FULGOR

HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL STATEMENTS
as at 31 DECEMBER 2016

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

TABLE OF CONTENTS

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 2016

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 2016.

1. Development, performance and position of the Company

1.1. 2016 Financial Results

Company's turnover reached EUR 136.4 million for 2016 compared to EUR 178.5 million for 2015. The decrease is mainly due to the different contracts of submarine cables executed during the last two periods, and to the decreasing metal prices.

In 2016, the Company's gross profit amounted to EUR 5.1 million compared to EUR 17.7 million in 2015. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 5.9 million compared to EUR 17 million in 2015 while earnings before interest and taxes (EBIT) were equal to gains of EUR 565 thousand versus gains of EUR 12 million in 2015.
The Company's results before tax amounted to losses of EUR 6.7 million versus gains of EUR 4 million in 2015 while net results for the period amounted to losses of EUR 5.8 million compared to gains of EUR 1.2 million in 2015. The main reasons for the deterioration of results were the delay in the award of important projects of high voltage submarine cables production, which resulted in a time lag of the profitability from these projects, and the reduced demand for medium and low voltage cables in key European markets during the second half of the year.

Moreover, the Company continued to undertake initiatives in order to improve its competitiveness and reduce production costs. These initiatives focus on increasing the efficiency of production plants by reducing payroll costs per unit of output and reducing the cost of raw materials used to manufacture the Company's products. Furthermore, it should be noted that the valuation of the basic (non-hedged) stock metal had a negative effect (approximately EUR 0.7 million) on the Company's performance due to the decreasing prices on the metal exchanges.

During 2016, investments amounted to EUR 4.8 million in the FULGOR plant, which mainly related to disbursements for the purchase and installation of equipment for the completion of the investment required for the production of submarine high voltage cables.

The funds to finance the investments and the required working capital due to contracts in progress derived from the increase in net debt of the company, which amounted to EUR 82 million compared to EUR 77.5 million in 2015.

1.2. Going concern assumption

On 31 December 2016, current liabilities and current receivables of the Company amounted to EUR 98.1 million and EUR 62 million, respectively. However, this fact does not raise any concerns, since current liabilities include liabilities of EUR 16.4 million, which are due to related parties (mainly to the parent company HELLENIC CABLES S.A., which continues and provides financial support to FULGOR).

In addition, on 31 December 2016, total equity of the Company was less than 1/2 of the share capital and, therefore, the conditions to apply the provisions of Article 47 of Codified Law 2190/1920 are applicable.
Company's financing is considered guaranteed in the near future given that Management of the parent company has provided assurance that the Company will be appropriately supported in order to avoid any liquidity problems.

The upcoming Ordinary General Meeting of the Company's shareholders will decide as to what measures to take for the resolution of the Company's balance sheet either by reducing the share capital through offset of prior period losses (before the Company' s acquisition by Hellenic Cables S.A.) or by taking other measures deemed appropriate. These measures have a dual objective: to lift the application of the provisions of this article and to enhance financing and smooth business continuation.

1.3. Change in accounting policy of fixed assets valuation

In 2016, the Company decided to change the accounting policy applicable to the valuation of property, plant and equipment, and investment property.

This decision was driven by the following factors:
- Reasons of uniformity within the Group
Both the parent company "Hellenic Cables S.A." and Cenergy Holdings S.A. (parent company of Hellenic Cables S.A.), and the ultimate parent company "Viohalco S.A." apply the historical cost model to monitor the items included in the categories "Property, plant and equipment" and "Investment property".
- Comparability reasons within operating segment
The general practice applicable in the operating segment of the Company complies with the accounting principles adopted by the Company as of 1 January 2016.

2. Ratios and Alternative Performance Measures

Fulgor's Management has adopted, monitors and reports internally and externally appropriate financial ratios and Alternative Performance Measures. These APMs allow meaningful comparisons of the Company's performance and constitute the base for decision making by Management.

Liquidity: This is an indicator whether current receivables cover current liabilities and is calculated by the ratio of current assets to current liabilities. The financials are drawn from the Statement of Financial Position.

For 2016 and 2015 current ratio was as follows:

Liquidity	2016	2015
Current assets / Current liabilities	0.63	0.69

Gearing: This is an indicator of leverage and is represented by the ratio of equity to debt. The amounts are used as presented in the Statement of Financial Position. For 2016 and 2015 gearing was as follows:

Gearing	2016	2015
Equity / Debt	0.23	0.32

Return on capital employed: It is a ratio that measures the efficiency with which both debt and equity is employed and is measured by the ratio of operating results to debt and equity. The amounts are used as shown in the Income Statement and the Statement of Financial Position. Company's figures for 2016 and last year were as follows:

Return on capital employed	2016	2015
Operating results (Equity + Debt)	0.5%	11.8%

Return on equity: It measures the efficiency of the Company's equity and is measured by the net profit/(losses), net of tax to total equity. The amounts are used as shown in the Income Statement and the Statement of Financial Position. For the ending year 2016 and 2015, it is as follows:

Return on equity	2016	2015
Net Profit/ Equity	(30.3%)	4.7%

Profitability:

	2016	2015
Gross Profit Margin (Gross profit/ Sales)	3.7%	9.9%
Net Profit Margin (Net profit / Sales)	(4.2%)	0.7%
EBITDA*	5,881,337	16,923,340
EBITDA margin* (EBITDA / Sales)	4.3%	9.5%
a–EBITDA**	5,738,420	17,251,635
a–EBITDA margin** (a-EBITDA / Sales)	4.2%	9.7%

*EBITDA: It measures Company profitability before interest, taxes, depreciation and amortisation. It is calculated by adjusting depreciation and amortisation in operating profit as indicated in the income statement.

	2016	2015
Operating profit/(loss)	**565,416**	**11,963,554**
Adjustments for:		
+ Depreciation of tangible assets	5,450,255	5,204,209
+ Amortisation of intangible assets	200,162	181,118
- Amortisation of grants	(334,495)	(425,541)
EBITDA	**5,881,337**	**16,923,340**

**a–EBITDA: adjusted EBITDA measure an entity's profitability after adjustment for:

- metal price lag,
- restructuring costs,
- exceptional idle costs,
- impairment and obsolescence of fixed assets.
- impairment of investments,
- gains/(losses) from sales of fixed assets and investments, if included in operating income,
- other extraordinary items

	2016	2015
EBITDA	**5,881,337**	**16,923,340**
Adjustments for:		
+ / - metal price lag	671,734	287,522
+ Fixed assets write-off/ impairment	87,330	40,773
- Revenue from collection of contested receivable	(901,981)	-
a-EBITDA	**5,738,420**	**17,251,635**

Metal price lag originates from:

1. the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale.

