HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL STATEMENTS
as at 31 DECEMBER 2014

According to the International Financial Reporting Standards

2-4 Mesogheion Ave., Athens Tower
Building B, Athens

www.fulgor.gr

General Register of Commerce No.: 240101000

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A. Annual Report by the Board of Directors

ANNUAL REPORT
BY THE BOARD OF DIRECTORS OF "FULGOR S.A."
ON THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014

Dear Shareholders,
Based on the provisions of Law 2190/1920 we hereby submit you the Annual Report of the Board of Directors for the current year 2014.

1. Important events in 2014

During 2014, the parent HELLENIC CABLES undertook a share capital increase. More specifically, the Extraordinary General Meeting of 25 February 2014 decided on a share capital increase by EUR 4,112,000 of which the amount of EUR 755,580 accounted for the share capital increase and the remainder of EUR 3,356,420 represented the share premium. Part of the last share capital increase met the requirements for own participation in the investment plan submitted by FULGOR in the context of Investment Incentives Law 3908/2011, as amended by Law 4146/2013.

2. 2014 Financial Results

In 2014, the company's turnover amounted to EUR 111 million compared to EUR 118 million in 2013. Such decrease is due to the reduced production of energy cables and to the reduced copper price.
In 2014, the company's gross result amounted to losses of EUR 1.6 million compared to losses of EUR 525,000 in 2013. Earnings before interest, taxes, depreciation and amortisation (EBITDA) were equal to losses of EUR 8.3 million compared to losses of EUR 12,000 in 2013 while earnings before interest and taxes (EBIT) were equal to losses of EUR 12 million compared to losses of EUR 3 million.
FULGOR reassessed the value of its fixed assets (plots, buildings and machinery) at fair value on 31.12.2014. Overall reassessment for the Company resulted in positive adjustment of EUR 1.6 million (before taxes). In accordance with the International Accounting Standards, negative adjustments which amounted to EUR 5.3 million had an impact on FULGOR's results for 2014 (posted as other operating expenses) while positive adjustment amounting to EUR 6.8 million is shown directly in the Company's equity. Therefore, excessive charges have been registered in the 2014 income statement due to the aforementioned one-off adjustment although the reassessment of fixed assets value has an overall positive effect on the Company's financial position.
Charges were also registered in 2014 results owing to the implementation of investment works (inactivity cost during upgrading works of the existing equipment and installation of new equipment) while the valuation of the basic (non-hedged) metal inventory had a significant negative effect due to the drop in copper price in the metal stock exchange. Moreover, the increased competition in the domestic and international markets had adverse effects on profit margins while the delays in the

award of significant high voltage submarine cable manufacturing projects resulted in profitability from these projects lagging behind.
Company pre-tax results were equal to losses of EUR 18.2 million compared to losses of EUR 7 million in 2013 while net results stood at losses of EUR 12.7 million compared to losses of EUR 9.4 million in 2013.
In 2014, investments totalling EUR 23 million were implemented in FULGOR's plant, which mainly concerned disbursements for the purchase and installation of equipment for the production of high voltage submarine cables. The funds for financing the investments originated from the increase in the company's net borrowing amounting to EUR 66.8 million compared to EUR 46.2 million in 2013, from suppliers and also from a share capital increase equal to EUR 4.1 million.
Short-term liabilities amount to EUR 107.2 million while short-term receivables stand at EUR 51.9 million. However, this fact does not generate any concerns given that the short-term liabilities include liabilities of EUR 38.6 million to related parties (mainly HELLENIC CABLES which continues to finance FULGOR). Moreover, the amount of EUR 25.9 million concerns notes payable to suppliers for manufacturing equipment involving high voltage submarine cables.

3. Main financial ratios

	COMPANY	
	2014	**2013**
Gross profit margin **(Gross profit/ sales)**	-1.5%	-0.4%
Net profit margin **(Net profit/ Sales)**	-11.5%	-8.0%
Liquidity (Current assets/ short-term payables)	0.48	0.51
Inventory turnover ratio (Inventory/ Cost of sales) x 365 days	99	66
Trade receivables turnover ratio (Trade receivables/Sales) x 365 days	20	13
Accounts payable turnover ratio (Trade creditors / Cost of sales) x 365 days	177	182

4. Objectives and Outlook for 2015

The developments during 2015 and discussions at a national and international level regarding the review of Greece's financing programme terms prolong the volatility in the macroeconomic and financial environment in Greece. The return of economic stability depends to a large extent on the actions and decisions taken by institutions in Greece and abroad. Taking into consideration that the sales of submarine cables in the domestic market concern the performance of already signed

contracts for projects having secured their financing and that the sales of wires and conductors are made primarily to companies of VIOHALCO Group, the Company estimates that any negative developments in the Greek economy are not expected to have a considerable impact on its smooth operation.

FULGOR remains optimistic for 2015 despite the volatile business environment and Management assesses the situation on an ongoing basis in order to secure that all necessary and possible steps and actions are taken to minimise any effect on the Company's operations. HELLENIC CABLES Group has undertaken important projects involving high voltage submarine cables, all of which will be manufactured by FULGOR. FULGOR is in a position to seize any opportunities emerging worldwide and rival the top companies of the industry, taking advantage of the initiatives taken the last few years by HELLENIC CABLES Group with a view to developing a competitive sales network.

5. Corporate Responsibility and Sustainable Development

FULGOR acknowledges Corporate Responsibility as a necessity since it plays an important role in the process towards Sustainable Development. Our focus on the principles of Corporate Responsibility and Sustainable Development is reflected in both the long-term corporate strategy and our everyday activities.

5.1 Economic Development and proper Corporate Governance

The objective set to strengthen the financial position and further growth of FULGOR drives the Company's decisions and strategic choices. The principles governing responsible operation, respect for the needs of its stakeholders and the environment as well as transparency in all aspects of activity are the context in which any decisions pertaining to FULGOR's future are made.

For FULGOR, to defend the interests of all its stakeholders is a commitment and is attained by choosing the most appropriate corporate governance practices. Through the decisions made at both strategic and functional level, FULGOR seeks to promote the concept of business ethics, safeguard its transparent operation and bring in line Company management with the interests of its stakeholders.

5.2 Responsibility to the market

FULGOR is an active player in both domestic and international markets. The purpose of the Company is to manufacture high quality products which are reliable, fulfil customers' special requirements and expectations and meet the needs and challenges of modern technology and integrated services. To attain its objectives and expand to new markets, the Company makes continuous investments in the development of new products and services.

5.3 Responsibility to employees

The People in FULGOR play a leading role in its development. Acknowledging their contribution, the Company has undertaken the commitment to ensure continuous development and strengthening of its Human Resources. Driven by such commitment, the Company has developed a Human Resources Policy and applies procedures which lead to the development of the employees' skills. FULGOR promotes the establishment of an encouraging work atmosphere among employees, approves constructive collaboration and motivates its employees to adopt a behaviour qualified by responsibility, honesty, integrity, fairness, courtesy to colleagues, customers, collaborators, suppliers and the local communities in which the Company operates.

5.4 Care for the Health and Safety at work

Maintaining a healthy and safe environment is a priority for FULGOR. Effective management of work Health and Safety issues is attained through the Work Health and Safety Management System that has been developed. The Company implements an integrated Health and Safety Management System which has been certified according to the international standard OHSAS 18001:2007.

5.5 Care for the environment

The protection of the Environment is a key concern of FULGOR and, thus, the Company makes investments every year in order to reduce its environmental footprint at all times. The Company implements an integrated Environmental Management System, which has been certified according to the international standard OHSAS 14001:2004, to all its plants.

5.6 Responsibility to Society

FULGOR attaches particular importance to contribution to the society, as illustrated by the efforts and initiatives of both Management and its employees. The objective of our Company is to contribute to the development of local communities and especially to the generation of added value for the surrounding communities. Local Employment, Local Economy and Volunteerism are the pillars through which FULGOR aims to strengthen local communities.

6. Main risks and uncertainties

FULGOR's risk management policies are applied in order to identify and analyse the risks that the Company is exposed to, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are reviewed on a periodic basis to take into account any changes in the market and the company's activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs ordinary and extraordinary audits relating to the implementation of procedures, whereas the results of such audits are notified to the Board of Directors.

6.1 Credit risk

Credit risk is the risk that the company will incur losses if a client or third party to a transaction on a financial instrument fails to perform according to the terms and conditions laid down in the relevant contract. Credit risk is mainly associated with receivables from customers and investments in securities.

6.1.1 Customers and other receivables

The exposure of FULGOR to credit risk is mainly affected by the characteristics of each customer, the demographics of the company's clientele including the risk of default specific to this market and the country in which customers operate. In 2014, FULGOR sales were made, by their greatest part, to affiliated companies and mainly to HELLENIC CABLES and ICME and, thus, it is considered that there is no particular risk of default.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinised individually as regards their creditworthiness before normal payment terms are proposed to them. The creditworthiness control performed by the Company includes an examination of information from banking sources and other third party credit rating sources, if any. Credit lines are set for every customer, and they are re-examined in the light of current circumstances and, if necessary, the relevant sales and payment terms are readjusted accordingly.

Customer credit lines are normally determined based on the insurance limits obtained for them from insurance companies and then receivables are insured based on such credit lines. Given that a

significant number of insurance limits of Greek customers has been discontinued, the credit lines for domestic customers were considerably reduced while the risk was further diminished through the reduced credit period currently granted to Greek customers.

In monitoring customer credit risk, customers are grouped depending on their credit characteristics, the aging profile of their receivables and the existence of any possible previous difficulties in collecting receivables. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its capacity, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

FULGOR raises a provision for impairment, which represents its estimated losses pertaining to customers, other receivables and investments in securities. The above provision includes mainly impairment losses relating to specific receivables which, based on given conditions, are expected to be incurred, but are not finalised yet.

6.1.2 Investments

Investments are classified by the company pursuant to the purpose for which they were acquired. Management decides on the appropriate classification of the investment at the time such was acquired and reviews the classification on each presentation date.

6.1.3 Guarantees

FULGOR's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees may be provided solely to subsidiaries and affiliates based on a resolution passed by the Board of Directors.

6.2 Liquidity risk

Liquidity risk is the risk that the Company will fail to fulfil its financial liabilities upon maturity. According to the approach adopted by FULGOR for liquidity management, through the maintenance of absolutely necessary cash and cash equivalents and sufficient credit lines with cooperating banks, the Company will always have adequate funds to fulfil its liabilities upon maturity, both under ordinary and extraordinary conditions, without incurring unacceptable loss or compromising the Company's reputation.

To prevent liquidity risks, when preparing its annual budget, FULGOR estimates its cash flows for one year. The Company also estimates such cash flows every quarter so as to ensure that it holds sufficient cash and cash equivalents to meet its operating needs, including the fulfilment of its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

6.3 Market risk

Market risk is the risk of fluctuations in raw material prices, exchange rates and interest rates which can have an effect on the company's results or the value of its financial instruments. Market risk management is aimed at controlling the exposure of FULGOR to such risks within a framework of acceptable parameters, in parallel with optimisation of performance.

The company uses transactions on derivative financial instruments in order to hedge part of market risks.

6.3.1 Metal Raw Material Fluctuation Risk (copper, aluminium, other metals)

FULGOR bases both its purchases and sales on stock prices/indices linked to the prices of copper and other metals which are used by the Company and included in its products. The risk from metal price fluctuation is covered by hedging instruments (futures and options on London Metal Exchange-

LME). The Company, however, does not use hedging instruments for the entire basic stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

6.3.2 Foreign exchange risk

FULGOR is exposed to foreign exchange risk in connection with its sales and purchases and its loans issued in a currency other than the functional currency of the company, which is Euro. The currencies used for such transactions are mainly the Euro, the US dollar and the pound.

Over time, the company hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency.

FULGOR mainly enters into foreign currency futures with its foreign counterparties in order to hedge the risk of exchange rate changes, which primarily expire in less than one year from the balance sheet date. When necessary, such futures are renewed upon expiry. On a per-case basis, foreign exchange risk may also be hedged by obtaining loans in the respective currencies.

Loan interest is in the same currency as that used in the cash flows arising from the company's operating activities, which is mainly Euro.

6.3.3 Interest rate risk

FULGOR obtains funds for its investments and its working capital through bank loans and bond loans, and, thus, debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Company will bear additional borrowing costs.

The interest rate risk is mitigated as part of FULGOR's loans is obtained based on fixed interest rates, either directly or through the use of financial instruments (interest rate swaps).

