the defined benefit obligation would have been affected by those changes is the following:

Sensitivity of results to assumptions	31/12/2015	31/12/2014
Discount rate	2,00%	1,50%
Rate of salary increase	0,50%	0,50%

1. If the discount rate was 0,5% higher, then the defined benefit obligation (DBO) would decrease by about 7%.
2. If the salary increase assumption used was 0,5% higher, then the defined benefit obligation (DBO) would increase by 8%..
3. If the rates of voluntary retirements were zero, then the defined benefit obligation (DBO) would decrease by about 1%.

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position. The methods and the formula of the assumptions used for the defined analysis has not changed compared with the previous year.

Regarding the risks associated with the above mentioned plans, these plans are unfunded and therefore no plan assets exist and hence asset volatility or similar risks (e.g. low returns, asset concentration etc.) do not exist. The risks associated with the existing plans relate to the actuarial assumptions that are used in determining the liability, that must be reflected in the financial statements, and comprise potential changes in bond yields, which determine the discount rate, and assumptions relating to inflation rate of future salary increase that may affect the future cash flows of the plans.

18 Government Grants

Amoutns in Euro	**31/12/2015**	**31/12/2014**
Balance at the beginning of the year	5.317.726	6.127.067
Grant amortization	-809.341	-809.341
Balance at the end of the year	**4.508.385**	**5.317.726**

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

19 Trade & Other Payables

Amoutns in Euro	**31/12/2015**	**31/12/2014**
Trade payables	26.949.185	31.291.349
Customer prepayments	60.278	3.980
Social security funds	541.722	593.419
Amounts owed to related parties	27.596.350	23.194.301
Sundry Creditors	273.047	311.468
Accrued expenses	1.367.566	927.886
Other accruals and deferred income	70.572	200.708
Other tax and duties	498.536	670.677
Total	**57.423.300**	**57.193.788**
Long term liabilities	5.091.619	7.123.643
Total Liabilities	**62.514.919**	**64.317.431**

Financial Instruments

31/12/2015

Liabilities	**<1 year**	**1-2 years**	**2-5 years**
Borrowings	50.938.146	10.900.859	71.020.584
Trade and other credtors	56.322.763	2.587.791	2.817.377
Total	**107.260.909**	**13.488.650**	**73.837.961**

31/12/2014

Liabilities	**<1 year**	**1-2 years**	**2-5 years**
Liabilities	33.158.646	10.631.536	69.280.186
Trade and other liabilities	55.925.712	2.361.761	5.405.168
Total	**89.084.359**	**12.993.297**	**74.685.354**

The above amounts are presented in contractual undiscounted cash flows and therefore do not agree with the amounts reported in the financial statements. The amounts concern trade and other payables, borrowings and derivative financial instruments.

Financial Instruments per category

Balance as at December 31st 2015
Amounts in Euro

Liabilities	Other financial liabilities	Total
Long term loans	63.738.822	**63.738.822**
Short term loans	50.938.146	**50.938.146**
Trade and other creditors	61.414.383	**61.414.383**
Total	**176.091.350**	**176.091.350**

Balance as at December 31st 2014
Amounts in Euro

Liabilities	Other financial liabilities	Total
Long term loans	70.777.547	**70.777.547**
Short term loans	33.158.646	**33.158.646**
Trade and other creditors	63.049.356	**63.049.356**
Total	**166.985.548**	**166.985.548**

20 Provisions

Long-term Provisions

Amoutns in Euro	Other provisions	Total
1st of January 2014	53.297	**53.297**
31st of December 2014	**53.297**	**53.297**
31st of December 2015	**53.297**	**53.297**

The amount of € 53 thousand relates to differences that may arise from tax audits.

21 Expenses per category

31/12/2015

Amounts in Euro	Note	Cost of Sales	Distribution Expenses	Administrative Expenses	Other	Total
Employee Benefits	22	-8.528.201	-902.322	-1.447.059	-788.297	**-11.665.879**
Cost of inventories recognised as an expense		-156.945.395	-112.829	-9.111	-48.489	**-157.115.824**
Energy		-8.405.971	-117.924	-	-25.962	**-8.549.857**
Depreciation		-10.221.062	-405.598	-156.021	-713.286	**-11.495.966**
Insurance Cost		-386.168	-49.852	-221	-8.497	**-444.738**
Rents		-98.220	-	-41.139	-	**-139.358**
Transportation		-555.928	-4.704.599	-40.240	-7.144	**-5.307.911**
Third party expenses		-6.624.301	-8.768.108	-778.277	-442.711	**-16.613.398**
Other Expenses		-830.294	-659.862	-382.412	-146.781	**-2.019.349**
Total		**-192.595.541**	**-15.721.094**	**-2.854.480**	**-2.181.166**	**-213.352.281**