2. The effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the cost of sales, due to the costing method used which is weighted average method.

3. Certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when the sales price is fixed and the sale actually occurs.

Fulgor uses derivatives to minimise the effect of metal price fluctuations. However, there will always be some impact (positive or negative) on Profit or Loss due to the safety inventory that is held.

3. Objectives and Outlook for 2017

The developments in Greece during 2016 intensified the financial uncertainty, while the discussions at a national and international level regarding the review of Greece's financing program terms prolonged the volatility in the macroeconomic and financial environment in Greece.
Taking into consideration that

- the sales of submarine cables on the domestic market concern the execution of contracts concluded with electricity providers or electricity network operators for projects with secured financing;
- in 2016, the Company and the parent company "Hellenic Cables S.A." undertook important contracts of submarine cables abroad, which will lay the foundation for further development in the future;
- the sales of wires and conductors are made mainly to affiliated entities (Hellenic Cables S.A. and ICME ECAB);

the Company estimates that any adverse developments in the Greek economy are not expected to have a significant impact on its smooth operation.
As regards the global economy, based on current data, demand seems slackened in key European markets but a reversal of the situation is expected, driven by the increased demand of European public utilities anticipated for the period to come. Moreover, signs of recovery have been registered in other sectors too, since the liquidity in the market seems to improve (major projects gradually receive funding) while the depreciation of Euro in relation to US dollar seems to generate positive outlook for enhanced competitiveness outside the Eurozone.
FULGOR remains optimistic regarding 2017 despite the volatile business environment and Management continually assesses the situation to ensure that all necessary and possible measures and actions are undertaken in order to minimise any effect on the Company’s operations. The Company and the parent company "Hellenic Cables S.A." have undertaken important projects of submarine cables, the cables of which will be produced by FULGOR due to the latter's know-how. FULGOR is well positioned to seize any opportunities emerging worldwide and rival the top companies of the industry, turning to account the initiatives undertaken during the last few years by the Group to which it belongs, so as to develop a competitive sales network.

4. Non-financial reporting

4.1. Corporate Responsibility and Sustainable Development

FULGOR has incorporated Sustainable Development principles in its business operations and functioning, acknowledging that its long-lasting development and prosperity of the society may be achieved only if the Company develops Corporate Responsibility actions. The care for the Health and Safety of employees, respect and protection of natural environment, integrated fulfilment of customers' needs and harmonious co-existence with the local communities in which it operates are the key pillars of Sustainable Development of the Company.

Wishing to meet the commitments FULGOR has undertaken, in addition to compliance with laws, the Company plans and implements corresponding programs while also setting strategic priorities which focus on the following pillars of Corporate Social Responsibility:

1. Economic Development and Corporate Governance
2. Market
3. Human Resources - Health and Safety at Work
4. Environment
5. Local Communities

Specifically, management of Corporate Responsibility by FULGOR is based on the development and implementation of certified management systems. FULGOR aims to implement Corporate Responsibility actions that apply to the entire range of its activities and plants. To achieve this objective and also register high performance in all sectors, the Company has based its functioning on the implementation of management systems. Specifically, the following systems are applied:

Environmental Management System as per ISO 14001

FULGOR applies and certifies all its plants as per the internationally recognised standard ISO 14001. FULGOR believes it is of utmost importance to develop an operational and administrative model based on the following three commitments:

- Prevention of pollution,
- Continuous improvement of environmental performance, and
- Compliance with applicable laws.

Work Health and Safety Management System as per OHSAS 18001

In the field of Health and Safety, FULGOR implements international standard OHSAS 18001, as it seeks to establish specific health and safety rules and to implement organised actions to protect its employees. The primary objective is to eliminate any incidents and to help all employees understand the health and safety culture. It is noted that all production plants have obtained certification for their Work Health and Safety systems according to international standard OHSAS 18001.

ISO 9001-compliant quality management system

Top quality of products is inextricably linked to the strategy of FULGOR which dictates systematic and effective quality controls throughout all stages of the production process. The Company has developed and has been implementing a quality policy and a Quality Management System (QMS) based on the requirements of ISO 9001:2008.

All products have acquired compliance labels and licences to use quality labels by internationally acclaimed certification bodies, which is a concrete proof of the controls and high specifications applicable to their production.

Business continuity management system as per ISO 22301 requirements

Given that any crisis could affect productivity, profitability and the trust of all stakeholders, in 2015 FULGOR developed a special Business Continuity Plan, which was certified in 2016 according to ISO 22301:2012 international standard.

Developing, implementing and certifying Management Systems is a dynamic tool aiming at the smooth operation of FULGOR, as well as at its continuous improvement. Moreover, the independent certification of management systems based on internationally acclaimed standards has resulted in an annual action plan incorporated in corporate strategic planning.

4.2. Responsibility to our People

Employees are the key asset and main driving force of FULGOR's development. Having acknowledged the major contribution of employees to the prosperity of the Company, FULGOR takes consistent, ongoing steps to maintain an outstanding working environment distinguished by equal opportunities and equal rights for everyone, trust among employees and Management, ongoing training and learning, "open-door" communication and fair remuneration. In addition, the Code of Ethics, which is based on the guidelines of ISO 26000 on Social Responsibility, the UN Global Compact's Ten Principles and OECD Guidelines for Multinational Enterprises, helps the Company adopt common beliefs and spread corporate culture to all posts and hierarchy levels.

The key priority and standard investment of FULGOR is to provide its employees with ongoing education and training, aiming at their personal and professional development. Ongoing development and improvement of the employees' skills and capacities is a personnel retention factor, which secures the continuous development of the Company itself. This development is also achieved through the active involvement of employees in decision-making by making use of a new ideas and proposals submission system.

The establishment of a new ideas and proposals submission system helps employees work based on the principle of prevention and seek the ongoing development and improvement of their own work and the wide-ranging procedures implemented within the Company.

New ideas and proposals submission system

The system of new ideas and proposals submission was implemented for the first time in 2012 and since then was officially adopted within both the Company and the parent Hellenic Cables. Every year, employees submit new proposals and ideas about issues involving production, maintenance, safety at work, environmental protection and overall functioning of sales departments and/or financial services.

All submitted ideas and proposals are initially reviewed by the evaluation team (Plant Manager, Design Department Manager and Technical Manager) and are further forwarded to the General Management which decides which should be implemented and finally rewarded.

New ideas and proposals are submitted within the Company as follows:

- Improvement proposals and new ideas are collected
- Proposals are evaluated
- Management is informed about any proposals involving changes
- Suggested changes are implemented
- The new ideas that have been implemented are rewarded

In 2016, 4 new ideas were submitted and, following assessment, all 4 were awarded a prize.