6.3.4Capital management

The policy applied by the Board of Directors includes the maintenance of a robust capital basis, in order to keep FULGOR trustworthy among investors, creditors and market players, and enable the future development of the Company's activities. The Board of Directors monitors capital performance, which is defined by the company as the net results divided by the total net worth, exclusive of non convertible preferred shares and minority interest. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Board of Directors tries to maintain a balance between the higher performance levels which would have been attained through increased loans and the advantages and security offered by a robust and healthy capital basis.

There have been no changes in the approach adopted by the company concerning capital management during the fiscal year.

Athens, XX March 2015

The Vice-chairman of the Board of Directors
Georgios Passas

B. Audit Report by Independent Chartered Auditor - Accountant

AUDIT REPORT BY INDEPENDENT CHARTERED AUDITOR-ACCOUNTANT

To the Shareholders of the Company
FULGOR HELLENIC POWER CABLE COMPANY S.A.

Report on the Financial Statements

We have audited the attached financial statements of "FULGOR HELLENIC POWER CABLE COMPANY S.A." which consist of the statement of financial position dated 31 December 2014, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date and also a summary of main accounting principles and methods, and other explanatory notes.

Management responsibility for the Financial Statements

Management is responsible for the compilation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, as adopted by the European Union, and for those internal checks and balances which Management considers necessary to make it possible to draw up financial statements free of material misstatements due to fraud or error.

Auditor's responsibility

It is our responsibility to express an opinion on those financial statements in light of our audit. We conducted our audit in compliance with International Auditing Standards. These standards require that we comply with ethics rules and that we design and carry out our audit so as to provide a fair assurance as to what extent the financial statements are free of material inaccuracies.
The audit includes procedures to collect audit evidence about the amounts and disclosures contained in the financial statements. The procedures are selected at the auditor's discretion and include an assessment of the risk of substantive inaccuracy in the financial statements due to fraud or error. To estimate this risk, the auditor takes into account the internal checks and balances regarding the compilation and fair presentation of the company's financial statements that aim to the design of audit procedures which are suitable under the circumstances and not to express an opinion on the effectiveness of the company's internal checks and balances. The audit also includes an evaluation of the suitability of the accounting policies and methods applied and the fairness of the assessments made by Management and also an evaluation of the overall presentation of the financial statements.
We consider that the audit evidence which we have collected is adequate and suitable to support our opinion.

Opinion

In our opinion, the attached financial statements give a fair view, in all material aspects, of the financial position of "FULGOR HELLENIC POWER CABLE S.A." on 31 December 2014, its financial performance and cash flows for the year ended on that date in line with the International Financial Reporting Standards as adopted by the European Union.

Matter of emphasis

We draw your attention to Note 2 to the financial statements which sets forth that on 31 December 2014 total shareholder's equity of the Company was less than 1/2 of the share capital and therefore the conditions to implement the provisions of Article 47 of Codified Law 2190/1920 on ongoing concern do apply. No reserves are expressed in relation to this matter.

Reference to other legal and regulatory issues

We have verified that the content of the Board of Director's Report corresponds to and matches that of the attached financial statements in the context of the provisions of Articles 43a and 37 of Codified Law 2190/1920.

Athens, 12 March 2015

The Chartered Auditor- Accountant
Anna Mytilineou
Greek ICPA (SOEL) Reg. No 38921
Deloitte.
Deloitte. Hadjipavlou, Sofianos & Cambanis S.A.
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C. Financial Statements

ANNUAL FINANCIAL STATEMENTS
as at 31 DECEMBER 2014

2-4 Mesogheion Ave., Athens Tower
Building B, Athens

www.fulgor.gr

General Register of Commerce No.: 240101000

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Statement of Comprehensive Income

(Amounts in Euro)

	Note	2014	2013
Sales	**5**	111,055,843	117,849,702
Cost of Sales	**6**	(112,666,797)	(118,374,711)
Gross Profit		**(1,610,954)**	**(525,009)**
Other income	**7**	326,501	582,441
Distribution expenses	**6**	(1,484,678)	(831,950)
Administrative expenses	**6**	(2,985,462)	(1,386,637)
Other expenses	**8**	(1,039,127)	(845,039)
Fixed assets valuation at fair value	**14**	(5,264,431)	-
Operating results		**(12,058,151)**	**(3,006,194)**
Financial income	**9**	568,524	111,513
Financial expenses	**10**	(6,720,788)	(4,120,383)
Profits (Losses) before income tax		**(18,210,415)**	**(7,015,064)**
Income tax	**11**	5,458,698	(2,408,022)
Profits (Losses) after taxes		**(12,751,717)**	**(9,423,086)**
Other comprehensive income			
Other comprehensive income items that will not be transferred to results in future periods:			
Liability for employee benefits	**12**	(263,654)	259,140
Income tax for employee benefits liability		68,550	(67,377)
		(195,104)	**191,763**
Other total income items that may be transferred to results in future periods			
Fixed assets valuation at fair value	**14**	1,576,847	-
Income tax on fixed assets fair value		(409,980)	-
Profits / (losses) from derivatives valuation for cash flow risk hedging		267,433	95,475
Income tax on derivatives		(69,532)	(23,276)
		1,364,767	**72,199**
Other comprehensive income after taxes		**1,169,663**	**263,962**
Comprehensive total income after taxes		**(11,582,054)**	**(9,159,124)**

The attached notes on pages 5 to 42 are an integral part of the financial statements.

Statement of Financial Position

(Amounts in Euro)

	Note	2014	2013
ASSETS			
Property, plant and equipment	**14**	118,306,164	105,161,747
Intangible assets	**15**	1,347,259	353,750
Other receivables		272,039	7,609
Investment property	**16**	332,039	-
Blocked deposit accounts		193,130	193,130
Total non-current assets		**120,450,631**	**105,716,236**
Inventories	**18**	30,586,526	21,402,213
Customers and other trade receivables	**19**	20,414,697	14,050,150
Derivatives		349,727	69,684
Cash and cash equivalents	**20**	556,260	2,724,813
Total current assets		**51,907,210**	**38,246,860**
Total assets		**172,357,841**	**143,963,096**
LIABILITIES			
EQUITY			
Share Capital	**21**	37,368,097	36,612,517
Share premium account	**21**	32,432,801	29,076,381
Reserves	**22**	14,738,124	13,502,484
Profit/losses carried forward		(77,748,688)	(64,930,994)
Total equity		**6,790,334**	**14,260,388**
LIABILITIES			
Loans	**23**	36,655,793	36,447,852
Payables for staff retirement indemnities	**12**	884,083	633,231
Grants		7,914,769	60,750
Other long-term liabilities	**24**	11,918,006	10,681,508
Deferred tax liabilities	**11**	957,970	6,005,704
Total long-term liabilities		**58,330,621**	**53,829,045**
Loans	**23**	30,695,573	12,489,910
Payables from financial leases		-	166,641
Suppliers and other liabilities	**25**	76,541,313	63,216,905
Derivatives		-	206
Total short-term liabilities		**107,236,886**	**75,873,663**
Total liabilities		**165,567,507**	**129,702,708**
Total equity and liabilities		**172,357,841**	**143,963,096**

The attached notes on pages 5 to 42 are an integral part of the financial statements.

Statement of Changes in Equity

(Amounts in Euro)	Share Capital and Share premium account	Fair value reserves	Fixed assets reassessment reserves	Other Reserves	Accumulated profits/ (losses)	Total Shareholder's equity
Balance on 1 January 2013	**60,344,898**	**(20,633)**	**-**	**13,450,918**	**(55,699,671)**	**18,075,512**
Period profits/(losses)	-	-	-	-	(9,423,086)	(9,423,086)
Other comprehensive income	-	72,199	-	-	191,763	263,962
Total comprehensive income	**-**	**72,199**	**-**	**-**	**(9,423,086)**	**(9,159,124)**
Transactions with shareholders directly posted to equity						
Share capital increase	5,344,000	-	-	-	-	**5,344,000**
Total transactions with shareholders	**5,344,000**	**-**	**-**	**-**	**-**	**5,344,000**
Balances on 31 December 2013	**65,688,898**	**51,566**	**-**	**13,450,918**	**(64,930,994)**	**14,260,388**
Balance on 1 January 2014	**65,688,898**	**51,566**	**-**	**13,450,918**	**(64,930,994)**	**14,260,388**
Period profits/(losses)	-	-	-	-	(12,751,717)	(12,751,717)
Other comprehensive income	-	197,900	1,166,867	-	(195,104)	1,169,663
Total comprehensive income	**-**	**197,900**	**1,166,867**	**-**	**(12,946,821)**	**(11,582,054)**
Transactions with shareholders directly posted to equity						
Capitalisation of reserves	-	-	-	(129,127)	129,127	-
Share capital increase	4,112,000	-	-	-	-	4,112,000
Total transactions with shareholders	**4,112,000**	**-**	**-**	**(129,127)**	**129,127**	**4,112,000**
Balance on 31 December 2014	**69,800,898**	**249,466**	**1,166,867**	**13,321,791**	**(77,748,688)**	**6,790,334**

The attached notes on pages 5 to 42 are an integral part of the financial statements.

Statement of Cash Flow

(Amounts in Euro)

	Note	2014	2013
Cash flows from operating activities			
Losses before taxes		(18,210,415)	(7,015,064)
Plus / less adjustments for:			
Fixed assets depreciation	**14,15**	3,808,524	2,994,368
Profits from the sale of fixed assets		(176,602)	(73,300)
Losses from the destruction/impairment of fixed assets		5,583,699	-
Depreciation of grants		(65,981)	-
Income from provisions reversal		(365,766)	(227,194)
Results (income, expenses, profit and loss) from investment activity		(12,816)	36,091
Interest charges and related expenses	**10**	6,170,036	4,042,529
Interest and related income	**9**	(11,637)	(12,948)
Plus / less adjustments for changes in working capital accounts:			
Decrease/(increase) in inventories		(9,210,813)	(6,139,520)
Decrease/(increase) in receivables		(6,249,513)	(8,874,491)
(Decrease)/ increase in payables (less loans)		14,572,889	43,181,173
Interest charges and related paid-up expenses		(3,779,410)	(2,126,740)
Net cash flows from operating activities		**(7,947,805)**	**25,784,904**
Cash flows from investment activities			
Purchases of tangible assets	**14,16**	(23,262,602)	(47,928,558)
Purchases of intangible assets	**15**	(101,389)	(61,750)
Sales of tangible assets		1,255,252	190,872
Interest received	**9**	11,637	12,948
Net cash flows from investment activities		**(22,097,102)**	**(47,786,488)**
Cash flows from financing activities			
Share capital increase and amounts intended for share capital increase		4,112,000	5,344,000
Loans obtained		18,421,119	19,324,090
Payment of loans		(2,410,124)	(1,002,910)
Grants received		7,920,000	-
Repayment of financial lease funds		(166,641)	(321,975)
Net cash flows from financing activities		**27,876,354**	**23,343,205**
Net (decrease) / increase in cash and cash equivalents		**(2,168,553)**	**1,341,621**
Cash and cash equivalents at the beginning of the fiscal year		2,724,813	1,383,192
Cash and cash equivalents at the end of the fiscal year	**20**	**556,260**	**2,724,813**

The attached notes on pages 5 to 42 are an integral part of the financial statements.

1. Information on the company

Fulgor S.A. (the Company) is seated in Greece, 2-4 Mesogheion Ave, Athens Tower, B' Building, Athens.

The individual financial statements of the Company are included in the consolidated financial statements of HELLENIC CABLES S.A. and HALCOR S.A., which are listed on Athens Stock Exchange, and of VIOHALCO SA/NV, which is listed on EURONEXT in Belgium.

On 31 December 2014, the direct holding of HELLENIC CABLES S.A. in the Company stood at 100% while the direct and indirect holding of HALCOR S.A. and VIOHALCO SA/NV amounted to 72.53% and 74.48% respectively.

The Company operates in Greece and is involved in the production and distribution of all types and forms of cables (submarine, energy, telecommunications, etc).

2. Presentation basis of financial statements

2.1 Statement of Compliance

The individual financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations, as adopted by the European Union.

The financial statements were approved by the Board of Directors on 9 March 2015 and have been uploaded on www.fulgor.gr. The Company's General Commercial Register No. is 240101000.

2.2 Basis of measurement

The financial statements have been prepared according to the principle of historical cost, save the financial derivative instruments, property, plant and equipment and investment property, which are presented at fair value.