31/12/2014

Amounts in Euro	Note	Cost of Sales	Distribution Expenses	Administrative Expenses	Other	Total
Employee Benefits	22	-9.459.605	-1.042.873	-1.468.315	-888.324	**-12.859.117**
Cost of inventories recognised as an expense		-185.221.719	-117.891	-12.248	-27.528	**-185.379.385**
Energy		-12.171.823	-111.717	-2.794	-49.314	**-12.335.648**
Depreciation		-9.232.095	-430.390	-156.631	-1.130.805	**-10.949.921**
Insurance Cost		-380.263	-51.012	-229	-	**-431.503**
Rents		-96.993	-	-30.728	-400	**-128.121**
Transportation		-607.608	-6.713.647	-45.320	-1.658	**-7.368.233**
Third party expenses		-6.462.827	-11.491.782	-663.064	-239.603	**-18.857.276**
Other expenses		-828.053	-612.039	-350.454	-302.626	**-2.093.172**
Interest		-83	-	-4	-	**-86**
Total		**-224.461.068**	**-20.571.350**	**-2.729.787**	**-2.640.258**	**-250.402.462**

22 Employee Benefit Expense

Amoutns in Euro	31/12/2015	31/12/2014
Wages and Salaries	8.836.250	9.508.866
Social security expenses	2.340.749	2.573.380
Pension cost - defined benefit plans	488.880	776.870
Total	**11.665.879**	**12.859.117**

The analysis of the above expenses for Group and Company operations is as follows:

	31/12/2015	31/12/2014
Cost of sales	-8.528.201	-9.459.605
Selling expenses	-902.322	-1.042.873
Administrative expenses	-1.447.059	-1.468.315
Other Expenses	-788.297	-888.324
Total	**-11.665.879**	**-12.859.117**

23 Finance cost

Amoutns in Euro	31/12/2015	31/12/2014
Income		
Interest Income	1.412	699
Other	5.861	8.016
Total Income	**7.273**	**8.715**
Expenses		
Interest and related expenses	-6.867.097	-6.256.943
Other	-152.254	-309.696
Total expenses	**-7.019.351**	**-6.566.639**
Financial Cost (net)	**-7.012.078**	**-6.557.924**

During FY, the Company total capitalized borrowing cost is amounting € 372 thousand (see note 16).

24 Income Tax

Amounts in Euro	31/12/2015	31/12/2014
Deferred Tax	-2.555.098	-368.809
Total	**-2.555.098**	**-368.809**
Accounting profit before taxes	-10.395.452	-12.295.720
Applicable tax	3.014.681	3.196.887
Impact of permanent tax differences	-	-23.876
Impact of previous years' tax loss offset against profits of the year	-2.993.536	-3.541.820
Impact on the tax of the year from income tax increase in Greece	-2.576.242	-
Total income tax	**-2.555.098**	**-368.809**

In accordance to Article 1, paragraph 4 of Law 4334/2015, the tax rate for domestic companies changed from 26% to 29%.

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

	31/12/2015			31/12/2014		
	Before taxes	Tax (debit)/ credit	After taxes	Before taxes	Tax (debit)/ credit	After taxes
Recognized actuarial gains / losses	100.548	-29.159	71.389	-335.987	87.357	-248.630

The above amounts are related to deferred tax.

25 Other Operating income (expenses)

Amounts in Euro	31/12/2015	31/12/2014
Other Income		
Grants	4.310	-
Other Income	1.253.955	1.351.038
Grant Amortization	809.341	809.341
Currency exchange differences	63.805	5.217
Total Other Income	**2.131.410**	**2.165.595**
Profit from Asset Sakes	152.718	138.083
Other operating income	**2.284.128**	**2.303.678**
Other expenses		
Currency exchange differences	-80.263	-3.952
Other expenses	-2.100.903	-2.636.306
Total	**-2.181.166**	**-2.640.258**
Other operating income - expenses (net)	**102.961**	**-336.580**
Income from participations	44.400	247.200
Expenses from participations	-	-4.334
Total	**44.400**	**242.866**

The amount of other expenses (€ 2.101 thousand) includes employee benefit expenses (€ 788 thousand) and depreciations (€ 713 thousand).

26 Operating cash flows

Amounts in Euro	Note	1/1 to 31/12/2015	1/1 to 31/12/2014
Profit of period		-12.950.550	-12.664.528
Adjustments for:			
Tax	24	2.555.098	368.809
Tangible assets depreciation	6	11.495.966	10.949.921
Inventory impairement		542.889	-
(Profit)/ Losses from tangible assets sales		-152.718	-138.083
(Profit)/ Losses from valuation - sale of financial instruments available for sale		-	4.334
Interest Income	23	-7.273	-8.715
Interes Expense	23	7.019.351	6.566.639
Income from dividents		-44.400	-247.200
Grant amortization	18	-809.341	-809.341
Other (spare parts consumption)		584.682	411.039
		8.233.706	**4.432.875**
Changes in Working Capital			
(Increase)/ Decrease in inventory		13.513.344	-6.517.496
(Increase)/ Decrease in receivables		-17.796.492	-63.079
Increase/ (Decrease) of liabilities		-3.344.197	13.570.119
Increase/ (Decrease) in personel benefits due to retirement		37.957	74.988
		-7.589.387	**7.064.532**
Net Cash Flow from Operating Activities		**644.319**	**11.497.407**

Profit / (Losses) from tangible assets sales include:		1/1 εως 31/12/2015	1/1 εως 31/12/2014
Amounts in Euro			
Net book value	6	219.282	167.259
(Profit)/ Losses from tangible assets sales		372.000	305.342
Income from sale of tangible assets		**591.282**	**472.601**

27 Commitments

The Company leases land, buildings, machinery, vehicles and other equipment under operational lease agreements. The future aggregate minimum lease payments are as follows:

Amounts in Euro	31/12/2015	31/12/2014
Up to 1 year	56.588	77.264
Between 1 to 5 years	124.651	75.764
More than 5 years	17.280	-
	198.519	**153.028**

	31/12/2015	31/12/2014
Burden to Results	**139.358**	**129.071**

Capital commitments

No material pending capital commitments exist on balance sheet date.