Training

Employee training is a key factor for their development and, thus, for improving the Company's competitiveness. In addition, the involvement of employees in training actions is a key factor of success in their performance evaluation. Every year, a number of educational and training plans are held in individual operating segments of the Company so that all employees are able to expand their knowledge, improve their productivity and help find innovative solutions.

4.3. Care for the Environment

Our standard objective over time is to ensure the Company's responsible economic growth with the reduction of our environmental impact being our key priority. More specifically, the nature of our operations makes our Company operate in such a manner as to save energy, minimise the use of natural resources and reduce as much as possible our environmental footprint.

FULGOR has appointed a specific executive as Environmental Officer for each production plant. The Environmental Officer is required to organise and provide guidelines to all employees, abide by the environmental policy principles and monitor performance in relation to the strategic goals set by the Company and falling under the Environmental Management System it implements.

FULGOR and the parent company Hellenic Cables manage environmental issues as an integral part of their operational policy. Meanwhile, an Integrated Environmental Management System has been planned and implemented in all plants, which is controlled and certified according to ISO 14001:2004 requirements.

Key environmental indicators

FULGOR and the parent Hellenic Cables have developed specific indicators to monitor performance in environmental issues, the most important of which relate to electric and thermal energy consumption (total and specific consumption per ton of product and per plant), direct and indirect carbon dioxide emissions (total and special values per ton of product and per plant), use of water and overall waste monitoring and management. Thus, they record and monitor the effects of their activities and systematically implement actions focused on environmental protection. 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.

4.4 Responsibility towards 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.

4.5 Responsibility towards the 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.

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. Main risks and uncertainties

FULGOR's risk management policies are applied in order to identify and to 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 of VIOHALCO (ultimate shareholder), 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.

5.1. Credit Risk

Credit risk concerns the risk of incurred losses for the Company in case a client or other third party involved in a transaction including a financial instrument fails to fulfil its obligations 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.

5.1.1 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. During 2016, 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 required, 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 the last few years 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 ageing 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 records provisions for impairment, which represent 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.

5.1.2 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. No such guarantees were granted as of December 31, 2016.

5.2. 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.
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.

5.3. 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.

5.3.1. 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.

5.3.2. Foreign exchange risk

FULGOR is exposed to foreign exchange risk in connection with its purchases and much less its sales made 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 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.

5.3.3. 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.

5.3.4. Capital 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.

5.3.5. Financial environment

In the context of the aforementioned analysis, the Company has assessed any effects on the management of financial risks due to the macroeconomic conditions applicable in the markets in which it operates.
In early 2017 in Greece, negotiations with the Institutions for concluding the review of the current financing program are still under way. The return of economic stability depends to a large extent on the actions and decisions taken by institutions in Greece and abroad. However, having regard to the nature of Fulgor operations and the cables segment of Cenergy Holdings Group to which Fulgor belongs, which is primarily export-oriented (by way of illustration, at Company level 29.3% of the turnover for 2016 was channelled into exports and at the cables segment level 68.1% of the total turnover for 2016 was channelled outside Greece) and the financial situation of the Company, the parent company and the Group to which it belongs, any adverse developments in the Greek economy are not expected to have a significant impact on its smooth operation. As regards the plants' production capacity, no problems are anticipated given that exports (either directly or through affiliated entities) generate enough cash flows to cover the imports of all raw and other materials required for production. The availability and prices of key raw materials follow and are determined by the international market and, thus, are not affected by the circumstances in Greece.
In the United Kingdom, despite the result of the vote on 23 June 2016, the growth rates at the end of 2016 remained positive by 0.7% in relation to the 3rd quarter (Q on Q) and by +1.8% in relation to 2015 rates. The statistics announced made a positive contribution to the stabilisation of the pound and despite the initial shock retail consumption was increased in the last quarter of 2016 and the main retailers did not raise prices. In relation to the Company's activity, we do not think that our Company will be marginalised as a result of Brexit.
Nevertheless, Management continually assesses the situation and its eventual implications to ensure that all necessary and possible measures and actions are taken to minimise any effect on the Company's activities.
The overall financial environment in which the Company operates (capital controls, limited business financing from the banking system) make the Company's activity harder and with greater challenges. The support from the parent company is given at all levels (finance, sales, etc.), as it was demonstrated during the current year, as well.

6. Company Branches

The Company has no branches.

7. Subsequent events

During 2017, the Company entered into a new five-year corporate bond of EUR 3,057,624 in order to extend the production capacity of the Company's plant in Soussaki. There are no significant events in 2017 other than the above which could affect the Company's financial position.

8. Conclusions

This report presented Management's account of the year 2016, the risks and how they are managed and the prospects and development of the Company for 2017.

Athens, 10 May 2017

The Vice-Chairman of the Board of Directors
Georgios Passas

B. Independent Auditor’s Report

Deloitte Certified Public
Accountants S.A.
3a, Fragoklisias St. & Granikou
St.
151 25 Marousi
Athens, Greece

Tel.: +30 210 6781 100
Fax: +30 210 6776 221-2
www.deloitte.gr

Independent Auditor's Report

To the Shareholders of the "Fulgor S.A. Hellenic Cable Industry"

Report on the Financial Statements

We have audited the accompanying financial statements, of the Company "Fulgor S.A. Hellenic Cable Industry", which comprise the statement of financial position as at December 31, 2016, and the statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing, which have been incorporated into Greek Law (FEK/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion the accompanying financial statements, present fairly, in all material respects, the financial position of the Company "Fulgor S.A. Hellenic Cable Industry" as of December 31, 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Emphasis of Matter

We draw your attention to the fact that as it is further explained in note 2.3 of the financial statements the Company's equity as at December 31, 2016 is less (1/2) than the half of the share capital and, therefore, the provision of article 47 of Codified Law 2190/1920 is applicable. In addition to that, the current liabilities are higher than the current assets as at December 31, 2016. Management has assured the shareholder's commitment to support financially the Entity so as to continue its business under normal conditions.
Our auditor's report has not been qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Taking into account that management is responsible for the preparation of the Director's Report in accordance with the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note that:

a) In our opinion the Director's Report has been prepared in accordance with the applicable requirements of article 43a of Cod. L. 2190/1920 and its content corresponds to the accompanying financial statements of the year ended 31/12/2016.

b) Based on the knowledge we have obtained during our audit about the Company "Fulgor S.A. Hellenic Cable Industry" and its environment, we have not identified any material inconsistency in the Director's Report.