2.3 Ongoing concern principle

The Company's financial statements have been prepared on the basis of the ongoing concern principle and assume that the Company will have adequate financing to meet the Company's financing and operating needs in the near future.

On 31 December 2014, the Company's short-term liabilities exceeded total current assets by EUR 55.3 million while losses have been registered for a number of years.

On 31 December 2014 total shareholder's equity of the Company was less than 1/2 of the share capital and therefore the conditions to implement the provisions of Article 47 of Codified Law 2190/1920 do apply.

Company financing is considered guaranteed in the near future given that Management of the shareholding company has given assurances that they will support the Company to avoid any liquidity problems since short-term liabilities are owed by a large part to the shareholding company due to FULGOR's transactions with the latter.

An Extraordinary General Meeting of the Company's shareholders will be convened during April 2015 to discuss on the company' share capital increase by the amount deemed necessary for eliminating the implementation of the provisions of said article as well as for increasing financing and ensuring the smooth continuation of activities.

2.4 Functional currency

The financial statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has been rounded to the nearest unit, unless otherwise indicated in separate notes. Such rounding results in minor differences in the tables incorporated in this Annual Financial Report.

2.5 Use of estimates and assumptions

Preparing financial statements in line with IFRS requires estimate-making and the adoption of assumptions by Management which may affect the accounting balances of assets and liabilities as well as the income and expense items. Actual results may vary from such estimates.

The estimates and relevant assumptions are reviewed at regular intervals. Any deviations of the accounting estimates are recognised in the period in which they are reviewed provided they concern solely the current period or, if they refer to future periods, the deviations concern both current and future periods.

The accounting decisions made by Management when applying the Company's accounting policies and expected to affect mostly the Financial Statements of the Company are as follows:

Moreover, during each fiscal year Management reviews the following, based on assumptions and estimates:

- the useful lives and recoverable value of depreciable and non-depreciable tangible and intangible assets;
- the amount of provisions for staff retirement indemnities, for income tax of unaudited fiscal years, for obsolete or slow-moving inventories and for disputed cases;
- the recoverability of the deferred tax asset.

The main sources of uncertainty for the Company on the date the Financial Statements were compiled which may have a significant effect on the book values of assets and liabilities refer to:

- the useful life of depreciable tangible and intangible assets (Notes 14, 15);
- the estimates about the recoverability of deferred tax assets (Note 11);
- doubtful debts (Note 26.1);
- the measurement of liabilities for staff retirement indemnities (Note 12);
- fixed assets impairment testing (Note 14).

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENT OF EXISTING STANDARDS

The accounting principles used in the preparation and presentation of these financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended on 31 December 2013 save the implementation of the new standards and interpretations set out below which must be applied to the annual financial statements beginning on or after 1 January 2014 and had minor or nil impact on the Company's financial statements:

New Standards, standard amendments and new IFRICs applicable to annual accounting periods beginning on or after 1 January 2014. All new standards, amendments and IFRICs have been adopted by the European Union.

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all the instructions regarding control and consolidation which are provided in IAS 27 and SIC 12. The new standard is based on the notion of control as determinant factor in deciding whether an entity must be consolidated or not. The standard provides extensive clarifications on the three elements specifying the notion of control of an entity

and dictating the different ways in which an entity (investor) may control another entity (investee). It also sets the principles for the preparation of consolidated financial statements.

In June 2012, IFRS 10 was amended to provide a supplementary margin of transition by limiting the requirement to provide comparative information to only the preceding comparative period. .

IFRS 11 "Joint Arrangements"

IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and provides a more realistic treatment of joint arrangements focusing more on the rights and obligations rather than their legal status. There are only two types of arrangements: 1) joint operations and 2) joint ventures. The method of proportional consolidation is no longer permissible for joint ventures and, thus, joint venturers must necessarily apply the equity method of accounting.
In June 2012, IFRS 11 was amended to provide a supplementary margin of transition by limiting the requirement to provide comparative information to only the preceding comparative period. In addition, the amendment cancels the obligation to provide comparative information about periods prior to the immediately preceding period.

IFRS 12 "Disclosure of Interests in other Entities"

IFRS 12 refers to the disclosures an entity must make including significant judgments and assumptions which enable readers of financial statements to evaluate the nature, risks and economic effects associated with an entity's interest in subsidiaries, associates, joint arrangements and non-consolidated entities.
In June 2012, IFRS 12 was amended to provide a supplementary margin of transition by limiting the requirement to provide comparative information to only the preceding comparative period. In addition, the amendment cancels the obligation to provide comparative information about periods prior to the immediately preceding period.

IAS 27 (Amendment) "Separate Financial Statements" (2011)

This Standard was published along with IFRS 10 and these two combined replace IAS 27 "Consolidated and Separate Financial Statements". The amended version of IAS 27 determines the accounting treatment and necessary disclosures regarding interests in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The requirements about consolidated financial statements are currently laid down in IFRS 10 "Consolidated Financial Statements".

As an explanation to the above, the Standard requires entities to account for their investments in subsidiaries, associates and jointly controlled entities either at cost or according to the provisions of IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement" when preparing their separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The purpose of this standard is to define the accounting treatment of investments in associates and set out the requirements for the implementation of the equity method of accounting when accounting for investments in associates and joint ventures as arising from the publication of IFRS 11.

The Standard presents the notion of the term "significant influence" and provides guidance on the way in which the equity method of accounting should apply (including exemptions from the application of the equity method on certain occasions). It also specifies the manner in which investments in associates and joint ventures should be tested for impairment.

IFRS 10, IFRS 12, IAS 27 (Amendment) "Investment Entities"

The amendment provides Investment Entities (as defined in the standards) with an exception from the requirements of consolidation of specific subsidiaries and instead requires Investment Entities to measure their investments in each qualifying subsidiary through profit or loss according to IFRS 9 or IAS 39. Moreover, the amendment requires additional disclosures referring to the justification of an investment entity qualifying as such, to details about the subsidiaries not included in the consolidation as well as to the kind of relationship and specific transactions between the investment entity and its subsidiaries. In addition, the amendment requires investment entities to account for their holdings in subsidiaries in the same manner in both individual and consolidated financial statements.

IAS 32 (Amendment) "Financial instruments: Presentation"

The amendment concerns IAS 32 "Financial Instruments". The amended standard addresses inconsistencies in the usual practice when applying the criteria for offsetting financial assets and liabilities under IAS 32 "Financial Instruments: Presentation".

IAS 36 (Amendment) "Impairment of Assets"

IAS 36 "Impairment of Assets" is amended to restrict the cases in which the recoverable amount of assets or cash flow generating units must be disclosed, to clarify the necessary disclosures and introduce an explicit obligation to disclose the hierarchy level, in case of impairment recognition or reversal when the recoverable amount has been determined using the fair value, and in case of level 2 or 3 valuation, the valuation model and main assumptions must be disclosed.

IAS 39 (Amendment) "Financial instruments: Recognition and Measurement

IAS 39 "Financial Instruments: Recognition and Measurement" is amended to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the contracting parties. In order to implement the amendments and continue to apply hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

IFRIC 21 "Levies"

It provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies: a) The liability is recognised progressively if the obligating event occurs over a period of time; and b) if an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

Amendments to standards which are applicable to annual accounting periods beginning on or after 1 July 2014. All amendments have been adopted by the European Union and are not expected to have a significant effect on the Group or the Company.

IAS 19 (Amendment) "Employee Benefits" (2011)

The amendments to the standard refer to the contributions of employees or third parties to defined benefit plans. Such amendments aim to streamline the accounting treatment of those contributions that are independent of the number of years of the employees' past service such as those employee contributions that are a fixed percentage of the employees' salary and can be recognised as a reduction in the service cost in the period in which the related service is rendered.

Amendments to standards being part of the annual improvements to IFRSs 2011-2012 cycle of the International Accounting Standards Board (IASB) for 2013

The following amendments describe the most important changes brought to IFRSs due to the results of the annual improvement program of the IASB published in December 2013.

IFRS 2 "Share-based payment"
This amendment changes the definitions "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition" (which were previously part of the definition of "vesting condition").

IFRS 3 "Business Combinations" (with consequential amendments to other standards)
The amendment clarifies that a contingent consideration recognised as an asset or liability should be measured at fair value on each reporting date.

IFRS 8 "Operating segments"
The amendment requires an entity to disclose the judgments made by Management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the entity's Management.

IFRS 13 "Fair Value Measurement" (amendments to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards)
This amendment clarifies that issuing IFRS 13 "Fair Value Measurement" and amending IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement" do not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible Assets"
The amendment clarifies that when an item of property, plant and equipment is adjusted the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IAS 24 "Related Party Disclosures"
The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity and all compensation provided to the latter must be disclosed.

Amendments to standards being part of the annual improvements to IFRSs 2011-2013 cycle of the International Accounting Standards Board (IASB) for 2013

The following amendments describe the most important changes brought to IFRSs due to the results of the annual improvement program of the IASB published in December 2013.

IFRS 1 "First-time adoption of International Financial Reporting Standards"
The amendment to IFRS 1 clarifies that an entity adopting IFRSs for the first time in its financial statements may choose to implement either an existing and effective IFRS or a new or revised IFRS that is not yet mandatory, provided that the new or revised version of IFRS permits early application. An entity should implement the same version of IFRSs to the periods covered by the first IFRS-compliant financial statements.

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

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

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

New standards and amendments to standards which are applicable to annual accounting periods beginning on or after 1 January 2016. These new standards and amendments have not been adopted by the European Union and are not expected to have a significant effect on the Group or the Company.

IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with the previous generally accepted accounting principles, both on initial adoption of IFRSs and in subsequent financial statements. The objective of IFRS 14 is to specify the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides goods or services at a price or rate that is subject to rate regulation.

IFRS 11 (Amendment) "Joint Arrangements"

The amended version of IFRS 11 requires acquirers of an interest in a joint operation that constitutes a business (as defined in IFRS 3 "Business Combinations") to apply all accounting principles of business combinations included in IFRS 3 and other IFRSs save those accounting principles clashing with the stipulations of IFRS 11. In addition, the amendment requires the disclosure of any information required by IFRS 3 and other IFRSs on business combinations. These amendments apply to the initial acquisition of interests in joint operations and to the acquisition of additional stakes (in this last case, the interests held in the past are not measured again).

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible Assets" (amendment)

IAS 16 and IAS 38 are amended to specify that a method of depreciation based on revenues generated from an activity involving the use of an asset is not considered to be an appropriate method for tangible fixed assets. In addition, this amendment introduces a rebuttable presumption that an amortisation method based on revenues generated from an activity involving the use of an intangible asset is inappropriate and can be overcome only in limited circumstances when the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated. Furthermore, the amendment explains that future reductions in the prices of the output produced by using an asset could be an indicator of expected technical or commercial obsolescence of the asset and, therefore, of a reduction of the future economic benefits embodied in the asset.

IAS 27 (Amendment) "Equity Method in Separate Financial Statements"

IAS 27 is amended to allow the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS Annual Improvements Cycle 2012-2014

The IFRS Annual Improvements Cycle 2012-2014 makes amendments to the following standards:

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

It adds special guidance to IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 "Financial instruments: Disclosures"
It provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred financial asset and clarifies the disclosures concerning the offsetting of financial assets and financial liabilities in condensed interim financial statements.

IAS 19 "Employee Benefits"
It clarifies that the high-quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 34 "Interim Financial Reporting"
It clarifies the meaning of "information disclosed elsewhere in the interim financial report" set out in the standard.

IAS 1 (Amendment) "Disclosures"

The amendments clarify the guidance of IAS 1 on the concepts of materiality and aggregation, presentation of sub-totals, structure of financial statements and disclosures of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendment) "Investment Entities: Application of the exemption from mandatory consolidation

The amendments specify how the exemption of investment entities and their subsidiaries from mandatory consolidation is implemented.

New standards applicable to annual accounting periods beginning on or after 1 January 2017, which have not been adopted yet by the European Union. Management has not assessed yet their impact on the Group or the Company.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps of the model are as follows: Identify the contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and finally recognise revenue when (or as) the entity satisfies a performance obligation. In addition, it provides guidance on issues such as the time at which income is posted, the accounting treatment of variable consideration, the costs incurred to fulfil and obtain a contract and various relevant issues. New disclosures are also introduced. The standard has not been adopted by the European Union.

New standards applicable to annual accounting periods beginning on or after 1 January 2018. Management has not assessed yet their impact on the Group or the Company.