28 Contingent Liabilities

Amounts in Euro

Liabilities	31/12/2015	31/12/2014
Guarantees for securing payables to suppliers	2.850.400	4.346.500
Good performance guarantees to customers	-	73.500
Other contigent liabilities	53.297	53.297
Total	**2.903.697**	**4.473.297**

29 Existing Collateral

The fixed assets incorporate mortgages in favor of the banks amounting to € 85.636 thousand for a current loan account balance of € 73.363 thousand.

30 Related parties

Transactions with related parties of SIDENOR Group are as follows:

Amounts in Euro	31/12/2015	31/12/2014
Sales of goods		
Related Parties	23.209.847	2.582.523
	23.209.847	**2.582.523**
Commercial agent' s sales	**67.780.134**	**87.041.611**
Sales of services		
Related Parties	13.754.765	318.027
	13.754.765	**318.027**
Sales of fixed assets		
Related Parties	372.000	126.342
	372.000	**126.342**
Purchases of goods		
Related Parties	71.990.412	80.359.097
	71.990.412	**80.359.097**
Purchases of services		
Related Parties	16.226.018	20.282.106
	16.226.018	**20.282.106**
Purchases of fixed assets		
Related Parties	760.947	3.862.436
	760.947	**3.862.436**

Board of Directors' and Senior Officers' Remuneration

	31/12/2015	31/12/2014
Salaries and other benefits to directors and key management	426.037	422.818
	426.037	**422.818**

Balances at year end that relate to the sales and purchases of goods, services, fixed assets, etc.

	31/12/2015	31/12/2014
Receivables from related parties		
Related Parties	41.719.217	27.811.243
	41.719.217	**27.811.243**
Liabilities to related parties		
Related Parties	27.596.350	23.194.301
	27.596.350	**23.194.301**

Services provided by associate companies to the Company (and vice versa), as well as purchases and sales of goods, are performed under the pricelist applicable to non-associated parties. Any amounts owed carry no interest and no specific terms of repayment are in place.

Dividend income

SOVEL's dividend income is derived from the associate BIODIESEL (€12 thousand) and the related company STEELMET (€32 thousand).

31 Fiscal Years non-audited by tax authorities

The Company has not been audited by the tax authorities for the year 2010.

The Company has recognized a provision for potential additional tax expenses amounting to 53 thousand (note 20).

For the FY 2014 PricewaterhouseCoopers performed the tax audit and there were no additional tax liabilities, in excess of those disclosed in the financial statements.

For the 2015 financial year, the tax audit is being performed by PricewaterhouseCoopers S.A. The Company's management does not expect that additional tax liabilities will arise, in excess of those disclosed in the financial statements.

32 Number of Personnel

The number of employees at year end was 345 people. For the corresponding period of 2014 Company's personnel amounted to 361 employees.

33 Events after the Balance Sheet date

There are no significant events after the Balance Sheet date

34 Important events during the financial year 2015

The most important events that took place during the financial year 2015 are the following:

The Company's management, as a member of SIDENOR Group of companies, is currently negotiating the transfer of the short term contractual bond repayments beyond 2016. Any negative aspects and uncertainty in this field may affect Group's operations, financial position and prospects. On the contrary, any positive outcome will lead to an efficient working capital management.

In any case, banks' response on this issue is positive and negotiations are in the final stage before an agreement. The Group considers the outcome of those negotiations will certainly be completed successfully within 2016.

Resolutions of the Annual Ordinary General Meeting

During the Annual Ordinary General Meeting of the Company's Shareholders that took place in Athens, on June 30th, 2015, the following were decided:

(i) Approval of the Annual Financial Statements of the fiscal year 2014, along with the corresponding Board of Directors Report and the Chartered Accountant/ Auditor's Report.

(ii) Release of the BoD members and the Chartered Accountant/Auditor from any compensation liabilities for the fiscal year ended on December 31, 2014.

(iii) Appointment of audit firm "PriceWaterHouseCoopers" as auditors for financial year 1/1-1/12/2015 with their remuneration to be fixed following their pertinent proposal.

(iv) New Board of Directors Election

(v) Board of Directors members' compensation approval.

Athens, 22 March 2016

The BoD Chairman	The Authorised Director	The Financial Manager
Kalfarentzos Georgios ID No: F 147183	Passas George ID F 020251	Thomadakis Stratos ID No: AE551391 LICENCE No:0065081-A Class