Athens, June 15, 2017

The Certified Public Accountant

Nikos Kaisaris
Reg. No SOEL: 23901
Deloitte. Certified Public Accountants S.A.
3a Fragoklissias & Granikou str., 151 25 Maroussi
Reg. No. SOEL: E. 120

C. Financial Statements

FULGOR

HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL STATEMENTS
as at 31 DECEMBER 2016

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

www.fulgor.gr

General Register of Commerce No.:
240101000

Table of Contents

Statement of Comprehensive Income

(Amounts in Euro)	Note	2016	2015*
Revenue	6	**136,444,014**	**178,447,085**
Cost of Sales	7	(131,334,460)	(160,787,268)
Gross Profit		**5,109,554**	**17,659,817**
Other income	8	1,654,320	671,547
Distribution expenses	7	(1,938,825)	(1,692,839)
Administrative expenses	7	(3,799,336)	(3,542,477)
Other expenses	9	(460,297)	(1,132,494)
Operating results		**565,415**	**11,963,553**
Finance income	10	622,368	408,313
Finance expenses	11	(7,917,090)	(8,391,505)
Profit/(loss) before income tax		**(6,729,306)**	**3,980,361**
Income tax	12	950,083	(2,815,310)
Profit/(loss) after tax		**(5,779,223)**	**1,165,051**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit liability	13	(182,944)	78,964
Related tax		53,054	(22,990)
		(129,890)	**55,974**
Items that are or may be reclassified subsequently to profit or loss:			
Profit/ (loss) from derivatives valuation for cash flow risk hedging - Effective portion		120,675	(18,102)
Profit/ (loss) from derivatives valuation for cash flow risk hedging – Reclassified to profit or loss		18,102	(337,117)
Related tax		(40,245)	92,900
		98,531	**(262,319)**
Other comprehensive income after tax		**(31,359)**	**(206,345)**
Total comprehensive income after tax		**(5,810,582)**	**958,707**

*Restated amounts due to retrospective application of the change in the accounting policy of valuation of Property, plant & equipment and investment property (see Note 5).

The attached notes on pages 27 to 69 are an integral part of the financial statements.

Statement of Financial Position

(Amounts in Euro)	Note	31/12/2016	31/12/2015*	01/01/2015*
ASSETS				
Property, plant and equipment	**15**	118,975,699	120,682,473	121,993,749
Intangible assets	**16**	2,107,981	1,639,668	1,347,259
Other receivables		347,993	132,131	272,039
Investment property	**17**	635,374	332,039	332,039
Blocked deposit accounts		193,130	193,130	193,130
Total non-current assets		**122,260,177**	**122,979,441**	**124,138,215**
Inventory	**19**	27,599,663	24,374,531	30,586,526
Trade and other receivables	**20**	32,358,808	32,102,789	20,414,697
Derivatives		120,675	-	349,727
Cash and cash equivalents	**21**	1,873,058	1,309,591	556,260
Total current assets		**61,952,204**	**57,786,912**	**51,907,210**
Total assets		**184,212,381**	**180,766,353**	**176,045,425**
EQUITY & LIABILITIES				
EQUITY				
Share Capital	**22**	40,014,097	40,014,097	37,368,097
Share premium	**22**	44,186,801	44,186,801	32,432,801
Reserves	**23**	13,382,310	13,283,779	13,571,258
Retained earnings/(deficit)		(78,515,937)	(72,606,824)	(73,853,009)
Total Equity		**19,067,271**	**24,877,853**	**9,519,146**
LIABILITIES				
Loans & Borrowings	**24**	42,893,832	44,828,371	36,655,793
Defined benefit obligation	**13**	1,017,571	809,100	884,083
Grants	**27**	11,151,511	11,486,006	7,914,769
Other long-term liabilities	**25**	8,268,872	10,233,541	11,918,006
Deferred tax liabilities	**12**	3,699,250	4,662,142	1,916,742
Total long-term liabilities		**67,031,036**	**72,019,160**	**59,289,393**
Loans & Borrowings	**24**	40,975,400	32,021,201	30,695,573
Trade and other liabilities	**26**	57,138,674	51,827,063	76,541,313
Derivatives	**28.2**	-	21,076	-
Total short-term liabilities		**98,114,074**	**83,869,340**	**107,236,886**
Total liabilities		**165,145,110**	**155,888,500**	**166,526,279**
Total equity and liabilities		**184,212,381**	**180,766,353**	**176,045,425**

*Restated amounts due to retrospective application of the change in the accounting policy of valuation of Property, plant & equipment and investment property (see Note 5).

The attached notes on pages 27 to 69 are an integral part of the financial statements.

Statement of Changes in Equity

(Amounts in Euro)	Note	Share Capital and Share premium	Fair value reserve	Fixed assets revaluation reserve	Other reserves	Retained earnings / (deficit)	Total equity
Balance as at January 1, 2015		**69,800,898**	**249,466**	**1,166,867**	**13,321,791**	**(77,748,688)**	**6,790,334**
Change in accounting policy	5	-	-	(1,166,867)	-	3,895,679	2,728,812
Restated balance as at January 1, 2015		**69,800,898**	**249,466**	**-**	**13,321,791**	**(73,853,009)**	**9,519,146**
Profit/(loss) for the period		-	-	-	-	1,165,052	1,165,052
Other comprehensive income		-	(262,319)	-	-	55,974	(206,345)
Total comprehensive income		**-**	**(262,319)**	**-**	**-**	**1,221,026**	**958,707**
Transactions with shareholders:							
Transfer of reserves		-	-	-	(25,160)	25,160	-
Share capital increase		14,400,000	-	-	-	-	14,400,000
Total transactions with shareholders		**14,400,000**	**-**	**-**	**(25,160)**	**25,160**	**14,400,000**
Balance as at December 31, 2015		**84,200,898**	**(12,853)**	**-**	**13,296,631**	**(72,606,823)**	**24,877,853**
Balance as at January 1, 2016		**84,200,898**	**(12,853)**	**-**	**13,296,631**	**(72,606,823)**	**24,877,853**
Profit/(loss) for the period		-	-	-	-	(5,779,223)	(5,779,223)
Other comprehensive income		-	98,532	-	-	(129,890)	(31,358)
Total comprehensive income		**-**	**98,532**	**-**	**-**	**(5,909,113)**	**(5,810,581)**
Balance as at December 31, 2016		**84,200,898**	**85,679**	**-**	**13,296,631**	**(78,515,936)**	**19,067,272**

The attached notes on pages 27 to 69 are an integral part of the financial statements.