IFRS 9 "Financial instruments"

The final version of IFRS 9 which sets out the accounting principles regarding financial instruments replaces IAS 39. The standard includes the accounting principles in the following sectors: • **Classification and measurement.** Financial assets are classified based on the business model in which they are held and the nature of their contractual cash flows. The version of IFRS 9 (2014) introduces the category of "fair value through other comprehensive income" for certain securities. Financial liabilities are classified like in IAS 39 but there are differences in the measurement of the entity's credit risk. • **Impairment.** The version of IFRS 9 (2014) introduces an approach of "expected credit loss" for measuring the impairment of financial assets. Thus, it is no longer necessary for a credit event to have occurred before credit losses are recognised. **Hedge accounting.** It introduces an approach to hedge accounting which has been designed so as to align how entities undertake risk management activities when hedging their financial and non-financial risk exposures. • **Elimination.** The rules applying to the elimination of financial assets and financial liabilities were transferred from IAS 39.

4. Significant accounting principles

The accounting principles cited below have been consistently applied to all periods presented in these financial statements and have been consistently applied.

4.1 Financial assets and financial liabilities

(a) Non-derivative financial instruments

Financial instruments save derivatives consist of receivables and other receivables, cash and cash equivalents, loans and long-term liabilities, trade and other payables. These instruments are classified by the Company pursuant to the purpose for which they were acquired. Management decides on adequate classification of the investment at the time of acquisition.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets are initially recognised at fair value plus acquisition cost save those recognised at fair value. Assets are measured as per their classification.

(b) Trade and other receivables

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

(c) Cash and cash equivalents

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

(d) Financial assets available for sale

This category includes non-derivative financial assets that are either designated in this sub-category or cannot be classified as “held until maturity” or as “fair value item through profit or loss”. The purchase and sale of an investment is recognised on the day the transaction is carried out, which is also the day on which the Company is committed to purchase or sell the asset. Investments are initially recorded at their fair value plus any expense associated with the transaction. Available-for-sale financial assets are subsequently carried at fair value and the relevant gains or losses are recognised in Fair Value reserves in shareholder’s equity until they are sold or impaired. The fair value of those items traded on a regulated market corresponds to the closing price. As for the other items for which fair value cannot be reliably determined, fair value corresponds to acquisition cost. Impairment loss is recognised through transfer of accumulated loss from reserves to operating results. The accumulated loss that is transferred is the difference between the acquisition cost after depreciation through the effective interest rate and the current fair value less the impairment already posted to results during prior periods. Impairment losses that have been recognised through profit or loss cannot be reversed through profit or loss for equity financial assets. The Company carries out tests for impairment; in the case of listed shares, impairment consists in mandatory or prolonged reduction of fair value in relation to the acquisition cost which, in such case, is posted through profit or loss.

(e) Fair value

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

(f) Borrowing

Loans are initially recorded at their fair value, decreased by any possible direct expense that is required in order to complete the transaction. They are subsequently valuated at their non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as short-term liabilities unless the Company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern. Recognition stops when contractual obligations are cancelled, expire or are sold.

4.2 Derivatives and hedge accounting

The Company holds derivatives to hedge the risk of a change in interest rates and foreign currencies. Derivatives are initially and subsequently recognised at their fair value. The method by which profits and losses are recognised depends on whether derivatives are designated as a hedging instrument or are held for trading.

When entering into transactions the Company records the proportion between hedged assets and hedging assets and the relevant risk management strategy. When entering into the contract and thereafter the estimate is recorded about the high effectiveness of hedging both for fair value hedges and for cash flow hedges. As for future transaction hedging, the probability to complete the transaction is substantiated.

(a) Fair value hedging

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

(b) Cash Flow hedges

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

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

4.3 Share Capital

The share capital consists of ordinary registered shares and is recognised in equity. The expenses directly related to the Company's share capital increase are deducted from the proceeds of the issue and reduce accordingly shareholder's equity.

Dividends in ordinary shares are recognised as a liability in the period in which they have been approved by shareholders.

The acquisition cost of own shares including various expenses is deducted from shareholder's equity until own shares are sold or cancelled. In case own shares are sold or re-issued, the price will be directly posted to equity.

4.4 Property, plant and equipment

(a) Recognition and Measurement

Property, plant and equipment held for use in manufacturing or providing goods and services or for administrative purposes are presented in the statement of financial position at their adjusted value which is the fair value on the adjustment date less any subsequent accumulated depreciation and impairment. Reassessments are carried out at regular intervals to ensure that book values do not vary substantially from those that would be determined using the fair value upon expiry of each reporting period.

Any goodwill arising from the reassessment of such property, plant and equipment is recognised in the statement of other comprehensive income and is directly posted to "fixed assets revaluation reserve" in Equity save the amount reversing prior

impairment losses for the same asset that had been previously recognised through profit or loss. The reduction in fair value which arises from the adjustment of property, plant and equipment is recognised in the income statement, save the amount reversing prior goodwill for the same asset which had been recognised in fixed assets value adjustment reserve.

Means of transport, other machinery, furniture and other equipment are reflected at historical cost less depreciation. The historical cost includes expenses directly allocated to the acquisition and establishment cost of the fixed asset. Costs may also include profits/losses in equity arising from foreign currency cash flow hedging with respect to fixed assets purchases.

When tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement in the account "Other operating income" or "Other operating expenses" as the case may be. When the book value of a tangible fixed asset exceeds its recoverable value, the difference (impairment loss) is directly recorded in the income statement.

(b) Amortisation and depreciation

Plots are not depreciated. Other tangible fixed assets are depreciated based on the straight line method with equal annual burdens during the asset's expected service life, so that the cost may be deleted at its residual value**.** The expected service lives of assets are set as follows:

- Buildings 20 – 50 years
- Machinery 10 -40 years
- Machinery & equipment 10-15 years
- Control instruments 10 – 40 years
- Cars 4 – 10 years
- Furniture and other fixtures 1-10 years

The residual value and useful life of tangible fixed assets are reviewed and adjusted on every balance sheet date, if that is considered necessary.

4.5 Intangible assets

The Company has classified industrial property rights related to trademarks, licenses and software programs under such category.

Concessions and industrial property rights

Concessions and industrial property rights include trademarks and licenses with specific service life and are estimated at their acquisition cost less depreciation. These assets are depreciated based on the straight-line method during their service life, which ranges from 10 to 15 years. Wherever intangible assets with indefinite useful life have been recognised, these are measured at cost less accumulated impairment. Their cost includes the cost of studies, laboratory tests and consumables.

Software

Software licenses are estimated at their acquisition cost, less accumulated depreciation and any accumulated impairment. These assets are depreciated based on the straight-line method during their service life, which ranges between 3 to 5 years.

Expenditures that are required for the maintenance of software programs are recognised as an expense in the Income Statement in the year in which they are incurred.

4.6 Investment property

Investment property is initially valued at acquisition cost and is subsequently recognised at fair value with any changes thereof recognised as gain or loss through profit or loss.

The profits or losses arising from the disposal of investment property (calculated as the difference between the net inflow from the disposal and the book value of the asset) are recognised through profit or loss during the period of disposal. When an investment property previously recognised in "Property, plant and equipment" and adjusted is sold, and then the relevant value adjustment reserve is carried forward.

4.7 Inventories

Inventories are estimated at the lesser value between their acquisition cost or production cost and their net liquid value. The acquisition cost of the purchased inventories is specified by applying the annual weighted average cost method and includes all the expenses incurred for their acquisition and transport.

The production cost of produced inventories also includes the proportionate industrial overheads under normal conditions of productive operation.

The net liquid value of inventories is considered to be the estimated selling price thereof under normal business conditions less the estimated selling expenses.

4.8 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on the date each balance sheet is prepared and are adjusted so as to reflect the present value of the expense expected to be required to settle the obligation. A contingent liability is not recognised in financial statements but is disclosed unless the possibility of an outflow of resources is remote. A contingent asset is not recognised in financial statements but is disclosed when an inflow of economic benefits is probable.

A provision for restructuring is recognised when the Company has approved a detailed restructuring plan and such restructuring has already started or publicly announced. No future operating costs are recognised for raising provisions.

4.9 Employee benefits

4.9.1 Short-term benefits

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

4.9.2 Defined-contribution plans

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

4.9.3 Defined-benefit plans

Defined-benefit plans are any other retirement plans save defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is calculated as the present value of the future benefit of the employee for his services for the defined benefit less the fair value of the plan's assets and the changes arising from the non-recognised actuarial gains and losses and the past service cost. The discount rate corresponds to the index of European bonds of low credit risk "Iboxx AA-rated Euro corporate bond 10+year". Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

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

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

4.9.4 Staff leaving indemnity benefits

Leaving indemnity benefits are paid when employees depart before their retirement date. The Company posts these benefits when it undertakes either to terminate the employment of current employees in line with a detailed plan which is not likely to be withdrawn or when these benefits are offered as an incentive for voluntary redundancy. Staff leaving indemnity benefits due 12 months after the balance sheet date are discounted. In the case of termination of employment where it is impossible to determine which employees will make use of the benefits, they are not booked but simply disclosed as a contingent liability.

4.10 Income

Sales of products: Income from sales of products and merchandise includes the fair value of their sale, net of Value Added Tax, discounts and returns. Sales of goods are recognised when the Company delivers the goods to its customers based on contractual terms and international transportation rules or the goods are accepted by the customers and the collection of the claim is reasonably guaranteed.

Works contracts

The Company deals with works contracts pertaining mainly to construction and installation projects of high voltage onshore and submarine cables. A construction contract is a contract specifically negotiated for the construction of an asset or a group of interrelated or interdependent assets in terms of design, technology and operation or their final objective or use.

The expenses related to a contract are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue generated from the contract is recognised solely to the extent that contract costs incurred are expected to be recoverable.

When the outcome of a works contract can be estimated reliably, revenue and costs generated from the contract are recognised during the term of the contract as income and expense respectively. The Company applies the percentage of completion method of accounting in order to determine the appropriate amount of income and expense that the Company will recognise during a given period. The stage of completion is measured on the basis of the expenses incurred until the balance sheet date in relation to the total estimated expenses for each contract. The criteria used to specify the stage of completion of each project are objectively the following:

-During cable production stage, the estimation of completion depending on the type of contract is based either on: a) the ratio between the number of actual production hours and total number of budgeted hours; or b) the quantity of the manufactured and verified lengths of cable compared to the total quantity of lengths provided for in the contract.

-During cable installation stage, the percentage completion is based on the contractual time schedules based on the anticipated works such as cable transportation, the meters installed and their connection with networks.

Whenever it is probable that the contractual total cost will exceed the total income, the expected loss is directly recognised in the income statement as expense.

For the cost realised until the end of the year to be calculated, any expenses related to future works regarding the contract shall be exempted and appear as work in progress. The cost of works in progress during production process includes the direct borrowing costs. The total cost realised and the profit/ loss recognised for each contract is compared with the progressive invoicing until the end of the year.

Whenever the expenses incurred plus the net profits (less losses) that have been recognised exceed progressive invoicing, the difference is recognised as receivable from customers of works contracts in the item "Trade and other receivables". Whenever progressive invoicing exceeds the incurred expenses plus the net profits (less losses) that have been recognised, the balance is presented as liability to the customers of works contracts in the item "Trade and other payables".

Provision of services: Income from the provision of services is accounted for in the period in which the services are rendered, based on their stage of completion in relation to all the services that shall be rendered.

Income from interest: Income from interest is recognised based on time proportion and with the use of the effective interest rate. When receivables are impaired, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial effective interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied to the impaired (new book) value

4.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale form part of the acquisition cost of that asset from the start date as such is specified in the relevant IAS until the time it is substantially ready for its intended use or sale. Any income on the temporary investment of borrowings for financing the above qualifying asset and the collection of grants reduce the borrowing costs eligible for capitalisation. In other events, borrowing costs are charged through profit or loss in the year in which they are incurred.

To the extent that funds are part of a general loan and are used for acquiring a qualifying asset, costs eligible for capitalisation are specified by applying a capitalisation rate to the investment expenses incurred for that asset.

4.12 Grants

A subsidy represents a contribution provided by the State in the form of resources transferred to an entity, in return for existing or future maintenance of certain resources relating to its operation. The above term does not include state aids which, due to their nature, are not measurable, or transactions with the State which are impossible to separate from an entity's ordinary transactions.

The Company recognises state subsidies which meet the following criteria in aggregate: a) there is presumed certainty that the enterprise has complied or will comply with the terms of the subsidy; and b) the subsidy amount has been collected or its collection is probable. They are recorded at fair value and are systematically recognised in income, on the basis of correlating subsidies to the corresponding costs that are subsidised.

Any subsidies pertaining to assets are included in long-term liabilities as income in subsequent fiscal years and are recognised systematically and rationally in income over the service life of the fixed asset.

4.13 Payment of rental fees

Payments of operating leases are allocated as an expense to the income statement according to the direct method throughout the lease term. The received leasing subsidies are posted through profit or loss as an integral part of the expense throughout the lease term.

4.14 Financial income/expenses

Net financial expenses consist of loan interest charges that are calculated using the effective interest rate method, interest arising from invested cash, income from dividends, foreign exchange gains and losses as well as the profits and losses from hedging instruments posted to the income statement.

Accrued interest is posted to the income statement based on the effective interest rate method. Income from dividends is posted to the income statement on the date dividend distribution is approved.

4.15 Income tax

The income tax to operating results consists of the current year tax and deferred tax. Income tax is recognised in the year's operating results unless it is related to items directly recognised in equity and thus it is recognised in equity.

The current year tax is the expected tax liability over the taxable income using the applicable tax rates and any adjustment related to a prior period tax liability.

The deferred tax is calculated using the balance sheet method based on the temporary differences arising between the book value of the assets and liabilities included in the Financial Statements and the tax value attributed to such in accordance with tax laws. For deferred taxes to be determined, the enacted tax rates or the tax rates enacted on the balance sheet preparation date and applying on a subsequent date are used.

A deferred tax asset is recognised only to the extent it is probable that future taxable profits will suffice for offsetting temporary differences. The deferred tax asset is reduced in case it is probable that no tax benefit will occur.

5 Sales

(Amounts in Euro)

	2014	2013
Sales of merchandise and products	87,486,903	85,664,270
Sales of by-products and scrap	6,260,322	6,596,482
Sales of raw and packaging materials	11,993,537	20,632,908
Income from services	5,315,081	4,956,042
	111,055,843	**117,849,702**

6 Itemised expenses

2014

(Amounts in Euro)

	Cost of Sales	Selling Expenses	Administrative expenses	Total

	Cost of Sales	Selling Expenses	Administrative expenses	Total
Inventories consumption	97,115,931	-	-	97,115,931
Personnel fees	6,193,886	260,076	280,257	6,734,219
Of which:				
Capitalised to fixed assets as direct fixed asset construction costs	(795,436)	-	-	(795,436)
Allocated to "other expenses"	(134,832)	-	-	(134,832)
Fees of third parties	2,073,761	1,092,046	2,443,164	5,608,971
Fixed & intangible assets depreciation	3,670,137	8,400	129,987	3,808,524
Third party benefits	1,786,236	7,880	18,927	1,813,043
Transportation	352,624	-	4,174	356,798
Rent	77,751	9,299	10,201	97,251
Insurance premiums	266,529	31,214	17,046	314,789
Other	2,060,210	75,763	81,706	2,217,679
Total	**112,666,797**	**1,484,678**	**2,985,462**	**117,136,937**

2013

(Amounts in Euro)

	Cost of Sales	Selling Expenses	Administrative expenses	Total
Inventories consumption	103,825,691	-	-	103,825,691
Personnel fees	6,760,398	327,160	233,123	7,320,681
Of which:				
Capitalized to fixed assets as direct fixed asset construction costs	(1,097,933)	-	-	(1,097,933)
Allocated to "other expenses"	(352,109)	-	-	(352,109)
Fees of third parties	1,972,524	393,397	922,857	3,288,778
Fixed & intangible assets depreciation	2,876,547	7,848	109,973	2,994,368
Third party benefits	2,120,398	3,825	14,994	2,139,217
Transportation	545,035	-	896	545,931
Rent	4,360	9,192	5,880	19,432
Insurance premiums	208,563	15,802	11,418	235,783
Other	1,511,237	74,726	87,496	1,673,459
Total	**118,374,711**	**831,950**	**1,386,637**	**120,593,298**

Personnel expenses are broken down as follows:

(Amounts in Euro)

	2014	2013
Salaries and wages	4,891,736	5,079,500
Contributions to social security funds	1,313,929	1,461,013
Staff retirement indemnities	215,898	510,930
Other personnel expenses	312,656	269,238

	6,734,219	**7,320,681**

7 Other income

(Amounts in Euro)

	2014	2013
Income from provisions	12,802	81,615
Depreciation of grants	65,981	-
Income from liabilities crossing out	23,110	259,476
Profits from the sale of fixed assets	176,602	73,300
Income from expenses imputed to third parties	19,015	85,461
Prior period income	23,503	48,312
Other income	5,488	34,277
Total	**326,501**	**582,441**

8 Other expenses

(Amounts in Euro)

	2014	2013
Prior period expenses	115,760	60,663
Other provisions	26,500	120,000
Taxes - duties	74,045	205,516
Fixed assets elimination-impairment	319,268	
Penalty clauses	13,096	-
Personnel compensation	135,655	352,109
Fines and surcharges	-	37,399
Other expenses	354,803	69,352
Total	**1,039,127**	**845,039**

9 Financial income

(Amounts in Euro)

	2014	2013
Interest	11,637	12,948
Foreign exchange differences	504,357	36,135
Profit from foreign exchange swaps	52,530	62,430
	568,524	**111,513**

10 Financial expenses

(Amounts in Euro)

	2014	2013
Interest charges and related expenses	6,170,036	4,042,529
Foreign exchange differences	208,490	38,941
Losses from foreign exchange swaps	342,262	38,913
	6,720,788	**4,120,383**

11 Income tax

(Amounts in Euro)

	2014	2013
Current tax	-	-
Deferred taxation	5,458,698	(2,408,022)
	5,458,698	**(2,408,022)**

Current tax

According to the applicable tax law 4110/2013, the income tax rate for legal persons in Greece is set at 26%. Note that 10% tax is withheld in case profits are distributed.

Reconciliation of applicable tax rate:

(Amounts in Euro)

	2014	2013
Earnings/(loss) before taxes	**(18,210,414)**	**(7,015,064)**
Tax calculated using the applicable tax rates 26% (2013: 26%)	4,734,708	1,823,917
Tax audit adjustments	(153,753)	(117,403)
Tax-exempt income	17,155	
Tax rate change	-	(1,053,205)
Permanent tax differences	13,040	(429,352)
Recognition and non-recognition of tax losses	847,548	(2,631,978)
Comprehensive income tax of the fiscal year	**5,458,698**	**(2,408,022)**
Applicable tax rate	**(29.97%)**	**34.32%**

Deferred tax

The deferred tax assets and liabilities that were accounted for by the Company and the transactions of the relevant accounts are broken down below:

Change in year temporary differences
(Amounts in Euro)

2014

	Balance as at 1 January 2013 2014	Recognised through profit or loss	Recognised to shareholders equity	Balance 31 .12.2014
Property, plant and equipment	(7,197,768)	1,706,196	(409,980)	(5,901,552)
Loans-Notes	(3,653,587)	418,871	-	(3,234,716)
Intangible assets	(7,372)	2,206	-	(5,166)
Derivatives	(18,064)	(3,332)	(69,533)	(90,929)
Total deferred tax liabilities	(10,876,791)	2,123,941	(479,513)	(9,232,363)
Financial leases	43,326	(43,326)	-	-
Provisions	326,610	(50,822)	68,550	344,338
Tax losses	4,501,151	3,428,904	-	7,930,055
Total deferred tax assets	4,871,087	3,334,756	68,550	8,274,393
Total deferred tax	**(6,005,704)**	**5,458,697**	**(410,963)**	**(957,970)**

2013

	Balance as at 1 January 2013	Recognised through profit or loss	Recognised to shareholders equity	Balance 31 .12.2013
Property, plant and equipment	(5,430,352)	(1,767,416)	-	(7,197,768)
Bond loan discount	(3,044,610)	(608,977)	-	(3,653,587)
Intangible assets	(7,444)	72	-	(7,372)
Derivatives	(2,019)	7,231	(23,276)	(18,064)
Total deferred tax liabilities	(8,484,425)	(2,369,090)	(23,376)	(10,876,791)
Financial leases	97,723	(54,397)	-	43,326
Provisions	513,191	(119,205)	(67,376)	326,610
Tax losses	4,366,481	134,670	-	4,501,151
Total deferred tax assets	4,977,395	(38,932)	(67,376)	4,871,087
Total deferred tax	**(3,507,030)**	**(2,408,022)**	**(90,652)**	**(6,005,704)**

For the deferred taxes to be determined, the applicable tax rates or those that are substantially enacted on the date the financial statements are compiled shall be used.

Tax losses for offsetting

The Company carried forward losses which are as follows:

2010	2011	2012	2013	2014	Total
9,909,433	6,489,022	-	5,703,539	10,019,651	**32,121,645**

On 31 December 2014, the Company had recognised a deferred tax asset in relation to the above tax losses carried forward and specifically the amount of EUR 30.5 million because Management estimates that the tax is certainly recoverable in the future.

12 Employee benefit liabilities

According to IFRS, the liabilities of the Company to the social security funds of its employees are split into defined-contribution and defined-benefit plans.

Under Greek labour law employees are entitled to compensation when dismissed or retiring, the level of which is related to employee pay, length of service and the mode of departure (dismissal or retirement). Employees who resign or are dismissed on specific grounds are not entitled to compensation. The compensation payable in the case of retirement is 40% of the amount which would have been paid for unjustified dismissal. The level of compensation finally paid by the Company is determined by taking into account the employee's length of service and salary.

A liability is considered to relate to defined contribution plans when the accrued part thereof is regularly accounted for. This practice is similar to the practice under current Greek law, in other words payment to insurance funds of employer contributions for the length of employee service.

For pension plans falling into the defined benefit category, the IFRSs have laid down certain requirements concerning the valuation of the current liability and the principles and actuarial assumptions which have to be followed in assessing the liability deriving from those pension plans. The obligation which is posted is based on the projected unit credit method which calculates the current value of the accrued obligation.

The staff termination liabilities were computed in an actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity of years 2013 and 2014 respectively.

Changes in the present value of the liability for the Company:

(Amounts in Euro)	2014	2013
Changes in net liability recognised in the Balance Sheet		
Net liability at the beginning of the year	633,231	973,986
Benefits paid	(215,434)	(510,930)
Total expenditure recognised in the income statement	202,632	429,315
Total expenditure recognised in the statement of comprehensive income	263,654	(259,140)
Net liability at year-end	**884,083**	**633,231**
Analysis of expenditures recognised in the income statement		
Cost of current employment	25,239	51,675
Interest against the liability	20,263	26,221
Cost of curtailment/ settlement/ termination of service	157,130	351,419
Total expenditure recognised in the income statement	**202,632**	**429,135**

Breakdown of expenditures recognised in the statement of comprehensive income		
Actuarial loss / (gain) – financial assumptions	200,929	(77,088)
Actuarial loss / (gain) – experience in the period	62,725	(182,052)
Total expenditure recognised in the statement of comprehensive income	**263,654**	**(259,140)**

Main assumptions of actuarial study

	2014	**2013**
Discount rate	1.5%	3.2%
Percentage of salary future increase	1.75%	1.75%

13 Works contracts

The Company is involved in works contracts pertaining mainly to construction and installation projects of high voltage onshore and submarine cables.

(Amounts in Euro)

	2014	**2013**
Period recognised income	**2,008,570**	**-**
Advance payments due	**5,336,810**	**-**
Amount of performance withholdings	**-**	**-**

There are no significant contingent liabilities pertaining to the Company's projects on the balance sheet date.