Statement of Cash Flows

(Amounts in Euro)	Note	2016	2015*
Cash flows from operating activities			
Profit / (loss) before tax		(6,729,306)	3,980,362
Plus / less adjustments for:			
Depreciation & amortization	15.16	5,650,416	5,385,327
Loss from sale of property, plant & equipment	9	8,963	39,480
Losses from the destruction/impairment of fixed assets	9	87,330	40,773
Grants amortisation	8	(334,495)	(425,541)
Decrease/(increase) in provisions		(715,029)	520,361
Results (income, expenses, profit and loss) from investment activity		(2,974)	15,584
Interest charges and related expenses	11	7,286,396	8,077,775
Interest and related income	10	(502)	(88,884)
Plus / (less) adjustments for changes in working capital:			
Decrease/(increase) in inventories		(2,420,792)	5,870,675
Decrease/(increase) in receivables		(535,665)	(7,726,466)
(Decrease)/ increase in payables		3,346,942	(26,277,048)
Interest paid		(6,004,569)	(5,292,691)
Net cash flows from operating activities		**(363,285)**	**(15,880,292)**
Cash flows from investment activities			
Purchases of property, plant & equipment	15	(4,782,316)	(5,198,886)
Purchases of intangible assets	16	(50,951)	(84,086)
Purchases of investment property	17	(388,317)	-
Proceed from sale of property, plant & equipment		410,000	836,258
Interest received	10	502	88,884
Net cash flows from investment activities		**(4,811,082)**	**(4,357,830)**
Cash flows from financing activities			
Share capital increase		-	14,400,000
Loans obtained		8,147,957	9,001,579
Repayment of loans		(2,410,124)	(2,410,124)
Net cash flows from financing activities		**5,737,833**	**20,991,455**
Net (decrease) / increase in cash and cash equivalents		**563,468**	**753,331**
Cash and cash equivalents at the beginning of the year		1,309,591	556,260
Cash and cash equivalents at the end of the year	20	**1,873,059**	**1,309,591**

*Restated amounts due to retrospective application of the change in the accounting policy of valuation of Property, plant & equipment and investment property (see Note 5).

The attached notes on pages 27 to 69 are an integral part of the financial statements.

Notes to the financial statements

1. Information for 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 the Belgian-based holding company "Cenergy Holdings S.A." which is listed on Euronext Brussels and the Athens Stock Exchange, and of the ultimate parent company "VIOHALCO SA/NV", which is also listed on Euronext Brussels and the Athens Stock Exchange.

On 31 December 2015, the direct holding of HELLENIC CABLES S.A. in the Company's capital stood at 100%. Cenergy Holdings SA and VIOHALCO SA/NV indirectly control 100% and 81.93% of the Company's voting rights, 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 10 May 2017 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, except for the financial derivative instruments that are presented at fair value.

2.3 Going concern principle

On 31 December 2016, the Company's current liabilities exceeded current assets by EUR 36.2 million (31 December 2015: EUR 26.1 million).
In addition, on 31 December 2016, total equity of the Company was less than 1/2 of the share capital and, therefore, the conditions to apply the provisions of Article 47 of Codified Law 2190/1920 are applicable.
However, Company's financing is considered guaranteed in the near future given that Management of the parent company has given assuranc that they will support the Company to avoid any liquidity problems This support is implemented in various forms such as share capital increase, lengthening of payment periods and sales support.

The upcoming Ordinary General Meeting of the Company's shareholders will decide as to what measures to take for the resolution of the Company's balance sheet either by reducing the share capital through offset of prior period losses (before the Company' s acquisition by Hellenic Cables S.A.) or by taking other measures deemed appropriate. These measures have a dual objective: to lift the application of the provisions of this article and to enhance financing and smooth business continuation.

Given the above, the Company's financial statements have been prepared on the basis of the going concern assumption.

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.

2.5 Use of estimates and assumptions

Preparing financial statements in line with IFRS requires that management makes judgements, estimates and assumptions which may affect the accounting balances of assets and liabilities as well as the income and expense items. The actual results may differ from these estimates.

The estimates and relevant assumptions are reviewed on an ongoing basis. 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 judgements made by Management when applying the accounting policies, which are expected to have significant influence in the Financial Statements of the Company are as follows:

- the useful life and residual value of depreciable tangible and intangible assets;
- the amount of provisions for staff leaving indemnities;
- the amount of provisions for doubtful debts;
- the amount of provisions for income tax of unaudited fiscal years;
- the amount of provisions for obsolete or slow-moving inventories;
- the amount of provisions 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 concern:

(a) Income tax (note 12 and note 29.3).

During the normal business flow numerous transactions and calculations take place in relation to which the exact calculation of tax is uncertain. In case the final taxes arising from tax audits differ from the amounts initially posted, these differences will affect income tax and, by extension, the provisions for deferred tax at the period in which the estimation of tax differences took place.

(b) Inventories (note 19)

The Company makes estimates about the calculation of the realisable value.

(c) Impairment

The Company makes estimates about any impairment of the assets that are not measured at fair value (Investments in subsidiaries; Property, plant and equipment; Intangible assets; Investment property). Especially as regards Property, plant and equipment, the Company evaluates their recoverability based on the value in use of the cash generating unit under which such assets fall. The calculated value in use is based on a five-year business plan prepared by Management and, thus, it is sensitive to the verification or not of expectations relating to the attainment of sales objectives, gross margin percentages, operating results, growth rates and discount rates of estimated cash flows.

(d) Provisions for doubtful debts (note 20 and note 28.1)

Provisions for doubtful debts are presented based on estimates for the amounts that may be recovered. Once it is notified that a specific amount is exposed to a risk higher than the standard credit risk (e.g. low credit rating of the customer, disagreement about the existence of a receivable or its amount, etc.), then the amount is broken down and it is noted whether the circumstances indicate that the receivable is non-collectible.

(e) Measurement of liabilities for staff leaving indemnities (note 13)

This liability is based on key actuarial assumptions of financial nature.

(f) Fair value measurement

A number of accounting policies and disclosures requires the measurement of fair value for both financial and non-financial instruments and liabilities.

When the fair value of an instrument or liability is measured, the Company uses mostly active market prices. Fair value is classified in hierarchy levels as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.

Level 2: Inputs that are observable either directly or indirectly.

Level 3: Unobservable inputs for assets and liabilities.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

Unobservable prices are classified in Level 3. The fair value of shares that are not traded in an active market is measured on the basis of the Company's forecasts for the issuer's future profitability, having taken into consideration the expected growth rate of its activities and the discount rate. The fair values of financial liabilities are estimated based on the present value of future cash flows that arise from specific contracts using the current interest rate that is available for the Company for the use of similar financial instruments.

The Company recognises transfers between fair value levels at the end of the reporting period in which a change took place.

Further information on the assumptions of measurement at fair value is included in note 28.

(g) Useful life of depreciable tangible and intangible assets (notes 15 and 16).

(h) Estimates about the recoverability of deferred tax assets (Note 12).