14 Property, plant and equipment

(Amounts in Euro)

	Lots & buildings	**Transportation & mechanical equipment**	**Machinery**	**Furniture and other fixtures**	**Fixed assets under construction**	**Total**
Acquisition cost						
Balance as at 1.1.2013	**29,357,921**	**36,708,124**	**-**	**862,019**	**7,263,124**	**74,191,188**
Additions	103,075	3,288,861	-	309,541	44,227,081	47,928,558
Reclassifications*	827,929	1,333,385	-	2,825	(2,182,806)	(18,667)
Sales/ Deletions of fixed assets	-	(169,791)	-	-	-	(169,791)
Balance on 31.12.2013	**30,288,925**	**41,160,577**	**-**	**1,174,386**	**49,307,399**	**121,931,287**
Balance on 1.1.2014	**30,288,925**	**7,604,176**	**33,556,401**	**1,174,386**	**49,307,399**	**121,931,287**
Additions	547,443	675,871	5,099,757	110,050	16,440,341	22,873,462
Fair value reassessment	(3,091,999)	-	(595,585)	-	-	(3,687,584)
Reclassifications*	9,247,262	7,492,755	45,701,904	128,943	(63,533,327)	(962,463)
Transfer due to fair value	(5,488,286)	-	(10,871,903)	-	-	(16,360,189)
Sales/ Deletions of fixed assets	(321,890)	(1,608,975)	-	-	-	(1,930,865)
Balance on 31.12.2014	**31,181,455**	**14,163,827**	**72,890,574**	**1,413,379**	**2,214,413**	**121,863,648**
Depreciation/ Impairment						
Balance on 1.1.2013	**(4,223,346)**	**(9,422,321)**	**-**	**(245,309)**	**-**	**(13,890,976)**
Year depreciation	(612,670)	(2,210,995)	-	(107,120)	-	(2,930,784)

Sales/ Deletions of fixed assets	-	52,219	-		-	52,219
Balance on 31.12.2013	**(4,836,016)**	**(11,581,096)**	**-**	**(352,429)**	**-**	**(16,769,540)**
Balance on 1.1.2014	**(4,836,016)**	**(2,844,795)**	**(8,736,301)**	**(352,429)**	**-**	**(16,769,540)**
Year depreciation	(718,173)	(735,338)	(2,135,602)	(149,067)	-	(3,738,180)
Transfer due to fair value	5,488,286	-	10,871,903	-	-	16,360,189
Sales/ Deletions of fixed assets	65,903	524,146	-	-	-	590,049
Balance on 31.12.2014	**-**	**(3,055,987)**	**-**	**(501,496)**	**-**	**(3,557,483)**
Non-depreciated value						
On 31.12.2013	**25,452,910**	**29,579,482**	**-**	**821,957**	**49,307,399**	**105,161,747**
As at 31.12.2014	**31,181,455**	**11,107,840**	**72,890,574**	**911,882**	**2,214,413**	**118,306,164**

*: The negative balance of reclassifications at the acquisition cost of fixed assets is offset against the positive balance of reclassifications to intangible assets.

Property, plant and equipment have been measured at fair value. Transportation and other mechanical equipment, furniture and other fixtures and fixed assets under construction are recognised at acquisition cost less accumulated depreciation.

As for those fixed assets measured at fair value, if they were recognised at acquisition cost less accumulated depreciation, the non-amortised value on 31 December 2014 would be: plots and buildings: 34,273,454; machinery and means of transport: 84,594,000.

Adjustment of fixed assets

To give a true view of the actual values of its assets, the Company decided to change the valuation policy involving property, plant and equipment. The following factors played a role in this decision:

- The considerable decrease in the value of Fields-lots of the companies in Greece (due to the drop in property prices in Greece) at prices lower than acquisition cost (acquisition cost for purchases after 2005 or estimated cost at the time of transition to IFRS in 2005).
- Continuous upgrades and improvements of machinery and buildings and their outstanding maintenance level as a result of which currently their fair value is considerably higher than the book value.

The valuation methods at Fair value that were used based on IFRS 13 are as follows:

Fields-lots and Investment property

The method of comparable items or real estate market was used for fields and lots. According to this method, the value is determined based on the conclusions drawn from research and collection of comparable items, namely items with the maximum possible similarity of characteristics with the property under assessment.

Buildings

The residual replacement cost applied to buildings. According to this specific method, the value of the field within which the assessable structure or building complex has been constructed is initially determined and thereafter the residual replacement cost (or restoration cost) of buildings, facilities and other land reclamation works is calculated. The residual value depends on the age, maintenance level, quality and construction specifications as well as on the utility and functionality of the buildings and facilities.

Machinery – technical works

The method of historic acquisition cost and current replacement value was used for machinery and technical works. This particular method makes use of the registered acquisition cost (based on fixed assets register), current replacement cost new and the useful life as well as the impairment of equipment due to physical, functional and technical obsolescence.

Fixed assets assessment studies were assigned to independent recognised assessors and specifically to AXIES S.A. (member of CBRE international network) and GLP VALUES S.A. (associate of GVA). The 31st of December 2014 was the assessment date used in the studies.

The assessments produced the following results for the Company and the Group.

(Amounts in thousand Euro)

	COMPANY	
	Profit	**Net Worth**
Fields - Lots	**(1,238)**	**41**
Buildings	**(1,895)**	**-**
Machinery – technical works	**(2,131)**	**1,536**
Total reassessment	**(5,264)**	**1,577**
Deferred taxation	**1,369**	**(410)**

Mortgages totalling EUR 49 million have been raised on the Company's property, plant and equipment.

15 Intangible assets

(Amounts in Euro)

	Trademarks & licenses	Software	Other	Total
Acquisition cost				
Balance on 1.1.2013	**-**	**122,079**	**281,475**	**403,554**
Additions	56,680	2,570	2,500	61,750
Reclassifications	-	18,667	-	18,667
Balance on 31.12.2013	**56,680**	**143,315**	**283,975**	**483,970**
Additions	101,389	-	-	101,389
Reclassifications	943,798	18,667	-	962,465
Balance on 31.12.2014	**1,101,867**	**161,982**	**283,975**	**1,547,824**
Depreciation/ Impairment				
Balance on 1.1.2013	**-**	**(30,708)**	**(35,929)**	**(66,637)**
Year depreciation	-	(31,712)	(31,871)	(63,583)
Balance on 31.12.2013	**-**	**(62,420)**	**(67,800)**	**(130,220)**
Year depreciation	(5,668)	(33,289)	(31,388)	(70,345)
Balance on 31.12.2014	**(5,668)**	**(95,709)**	**(99,187)**	**(200,565)**
Non-depreciated value				
As at 31.12.2013	**56,680**	**80,895**	**216,175**	**353,750**
As at 31.12.2014	**1,096,199**	**66,273**	**184,788**	**1,347,259**

16 Investment property

Investment property was measured at fair value on 31 December 2014.

	2014	2013
Balance in the beginning	-	-
Additions	389,141	-
Adjustment	(57,102)	-
	332,039	**-**

Investment property was measured at fair value using the comparables or real estate market method. The assessment study was assigned to an independent recognised assessor and specifically to GLP VALUES S.A. (associate of GVA). The 31st of December 2014 was the assessment date used in the study.

17 Holdings in other companies

The Company has a 50% holding in the share capital of Fulgeka S.A. which is in a state of liquidation, and the Company has raised a provision for full impairment of its holding's acquisition cost in a previous year. The Company does not consolidate said company because the other shareholder (other 50%) carries out the control and management of the company.

18 Inventories

Company inventories are broken down as follows:

(Amounts in Euro)

	2014	2013
Raw direct and indirect materials, spare parts & consumables	**13,820,799**	**12,053,635**
Finished products	**361,325**	**1,317,002**
Semi-finished products	14,722,645	6,671,728
Merchandise	6,445	92,991
Work in progress	88,365	602,526
By-products & deposits	**761,055**	**412,303**
Down payments for the purchase of stocks	**825,892**	**252,028**
	30,586,526	**21,402,213**

Inventories are presented at the lower between their acquisition or production cost and net realisable value which is their expected selling price less the costs required for such sale.

On 31 December 2014 the Company has raised a provision for obsolete and/or slow-moving inventories by EUR 0.5 million compared to EUR 0.4 million in 2013, which Management deems adequate under the circumstances.
The consumption of inventories charged to year results (cost of goods sold) amounts to EUR 97.1 million.

19 Trade and other receivables

(Amounts in Euro)

	2014	2013

Trade receivables	1,153,365	3,291,021
Receivables from project customers	2,008,570	-
Receivables from related parties	2,907,362	973,117
Tax receivables	6,883,658	5,627,263
Other debtors	7,204,947	3,978,985
Other advance payments	256,795	179,764
	20,414,697	**14,050,150**

The above amounts of trade and other receivables include a provision for impairment equal to EUR 2.2 million and EUR 2.6 million for 2013 and 2014 respectively.

20 Cash and cash equivalents

(Amounts in Euro)

	COMPANY	
	2014	**2013**
Cash at hand	2,397	24,244
Deposits with banks	553,863	2,700,569
	556,260	**2,724,813**

Of the above sum of EUR 556,260, the amount of EUR 26,061 refers to foreign currency and has been valuated at the Euro/ foreign currency rate applying on 31 December 2014. Any foreign exchange differences were posted to operating results.

21 Share Capital

The Company's share capital amounts to EUR 37,368,097 (2013: 36,612,517) and is divided into 12,710,237 (2013: 12,453,237) shares, with a nominal value of EUR 2.94.

The share premium of EUR 32,432,801 (2013: EUR 29,076,381) is a supplement to the share capital and arose from the issue of shares in exchange for cash at a value higher than their nominal value.

On 25 February 2014, the General Meeting decided to increase the company's share capital by EUR 4,112,000 by issuing 257,000 new registered shares with a nominal value of EUR 2.94 and issue price of EUR 16.00 namely at a price above par of EUR 13.06 per share.

The amount of the increase was paid by the Company's unique shareholder HELLENIC CABLES S.A.

22 Reserves

(Amounts in Euro)

	2014	**2013**
Statutory reserve	1,052,450	1,052,450
Reserves from the valuation of derivatives	249,466	51,566
Reserves from fixed assets valuation at fair value	1,166,867	-

Special reserves	971,090	971,090
Untaxed reserves	11,298,251	11,427,378
	14,738,124	**13,502,484**

Statutory reserve: According to the Greek company law, companies are obliged to withhold 5% of their net annual post-tax profits to form statutory reserve until the balance of such statutory reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution but can be used to offset losses.

Special reserves: Special reserves have been set aside according to special provisions of incentive laws and especially refer to the Company's participation in the financing of investments falling under incentive laws. After the lapse of ten years from completion of the investments they concern, the Company may transfer them to a balance carried forward or capitalise them.

Untaxed reserves: The untaxed reserves have been set aside according to special provisions of incentive laws during previous years. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.

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Reserves from fixed assets valuation at fair value: This reserve concerns the gain resulting from the measurement of property, plant and equipment at fair value. This reserve cannot be distributed to shareholders until it is either carried forward through depreciation or through recognition of the gains resulting from any sale of fixed assets.

23 Loan liabilities

Long-term and short-term liabilities are broken down as follows:

(Amounts in Euro)

		2014	2013
Long-term payables			
-	Bank loans	**7,867,324**	**9,623,495**
	of which payable in the following fiscal year	**(2,447,597)**	**(2,489,910)**
-	Bond loans	**31,236,066**	**29,314,267**
		36,655,793	**36,447,852**
Short term payables			
-	Bank loans	**30,695,573**	**12,489,910**
-	Bond loans	**-**	**-**
		30,695,573	**12,489,910**
Total loan liabilities		**67,351,366**	**48,937,762**

				31.12.2014	31.12.2013
	Currency	Average interest rate 2014	Repayment year	Nominal value	Nominal value
- Short-term	**Euro**	**6.35%**	**2015**	**28,247,976**	**10,000,000**
- Long-term	**Euro**	**2.31%**	**2015-2027**	**36,655,793**	**36,447,852**
-Short term instalment	**Euro**	**3.70%**	**2015**	**2,447,597**	**2,489,910**
				67,351,366	**48,937,762**

24 Other long-term liabilities

	2014	2013
Long-term payable notes	11,918,006	10,681,508

25 Suppliers and other liabilities

(Amounts in Euro)

	2014	2013
Suppliers	16,176,549	10,882,520
Payables to affiliates	38,560,143	48,272,408
Short-term payable notes	14,004,626	1,514,409
Transit credit balances	602,377	538,777
Sundry creditors	590,316	663,403
Accrued expenses	590,557	356,744
Advance payments from customers	5,514,137	74,262
Social security funds	340,996	743,709
Other payables	161,612	170,673
	76,541,313	**63,216,905**

26 Financial instruments

Financial risk management

General

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

- Credit Risk
- Liquidity risk
- Market risk

This paragraph presents information regarding the Company's exposure to each one of the above risks, the Company's objectives, the policies and procedures it applies for the calculation and management of risks, as well as the management of the Company's capital. Additional quantitative information on such disclosures is included throughout the financial statements.

The Board of Directors bears the overall responsibility for the creation and supervision of the Company's risk management framework.

The Company's risk management policies are applied in order to identify and analyse the risks that the Company is exposed to and set audit points and risk-taking limits. The risk management policies and relevant systems are periodically examined so as to take into account any changes in the market and the Company's activities.