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 2015, with the exception of the accounting policies referred to in note 5 and 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 2016 and had minor or nil impact on the Company's financial statements:

Amendment to IFRS 11 "Acquisition of interests in joint operations"
This amendment adds new guidance on accounting for the acquisition of an interest in a joint operation that is a business in accordance with IFRS and clarifies which is the proper accounting treatment for these acquisitions. This amendment will apply in the future for annual periods beginning on or after 1 January 2016 although early application is permitted. The amendment has been adopted by the European Union.

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"
The amendment to IAS 16 states that revenue-based methods to calculate depreciation cannot be used in relation to tangible fixed assets. The amendment to IAS 38 introduces a rebuttable presumption that use of revenue-based methods to calculate depreciation of intangible assets is not suitable. The amendments apply to annual periods beginning on or after 1 January 2016, have future effect and have been adopted by the European Union.

Amendment to IAS 27 "Equity method in separate financial statements"
This amendment allows entities to apply the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in their separate financial statements and also specifies the definition of separate financial statements. This amendment will apply to annual periods beginning on or after 1 January 2016. These amendments have been adopted by the European Union.

IAS 19 (Amendment) "Employee Benefits"
This narrow-scope amendment applies to contributions from employees or third parties to defined benefit plans and simplifies the accounting for contributions that are independent of the number of

years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendment to IAS 1 "Presentation of Financial Statements"
This amendment aims to improve the disclosures in IFRS-compliant financial statements (Disclosure initiative). The amendment has been adopted by the European Union and was put in effect as of 1 January 2016.

IFRS Annual Improvements Cycle 2012-2014

- IFRS 5 “Non-current assets held for sale and discontinued operations”. The amendment clarifies that when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution" or vice versa, this does not constitute change to the plan of sale or distribution and should not be accounted as a change.
- IFRS 7 “Financial Instruments, Disclosures” The amendment adds specific guidance to help Management specify whether the terms of a servicing contract are continuing involvement in a transferred financial asset and clarifies that the additional disclosures required as per IFRS 7 “Disclosures – Offsetting of financial assets and financial liabilities” are not required for all interim periods unless stipulated by IAS 34.
- IAS 19 “Employee Benefits” The amendment clarifies that the rate used to discount post-employment obligations is determined by reference to the currency in which liabilities are presented rather than the country in which they are incurred.
- IAS 34 “Interim Financial Reporting” The amendment clarifies the meaning of “information disclosed elsewhere in the interim financial report” set out in the standard.

Mandatory standards and Interpretations for subsequent periods:
Certain new accounting standards and interpretations have been issued that were not mandatory for the fiscal year ended on 31 December 2016 and have not been adopted earlier by the Company. The Company considers the effect of the new standards and amendments on its financial statements without having assessed any effect on the financial position of the Company. There are no other standards which have not yet been put into effect and are expected to have a significant effect on the Company in the current or future periods and on transactions held in the foreseeable future.

IFRS 9 “Financial Instruments”
This Standard will replace IAS 39 with respect to the classification and measurement of financial assets and financial liabilities. IFRS 9 replaces the provisions of IAS 39 with respect to the classification and measurement of financial assets and financial liabilities and also includes a model of expected credit losses which replaces the ‘incurred credit loss’ model that is currently applicable. IFRS 9 establishes a principle-based approach to hedge accounting and deals with inconsistencies and shortcomings of the current model of IAS 39. At this stage, the Company cannot assess the effects of the new standard on its financial statements as the Company has not finalised all details of its evaluation on the application of IFRS 9. The Company intends to adopt the new standard on its effective date (1 January 2018). This standard has not been adopted yet by the European Union.

IFRS 15 “Revenue from Contracts with Customers”
IFRS 15 was issued in May 2014 and replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers" and SIC-31 "Revenue - Barter Transactions Involving Advertising Services". It specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative,

relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The objective of the standard is to provide a single, comprehensive framework for revenue recognition from all contracts with customers to improve comparability between companies of the same sector, different sectors and different capital markets. It includes the principles an entity must implement to specify revenue measurement and timing of their recognition. The basic principle is that an entity will recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. At this stage, the Company cannot assess the effects of the new standard on its financial statements and will undertake a more detailed assessment of such effects in the next 12 months. The standard applies to financial reporting periods that begin on or after 1 January 2018 although early application is permitted. The Company intends to adopt the new standard on its effective date (1 January 2018). This standard has not been adopted yet by the European Union.

IFRS 16 “Leases”.
This IFRS replaces IAS 17. It was issued in January 2016 and aims to ensure that both lessees and lessors provide useful information about leasing-related transactions. According to IFRS 16, a lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company is in the process of assessing the effect of IFRS 16 on its financial statements. This standard has not been adopted yet by the EU.

IAS 12 "Recognition of deferred tax assets for unrealised losses"
This amendment applies to accounting periods beginning on 1 January 2017 and clarifies the accounting treatment applying to the recognition of deferred tax assets for unrealised losses arising from loans measured at fair value. The amendments have not been adopted by the European Union.

IFRS 2 "Classification and measurement of share-based payment transactions"
The amendment clarifies the measurement basis involving share-based, cash-settled payments and the accounting treatment regarding amendments to terms which change a cash-settled payment to an equity-settled payment. These amendments will apply to accounting periods beginning on or after 01 January 2018 and have not been adopted by the European Union.

IAS 7 “Disclosures”
The amendments introduce mandatory disclosures regarding changes in liabilities arising from financing activities. The amendments apply to accounting periods beginning after 01 January 2017 and have not been adopted by the European Union.

IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts"
The amendments will apply to accounting periods beginning on 1 January 2018 and relate to amendments to insurance contracts which provide an option that permits all entities issuing insurance contracts to recognise in other comprehensive income any deviations arising from application of IFRS 9 and will provide an optional temporary exemption from applying IFRS 9 up until 2021 for entities whose predominant activity is issuing insurance contracts. The amendments have not been adopted by the European Union.

IAS 40 "Transfers of investment property"
The amendment applies to accounting periods beginning after 1 January 2018. The amendment clarifies that a change in use would involve an assessment of whether the property qualifies as an

investment property. That change in use should be supported by evidence. The amendments have not been adopted yet by the European Union.