In the context of the foregoing, the Company has evaluated any effects that the management of financial risks may have due to the current macroeconomic situation and business environment in Greece.
The developments during 2015 and discussions at a national and international level regarding the review of Greece's financing program terms prolong the volatility in the macroeconomic and financial environment in Greece. The return of economic stability depends to a large extent on the actions and decisions taken by institutions in Greece and abroad. Taking into consideration that the sales of submarine cables in the domestic market concern the performance of already signed contracts for projects having secured their financing and that the sales of wires and conductors are made primarily

to companies of VIOHALCO Group, the Company estimates that any negative developments in the Greek economy are not expected to have a considerable impact on its smooth operation.

Credit Risk

Credit risk is the risk that the Company will incur financial loss if a client or third counterparty to a transaction on a financial instrument fails to meet its contractual obligations mainly arising from receivables from customers and investments in securities.

Trade and other receivables

The Company's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The statistics associated with the Company's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. With the exception of the parent company and its affiliated company ICME ECAB, no customer participates in Company income by more than 10% while no customer save the affiliated company ICME ECAB has any open balance higher than 10% of all receivables.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinised individually as regards their creditworthiness before the Company's normal payment and delivery terms and conditions are proposed to them. The creditworthiness test made by the Company includes the examination of bank sources regarding customers.

Credit limits are set for each customer which account for the maximum open balance a customer may have without the approval of the Board of Directors, which are reviewed every quarter. Any customers not complying with the average of the Company's creditworthiness criteria may hold transactions with the Company solely based on prepayments or letters of guarantee.

Most of the Company's customers hold long-lasting transactions with the Company and no losses have incurred. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, their geographical region, the market in which they operate, the aging profile of their receivables and the existence of any previous financial difficulties.

Customer credit lines are normally determined based on the insurance limits obtained for them from insurance companies and then receivables are insured based on such credit lines.

Depending on the background of the customer and its capacity, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company raises a special impairment provision in specific cases of exposure to risk, which represents its estimate about losses incurred with respect to trade and other receivables and investments.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfil its financial liabilities in due time. The Company's approach to liquidity management is to secure, as much as possible, that it will always have sufficient cash to meet its obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardising the Company's reputation.

To prevent liquidity risks, when preparing its annual budget, the Company estimates its cash flows for one year. The Company also estimates such cash flows every quarter so as to ensure that it holds sufficient cash and cash equivalents to meet its operating needs, including the fulfilment of its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

There is no substantive liquidity risk because the Company fulfils its obligations of all types in due time. The relevant payables to suppliers are interest-free and settled within three months maximum. Note that in all events of lack of liquidity, the Company will be supported by its parent company.

Market risk

Market risk is the risk of fluctuations in market prices, such as exchange rates, interest rates and raw material prices which can have an effect on the Company's results or the value of its financial instruments. Market risk management is aimed at controlling the Company's exposure to such risk within a framework of acceptable parameters, in parallel with performance optimisation in terms of risk management.

The Company bases both its purchases and sales on stock prices/indices linked to the prices of copper and other metals which are used by the Company and are included in its products. The risk from the fluctuation of metal prices is covered with hedging (futures contracts and options on the London Metal Exchange – LME). The Company, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

Foreign exchange risk

The Company is exposed to foreign exchange risk in sales and purchases in other currency than the Company's functional currency which is Euro.

As regards other financial assets and liabilities denominated in foreign currencies, the Company secures that its exposure to foreign exchange risk is kept at an acceptable level by buying or selling foreign currencies at current exchange rates when deemed necessary to deal with short-term imbalances.

Interest rate risk

The Company obtains funds for its investments and its working capital through bank loans, and thus debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Company will bear additional borrowing costs.

26.1 Credit Risk

Exposure to credit risk

The book value of financial assets represents the maximum exposure to credit risk. On the reporting date the maximum exposure to credit risk was:

(Amounts in Euro)	**2014**	**2013**
Derivatives	349,727	69,684
Trade receivables	6,069,298	4,264,138
Cash and cash equivalents	556,260	2,917,943
Total	**6,975,285**	**7,251,765**

Maximum exposure to credit risk for receivables from customers on the balance sheet date per geographical region was:

(Amounts in Euro)	**2014**	**2013**
Greece	2,422,344	1,437,424
Romania	2,370,750	636,151
Other EU countries	761,939	672,639

Other countries	514,265	1,517,924
Total	**6,069,298**	**4,264,138**

The maturity of trade receivables on the reporting date was:

(Amounts in Euro)

	2014	2013
Up to date	6,008,195	3,569,450
Overdue up to 6 months	38,855	586,314
Overdue for more than 6 months	2,257,315	2,722,905
Less: provision for impairment	(2,235,067)	(2,614,531)
Total	**6,069,298**	**4,264,138**

The Company has not raised any provision for impairment of overdue receivables up to 6 months because the Company estimates that the receivable is fully recoverable.

An impairment provision has been raised for doubtful debts, which is broken down as follows:

(Amounts in Euro)

	2014	2013
Balance on 1 December	**2,614,531**	**2,721,883**
Year impairment	-	-
Deletions	(379,464)	(107,352)
Balance on 31 December	**2,235,067**	**2,614,531**

Management believes that the provision raised on 31.12.2014 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

26.2 Liquidity risk

Below is given the contractual maturity of financial liabilities including the proportionate interest:

2014

(Amounts in Euro)	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Σύνολο 31.12.2014
Bank loans	2,627,099	2,561,590	3,930,914	-	9,119,603
Corporate bond loans	130,320	1,325,359	3,976,080	53,457,069	58,888,828
Long-term payable notes	1,506,363	2,782,143	7,067,978	5,029,184	16,385,668
Bank open accounts	28,455,626	-	-	-	28,455,626
Suppliers and other liabilities	76,541,313	-	-	-	76,541,313
Total	**109,260,721**	**6,669,092**	**14,974,972**	**58,486,253**	**189,391,038**

Derivatives (Analysis per category)	Balance sheet value 31.12.2014	Nominal value 31.12.2014	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Foreign exchange forward contracts (in USD)	12,610	(360,026)	(360,026)	-	-
Foreign exchange forward contracts (in GBP)	-	-	-	-	-

Lead derivatives contracts	14,139	(733,422)	(733,422)	-	-
Aluminium derivatives contracts	323,551	6,113,995	6,113,995	-	-
Copper derivatives contracts	(573)	267,020	267,020	-	-
	349,727	**5,287,567**	**5,287,567**		**-**

2013

(Amounts in Euro)	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Σύνολο 31.12.2013**
Bank loans	12,581,404	2,568,115	6,323,744	-	21,473,263
Corporate bond loans	128,142	1,455,680	3,976,080	52,719,833	58,279,735
Long-term payable notes	838,610	2,265,008	6,247,093	5,422,049	14,772,760
Suppliers and other liabilities	63,216,904	-	-	-	63,216,904
Total	**76,765,060**	**6,288,803**	**16,546,917**	**58,141,882**	**157,742,662**

Derivatives (Analysis per category)	**Balance sheet value 31.12.2013**	**Nominal value 31.12.2014**	**to <1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**
Foreign exchange forward contracts (in USD)	(206)	(77,267)	(77,267)	-	-
Foreign exchange forward contracts (in GBP)	-	-	-	-	-
Lead derivatives contracts	(7,137)	320,597	320,597	-	-
Aluminium derivatives contracts	112,236	3,881,664	3,881,661	-	-
Copper derivatives contracts	(35,415)	935,903	935,903	-	-
	69,478	**5,060,894**	**5,060,894**		**-**

The Company has approved credit lines with collaborating banks and is not expected to face liquidity problems to meet its short-term liabilities. Moreover, trade receivables are expected to be collected in their entirety within one year.

26.3 Foreign exchange risk

Exposure to foreign exchange risk

The exposure of the Company to foreign exchange risk is as follows:

(Amounts in Euro)

31.12.2014	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	18,233,713	2,180,984	-	-	20,414,697
Loans	(67,351,366)	-	-	-	(67,351,366)
Long-term payable notes	(11,918,006)	-	-	-	(11,918,006)
Suppliers and other liabilities	(76,794,715)	196,613	(3,680)	60,469	(76,541,313)
Cash and cash equivalents	530,199	24,775	1,286	-	556,260
	(137,300,175)	**2,402,372**	**(2,394)**	**60,469**	**(134,839,728)**
Derivatives for hedging of the above Risks (Nominal Value)	-	360,026	-	-	360,026
	(137,300,175)	**2,762,398**	**(2,394)**	**60,469**	**(134,479,702)**

31.12.2013	EURO	USD	GBP	OTHER	TOTAL
Trade and other receivables	14,040,294	6,971	2,884	-	14,050,149
Loans	(48,937,762)	-	-	-	(48,937,762)
Long-term payable notes	(10,681,508)	-	-	-	(10,681,508)
Suppliers and other liabilities	(63,223,991)	11,047	(3,961)	-	(63,216,905)
Cash and cash equivalents	2,912,739	4,004	1,200	-	2,917,943
	(105,890,228)	**22,023**	**123**	**-**	**(105,868,082)**
Derivatives for hedging of the above Risks (Nominal Value)	-	77,267	-	-	77,267
	(105,890,228)	**99,290**	**123**	**-**	**(105,790,815)**

The exchange rates used per fiscal year are as follows:

Euro

	Exchange rate on	
	31.12.2014	**31.12.2013**
USD	1.2141	1.3791
GBP	0.7789	0.8337

Sensitivity analysis

A 10% decrease of Euro in relation to the following currencies on 31 December would increase (decrease) shareholder's equity and results by the amounts set out below. This analysis assumes that all the other variables and especially interest rates remain fixed.

	Year results	
	2014	**2013**
USD	306,933	11,032
GBP	(266)	14
	306,667	11,046

A 10% rise of Euro in relation to the above currencies on 31 December would have the opposite effect on the above currencies by the amounts set out below:

	Year results	
	2014	**2013**
USD	(251,127)	(9,026)
GBP	218	(11)
	(250,909)	**(9,037)**

26.4 Interest rate fluctuation risk

On the reporting date, the interest-bearing financial instruments of the Company are as follows in terms of interest rate risk:

(Amounts in Euro)

	2014	2013
Fixed interest rates		
Liability items	39,065,917	38,937,762
Floating rate		
Liability items	28,285,449	10,000,000
	67,351,366	**48,937,762**

Cash flow sensitivity analysis for floating rate financial instruments

A 0.25% change in interest rates on the reporting date would increase (decrease) equity and results by the amounts set out below. This analysis assumes that all the other variables and especially exchange rates remain fixed.

	Year results		Equity	
Effect in Euro on 31.12.2014	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(153,493)	153,493	-	-
Interest rate swaps	-	-	-	-

	Year results		Equity	
Effect in Euro on 31.12.13	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(14,487)	14,487	-	-

26.5 Fair value

Fair value compared to book value

The fair value and the book value of financial asset and liability items shown in the balance sheet are as follows:

(Amounts in Euro)

	2014		2013	
	Book value	**Fair value**	**Book value**	**Fair value**
Trade receivables	20,414,697	-	14,050,149	-
Bank loans	67,351,366	62,928,424	48,937,762	46,253,538
Suppliers and other liabilities	88,459,318	-	73,898,413	-

The higher balance of the items "Trade receivables" and "Suppliers and other liabilities" has a limited maturity (*up to one year*) and, thus, it is estimated that the accounting balance of these items is close to their fair value.

Most loans of the Company have been taken out at a fixed rate like also the bond loan with a nominal value of EUR 42 million which has been assessed at EUR 25.9 million according to IAS 39 upon initial recognition. The measurement of such loan at amortised cost using the effective interest rate method generated the amount of EUR 1.2 million through profit or loss in 2014. On 31 December 2014, Management estimates the fair value of this loan at EUR 26.8 million while its book value stands at EUR 31.2 million.

The Company has taken out loans with their balance amounting to EUR 8.6 million on 31 December and has also assumed liabilities embedded in credit instruments (payable notes) with their balance amounting to EUR 13.8 million on 31 December. Given that these liabilities have been initially recognised at fair value, Company Management estimates that the accounting balance thereof on 31 December 2014 approaches their fair value.

Classification of financial instruments based on their valuation at fair value

A classification table of financial instruments is given below which depends on the quality of the data used to assess fair value:

- Level 1: Financial instruments valued at fair value using active market prices
- Level 2: Financial instruments valued at fair value using other unquestionably objective prices beyond active market
- Level 3: Financial instruments valued according to the Company's estimates since there is no observable data in the market.