IFRS Annual Improvements Cycle 2014-2016

- IFRS 12 “Disclosure of Interests in Other Entities”
  The amendment clarifies that the information under IFRS 12 must be disclosed with respect to interests in entities classified as held for sale. It applies to accounting periods beginning on 01 January 2017 and has not been adopted by the European Union.
- IAS 28 “Investments in Associates and Joint Ventures”
  The amendments provide clarifications about venture capital organisations, mutual funds, and similar entities which choose to measure investments in associates or joint ventures at fair value through profit or loss. This option should take place for each associate or joint venture separately upon initial recognition. It applies to accounting periods beginning on 01 January 2017 and has not been adopted by the European Union.
- IFRIC 22 “Foreign Currency Transactions and Advance Consideration”
  The Interpretation provides guidance on how to determine the transaction date when applying the standard relating to foreign currency transactions, IAS 21. The European Union has not adopted this interpretation.

4. Significant accounting principles

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

4.1 Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates applicable at the date of each transaction. Gains and losses from foreign exchange differences that arise from the settlement of such transactions and from conversion of monetary asset and liability items denominated in a foreign currency at the foreign exchange rates that apply on the balance sheet date are recorded in the Income Statement.
Overall, exchange rate differences arising from the application of the above shall be recognised in the Statement of Comprehensive Income:

- financial assets available for sale (except for their impairment when exchange rate differences are transferred from Comprehensive Income to the Income Statement);
- financial liabilities intended to hedge a net investment in a company in foreign currency to the extent such hedging is effective;
- cash flow hedge to the extent such hedge is effective.

4.2 Financial assets and financial liabilities

(a) Non-derivative financial instruments

Non-derivative financial instruments consist of trade 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 Company 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 to maturity” or as “fair value item through profit or loss”. The purchase and sale of an investment is recognised on the date that the transaction is carried out, which is also the date 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 value. 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) Loans & Borrowings

Loans and borrowings are initially recorded at their fair value, decreased by any direct expense that is required in order to complete the transaction. They are subsequently valuated at amortised 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.

4.3 Derivatives and hedge accounting

The Company holds derivatives to hedge cash flows and fair value. Derivatives include futures to hedge the financial risk arising from changes in the market price of copper and aluminium in particular, and in the exchange rate with foreign currencies (mainly USD or GBP).

The results from the settled operations of financial risk management are recognised through profit or loss when they are realised (stock market results on copper, aluminium and foreign currency contracts).

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 fair value or cash flow hedging instrument.

Derivatives are recognised when the transaction is entered into by the Company as hedges for the fair value of receivables, liabilities or commitments (fair value hedges) or very probable transactions (cash flow hedges).

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 through profit or loss 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 the 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 hedging instrument 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 transferred to the statement of profit or loss.

4.4 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 treasury 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.

4.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at the historical acquisition cost less accumulated depreciation and any accumulated impairment. 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.

If considerable parts of a fixed asset have different useful lives, they are accounted for as different fixed assets.

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 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) Subsequent investment expenditures

Any subsequent expenditure are recorded as increase of tangible assets or are recognised as a separate fixed asset, only if it is deemed probable that future economic benefits will accrue to the Company and provided that the asset's cost may be reliably estimated.

(c) Amortisation and depreciation

Plots and land 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 useful life of assets is 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 at each balance sheet date, if that is considered necessary.

4.6 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 useful life, which ranges between 3 to 5 years.
Expenditures required for the maintenance of software programs are recognised as an expense in the Income Statement in the year in which they are incurred.

4.7 Investment property

Investment property concerns plots and buildings that are not used by the Company. Plots are assessed at cost less any impairment while buildings are depreciated using the straight-line method at equal annual instalments throughout their expected useful life.
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.

4.8 Inventory

Inventories are measured at the lower between their acquisition cost or production cost and their net realisable 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 realisable value of inventories is considered to be the estimated selling price thereof under normal business conditions less the estimated selling expenses.

4.9 Impairment

(a) Non-derivative financial instruments

The book value of the Company's financial assets, which are not presented at fair value through profit or loss, including the investments consolidated using the equity method of accounting, is reviewed during each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired includes the following:

- a debtor goes bankrupt or is characterised as uncollectible;
- the amount of debt is adjusted due to a change in its payment terms;
- there are signs that the debtor or issuer will enter bankruptcy due to difficult financial conditions;
- negative developments in the payment method involving debtors or issuers;
- an active market for equities disappears, or
- observable inputs indicating that there is a measurable decrease in the expected future cash flows from a group of financial assets.

Financial assets measured at non-amortised cost

The Company recognises an indication of impairment of such assets at the level of both independent asset and group of assets. All individually significant assets are tested for impairment on an individual scale. Those not impaired on an individual scale are tested collectively for impairment. A collective assessment is established by grouping assets with common risk characteristics.

Impairment loss is recognised as the difference between the non-amortised value of the asset and the present value of the expected future cash flows at the effective discount rate. Losses are recognised in the income statement and in relevant provisions. When the Company decides that there is no reason to reinstate the asset’s book value to realistic levels, the provision is deleted. If the amount of impairment is reduced and such reduction is associated with an objective event which occurred after the initial impairment, then the impairment initially recognised is reversed in the Income Statement.

Financial assets available for sale

Impairment in Financial assets available for sale is recognised through transfer of accumulated loss from Fair Value Reserve to operating results. The amount transferred to results is the difference between acquisition cost and current fair value less any impairment previously recognised through profit or loss. If the fair value of a share posted as available-for-sale financial asset subsequently rises and such increase is associated with an objective event which occurred after the initial impairment, then the impairment initially recognised is reversed in the Income Statement. Otherwise, impairment is reversed in the Statement of Comprehensive Income.

(b) Non financial assets

As for non-financial assets save inventories and deferred tax asset, the value of impairment is reviewed on each closing date for any impairment. Goodwill is necessarily tested each year for impairment. Assets that have an indefinite useful life are not depreciated, but are subject to an impairment test on an annual basis and when certain facts indicate that their book value may not be recoverable.

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

Impairment is recognised if the book value exceeds the estimated recoverable amount.

Impairment is recognised in the Income Statement. The impairment loss is reversed thus restoring the book value of the asset to its recoverable amount to the extent this does not exceed the book value of the asset (net of amortisation) Goodwill impairment is not reversed)

4.10 Employee benefits

(a) 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.

(b) Defined-contribution plans

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

(c) Defined-benefit plans

The obligation for defined-benefit plans is calculated as the present value of the future benefit of the employee for his services provided in the current or previous periods less the fair value of the plan's assets.

The defined benefit is calculated annually by an independent actuary using the projected unit credit method.

Any changes arising in the liability for defined-benefit plans, which mainly consist of actuarial gains and losses, are posted directly to the Statement of Comprehensive Income. The discount rate used corresponds to European bonds of low credit risk "Iboxx AA-rated Euro corporate bond 10+ year". Interest charges and other expenses related to defined-benefit plans are recognised through profit or loss.

When the benefits of a plan change or the plan is cut back, the change associated with the past service cost or the gain/loss from cutback is directly recognised through profit or loss. The Company recognises gains and losses from the settlement of a plan when incurred.