	2014			2013		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	-	349,727	-	-	69,684	-
	-	**349,727**	**-**	**-**	**69,684**	**-**
Derivative financial liabilities	-	-	-	-	(206)	-
Bank loans		-	62,928,424	-		46,253,538
Total	**-**	**349,727**	**62,928,424**	**-**	**69,478**	**46,253,538**

27 Commitments and contingent liabilities

27.1 Payables from financial leases

The Company leases machinery and vehicles by way of financial leases. The total future lease fees payable, according to the operating lease agreements, are as follows:

(Amounts in Euro)

	2014	2013
Up to 1 year	23,313	175,689
Between 1 and 5 years	69,927	24,128
	93,240	**199,817**

27.2 Contingent liabilities

The Company has contingent payables and receivables relating to banks, other collateral and other issues arising in the course of their ordinary activity, which are as follows:

(Amounts in Euro)

	2014	2013
Collateral for securing payables to suppliers	35,000	35,000
Guarantees for subsidies	14,048,811	8,712,000
Assigned mortgages and statutory notices of mortgage on fixed assets	49,000,000	49,000,000
Collateral for securing the performance of contracts entered into with customers	5,578,765	2,059,442
Other	300,000	300,000
	68,962,576	**60,106,442**

Capital commitments:

(Amounts in Euro)

	2014	2013
Property, plant and equipment	**471,410**	**4,287,963**
	471,410	**4,287,963**

The above commitments refer to the Company's investments in the production of high voltage submarine cables.

27.3 Unaudited fiscal years

The tax liabilities of the Company will be finalised once the competent tax authorities conduct the necessary ordinary audits.

As for the fiscal year 2014, the Company has fallen under the tax audit of chartered accountants that is stipulated in the provisions of Article 65A of Law 4174/2013. This audit is underway and the relevant tax compliance report is expected to be granted after the financial statements on the year ended on 31 December 2014 are published. If additional tax liabilities arise after the tax audit is completed, we estimate that they will have no significant effect on the financial statements.

A tax compliance report has been issued for the fiscal years 2011, 2012 and 2013 based on the above provisions "upon concurrent opinion".

Pursuant to article 6 of POL. 1236/ 18.10.2013, fiscal year 2011 is considered settled after 30.04.2014 provided that no fiscal breaches have been identified during the audits of the Ministry of Finance and another audit may be ordered only in case of data or indications of breaches, as such are defined in Article 5(6) of POL.1236/18.10.2013, which were not identified during the tax compliance audit. Fiscal years 2012 and 2013 will be considered settled following the lapse of 18 months from the date on which the unconditional Tax Compliance Report will be submitted to the database of the General Secretariat for Information Systems and provided that no fiscal breaches have been identified during the audits of the Ministry of Finance and another audit may be ordered only in case of data or indications of breaches, as such are defined in Article 5(6) of POL.1236/18.10.2013, which were not identified during the tax compliance audit.

28 Transactions with affiliates

The Company's affiliates consist in companies of the HELLENIC CABLES S.A. Group, executive members of its Board of Directors as well as the subsidiaries and associate companies of VIOHALCO SA/NV Group.

The balances of Company transactions with its associates and the results related to such transactions are as follows:

I . Transactions with the parent company*	**2014**	**2013**
Receivables	183,548	128,295
Liabilities	37,393,188	45,939,190
Sales of products and other income	48,581,481	49,709,300
Purchases of products and other expenses	31,351,229	41,276,655

*: The intermediate parent companies HELLENIC CABLES and HALCOR S.A. and ultimate parent company VIOHALCO SA/NV are included.

II. Transactions with subsidiaries of VIOHALCO SA/NV Group	**2014**	**2013**
Receivables	2,723,814	844,822
Liabilities	1,166,955	2,333,218
Sales of products and other income	44,328,620	41,522,936
Purchases of products and other expenses	4,947,369	9,735,668
III. BoD members	**2014**	**2013**
Fees	204,927	150,000

All transactions with affiliates took place in accordance with the generally accepted commercial terms and will be settled in cash within a reasonable period of time.

29 Subsequent events

The Company has accepted in writing offers for taking out new bond loans amounting to EUR 9,221,963. The loans will have a five-year term and will be used to repay short-term bank liabilities.

* *

Athens, 9 March 2015

THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE HEAD OF ACCOUNTING DEPARTMENT
GEORGIOS PASSAS	**IOANNIS THEONAS**	**KONSTANTINOS STAMOULOS** **AI 521647**

D. FACTS AND INFORMATION ON THE YEAR FROM 1 JANUARY 2014 TO 31 DECEMBER 2014

HELLENIC CABLE INDUSTRY S.A.

No in General Register of Commerce 281701000
Address: Athens Tower, Building B, 2-4, Mesogheion Avenue, 11527, Athens
Facts and information on the period from 1 January 2014 to 31 December 2014
(According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)

The following facts and information arising from the financial statements aim to provide general information about the financial condition and results of FULGOR S.A. Therefore, readers are advised, before making any investment decision or other transaction with the issuer, to refer to the issuer's website where the financial statements and the review report of the statutory auditor, if necessary, are uploaded.

Certified Auditor : Anna Mitilineou (Reg. No. SOEL : 38921)
Audit firm: Deloitte - Hadjipavlou Sofianos & Kambanis S.A. (Reg. No. SOEL: E 120)
Review type: Unqualified opinion-emphasis
Competent Prefecture : Attikis
Date of financial statements approval by the Board of Directors : 9 March 2015
BoD composition: Chairman: Dapelo A, Vice-chairman: Passas G. and members : Batsolas I.,Theonas I., Alexiou A., Piperis E.,Vrodisis N., Weidenman R.
Website: www.fulgor.gr

STATEMENT OF FINANCIAL POSITION

Amounts in €

	31-Dec-2014	31-Dec-2013
ASSETS		
Self-used tangible fixed assets	118.306.165	105.161.747
Intangible assets	1.347.259	353.750
Other non-current assets	797.207	200.739
Inventories	30.586.526	21.402.213
Trade receivables	6.069.298	4.264.138
Other current assets	15.251.386	12.580.509
TOTAL ASSETS	**172.357.841**	**143.963.096**
EQUITY & LIABILITIES		
Share Capital	37.368.097	36.612.517
Other equity items	(30.577.763)	(22.352.129)
Total equity of parent company's owners (a)	6.790.334	14.260.388
Minority Interest (b)	-	-
Total Equity (c)=(a) + (b)	**6.790.334**	**14.260.388**
Long-term loan liabilities	36.655.793	36.447.852
Provisions/ Other long-term liabilities	21.674.828	17.381.194
Short-term loan liabilities	30.695.573	12.489.910
Other short-term liabilities	76.541.313	63.383.752
Total liabilities (d)	**165.567.507**	**129.702.708**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**172.357.841**	**143.963.096**

STATEMENT OF TOTAL INCOME

Amounts in €

	1-Jan-2014 31-Dec-2014	1-Jan-2013 31-Dec-2013
Turnover	**111.055.843**	**117.849.702**
Gross profit/ (loss)	**(1.610.954)**	**(525.009)**
Earnings/ (loss) before taxes, financing & investment results	(12.058.151)	(3.006.194)
Earnings/ (loss) before taxes	**(18.210.415)**	**(7.015.064)**
Less taxes	5.458.698	(2.408.022)
Earnings/(loss) after taxes (A)	**(12.751.717)**	**(9.423.086)**
Other total income after taxes (B)	**1.169.663**	**263.962**
Comprehensive total income after taxes (A)+(B)	**(11.582.054)**	**(9.159.124)**
Basic post-tax earnings/ (loss) per share (in €)	**(1,0064)**	**(0,7664)**
Earnings/ (loss) before interest, taxes, financing, investment & depreciation	**(8.315.608)**	**(11.826)**

DATA FROM STATEMENT OF CHANGES IN EQUITY

Amounts in €

	31-Dec-2014	31-Dec-2013
Total equity at beginning of period (01/01/2014 & 01/01/2013 respectively)	14.260.388	18.075.512
Period earnings/(loss) after taxes	(12.751.717)	(9.423.086)
Net income posted directly to equity	1.169.663	263.962
Share capital increase (decrease)	4.112.000	5.344.000
Total equity at end of period (31/12/2014 & 31/12/2013 respectively)	**6.790.334**	**14.260.388**

STATEMENT OF CASH FLOW

Amounts in €

	1-Jan-2014 31-Dec-2014	1-Jan-2013 31-Dec-2013
Operating Activities		
Earnings before taxes (continuing activities)	(18.210.415)	(7.015.064)
Plus / less adjustments for:		
Depreciation and Amortization	3.808.524	2.994.368
(Profit)/ Loss from Sale of Fixed Assets	(176.602)	(73.300)
Depreciation of grants	(65.981)	-
Interest and related income	(11.637)	(12.948)
Losses from the destruction/impairment of fixed assets	5.583.699	-
Provisions	(365.766)	(227.194)
Results (income, expenses, profit and loss) from investment act.	(12.816)	36.091
Interest charges and related expenses	6.170.036	4.042.529
Plus/less adjustments for changes in working capital accounts or accounts related to operating activities:		
Decrease/(increase) in inventories	(9.210.813)	(6.139.520)
Decrease/(increase) in receivables	(6.249.513)	(8.874.491)
(Decrease)/ increase in payables (less loans)	14.572.889	43.181.173
Less:		
Interest charges and related paid-up expenses	(3.779.410)	(2.126.740)
Taxes paid	-	-
Total inflow / (outflow) from operating activities (a)	**(7.947.805)**	**25.784.904**
Investment activities		
Purchase of tangible and intangible assets	(23.363.991)	(47.990.308)
Proceeds from the sale of tangible and intangible assets	1.255.252	190.872
Interest received	11.637	12.948
Total inflow / (outflow) from investment activities (b)	**(22.097.102)**	**(47.786.488)**
Financing activities		
Proceeds from share capital increase	4.112.000	5.344.000
Proceeds from issued / received loans	18.421.119	19.324.090
Repayment of loans	(2.410.124)	(1.002.910)
Grants received	7.920.000	-
Payment of financial lease payables (amortization)	(166.641)	(321.975)
Total inflow/ (outflow) from financing activities (c)	**27.876.354**	**23.343.205**
Net increase/ (decrease) in cash and cash equivalents of the period (a) + (b) + ©	**(2.168.553)**	**1.341.621**
Cash and cash equivalents, beginning of period	**2.724.813**	**1.383.192**
Cash and cash equivalents, end of period	**556.260**	**2.724.813**

ADDITIONAL FACTS AND INFORMATION

1. The Company has been audited by the tax authorities up to 2010.As for the fiscal year 2014, the Company has fallen under the tax audit of chartered auditors which is stipulated in the provisions of Article 82(5) of Law 2238/1994. A tax compliance report upon unqualified opinion has been issued regarding the fiscal year 2013 on the basis of the above provisions.

2. The personnel employed by the Company on December 31st 2014 numbered 187 persons while on December 31st 2013 the corresponding figure was 187.

3. There are no disputed cases against Company and, thus, no relevant provisions have been raised.

4. Prenotation of mortgage totalling € 49 million has been raised on the properties of the Company in order to secure long-term loans.

5. Cumulative income and expenses from beginning of the period and balances of receivables and payables of the Company at the end of the current period, which have arisen from its transactions with affiliated parties within the meaning of IAS 24, are as follows:

Amounts in €	
i) Income	92.910.101
ii) Expenses	36.298.422
iii) Receivables	2.907.362
iv) Payables	38.560.143
v) Transactions with and fees for Management executives and members	204.927

6. The amounts and nature of other total income after taxes for the Company are as follows:

(Amounts in €)	31-Dec-2014	31-Dec-2013
Valuation of derivatives fair value	267.433	95.475
Employee Benefits Obligations	(263.654)	259.140
Proportionate tax	(410.963)	(90.653)
Other total income after taxes	**-407.184**	**263.962**

7. The financial statements of the Company are included in the consolidated financial statements of the following companies:

Corporate name	Country of registered office	Method of consolidation	Holding percentage
HELLENIC CABLES S.A	GREECE	FULL	100%
HALCOR S.A.	GREECE	FULL	72,53%
VIOHALCO SA/NV	BELGIUM	FULL	45,64%

THE VICE-CHAIRMAN OF THE BoD
GEORGE PASSAS
Φ 020251

A MEMBER OF THE BoD
IOANNIS THEONAS
AE 035000

THE CHIEF ACCOUNTANT
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