(d) 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.

(e) Profit-sharing and benefit schemes

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

4.11 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 current 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 has been publicly announced. No future operating costs are recognised for raising provisions.

4.12 Revenue

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

Construction contracts:

The Company deals with construction contracts pertaining mainly to construction and installation projects of high voltage 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 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 estimate of percentage 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 estimate of 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.

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.

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.

4.13 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.

4.14 Leases

Asset leases where the Company substantially retains all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the fixed asset and the present value of the minimum lease payments, reduced by accumulated depreciation and any obsolescence losses. The corresponding liabilities from lease payments net of financial charges are presented as liabilities. That part of financial expenses relating to finance leases is recognised in the income statement over the term of the lease.

Leases where in effect the risks and rewards of ownership remain with the lessor are posted as operational leases. The lease payments made for operating leases are posted through profit or loss on a systematic basis during the lease.

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.

4.15 Finance 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.

4.16 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.

4.17 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 IFRS 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.

5. Change in accounting policy/ Adjustments of reported items

During 2016, the Company decided to change the accounting policy applicable to the valuation of property, plant and equipment and investment property. Therefore, 2016 is the year of first-time adoption for the new policy and 1.1.2015 (31.12.2014) was set as transition date

This decision was driven by the following factors:
- Reasons of uniformity within the Group
Both the parent company "Hellenic Cables S.A." and Cenergy Holdings S.A. (parent company of Hellenic Cables S.A.), and the ultimate parent company "Viohalco S.A." apply the historical cost model to monitor the items included in the categories "Property, plant and equipment" and "Investment property".
- Comparability reasons within operating segment
The general practice applicable in the operating segment of the Company complies with the accounting principles adopted by the Company as of 1 January 2016.

Based on the accounting policies applied by the Company, the property, plant and equipment used in production were reported in the statement of financial position at their adjusted value which was the fair value on the adjustment date less any subsequent accumulated depreciation. Revaluations took place at regular intervals to ensure that the books values will not substantially vary from those that would be fixed if fair value was used at the end of each annual accounting period.
Following such change in the accounting policy, all asset categories included in the category "Property, plant and equipment" are now reported at their historical acquisition cost less accumulated depreciation and impairment. The accounting policy applied by the Company as of 1 January 2016 onwards is described in note 4.5.

In addition, based on the accounting policies applied by the Company, "Investment property" was initially reported at acquisition cost and thereafter at fair value while any modifications thereof are recognised as profit or loss in the Income Statement.
Following the change in the accounting policy, "Investment property" is reported at cost less accumulated depreciation and impairment. When the book values of investment property exceed their recoverable value, the difference (impairment) is directly recorded as an expense in the Income Statement. The reversal of previously reported impairment losses is also recognised as revenue in the Income Statement. Plots are not depreciated while buildings are depreciated using the straight-line method. The accounting policy applied by the Company as of 1 January 2016 onwards is described in note 4.7.

Due to the change in the accounting policy applicable to the valuation of property, plant and equipment and investment property, the Company adjusted profit or loss, other comprehensive income, equity and the accounts "Property, plant and equipment" and "Deferred tax liabilities" of previous years as indicated below. The account "Investment property" was not affected.

Property, plant and equipment	**31/12/2015**	**01/01/2015**
Balance according to the accounting policy of PP&E and investment property valuation based on the fair value model (as published)	**117,244,613**	**118,306,164**
Fair value adjustment recognised in profit or loss	5,264,431	5,264,431
Fair value adjustment recognised in the Statement of Comprehensive Income (Fixed assets revaluation reserve)	(1,576,847)	(1,576,847)
Adjustment for the difference in depreciation of the period	(179,001)	-
Revaluation adjustment for fixed assets sold during the period	(70,723)	-
Restated balance on 31.12.2015 and 1.1.2015, respectively	**120,682,473**	**121,993,749**

Equity:	**31/12/2015**		**01/01/2015**	
	Fixed assets revaluation reserve	**Retained earnings / (deficit)**	**Fixed assets revaluation reserve**	**Retained earnings / (deficit)**
Balance according to the accounting policy of PP&E and investment property valuation based on the fair value model (as published)	**1,052,007**	**(76,099,712)**	**1,166,867**	**(77,748,688)**
Fair value adjustment recognised in profit or loss	-	5,264,431	-	5,264,431
Fair value adjustment recognised in the Statement of Comprehensive Income	(1,576,847)	-	(1,576,847)	-
Deferred tax on fair value adjustments	457,286	(1,526,685)	409,979	(1,368,753)
Revaluation adjustment for fixed assets sold during the period	-	(70,723)	-	-
Deferred tax on the revaluation adjustment for fixed assets sold during the period	-	20,510	-	-
Adjustment for the difference in depreciation of the period	-	(179,001)	-	-
Deferred tax on the adjustment for the difference in depreciation of the period	-	51,911	-	-
Cancellation of transfer of fixed assets revaluation reserve to retained earnings / (deficit)	67,554	(67,554)	-	-
Restated balance on 31.12.2015 and 1.1.2015, respectively	**-**	**(72,606,823)**	**-**	**(73,853,009)**

Deferred tax liabilities	31/12/2015	01/01/2015
Balance according to the accounting policy of PP&E and investment property valuation based on the fair value model (as published)	**3,665,162**	**957,970**
Deferred tax on fair value adjustments	1,069,401	958,771
Deferred tax on the revaluation adjustment for fixed assets sold during the period	(20,510)	-
Deferred tax on adjustment for the difference in depreciation of the period	(51,911)	-
Restated balance on 31.12.2015 and 1.1.2015, respectively	**4,662,142**	**1,916,742**

Statement of Comprehensive Income	2015	2015
	Period result	**Total comprehensive income after tax**
Balance according to the accounting policy of PP&E and investment property valuation based on the fair value model (as published)	**1,500,288**	**1,246,638**
Remeasurement of profit/loss from sale of fixed assets	(70,723)	(70,723)
Deferred tax on the revaluation adjustment for fixed assets sold during the period	20,510	20,510
Adjustment for the difference in depreciation of the period	(179,001)	(179,001)
Deferred tax on the adjustment for the difference in depreciation of the period	51,911	51,911
Effect of change in tax rates	(157,933)	(110,628)
Restated balance	**1,165,052**	**958,707**

6. Sales

(Amounts in Euro)	2016	2015
Sales of merchandise and products	110,255,107	112,181,882
Construction contract revenue	11,313,812	36,147,011
Sales of by-products and scrap	4,506,531	5,651,411
Sales of raw materials and packaging materials	7,379,003	20,072,115
Income from services	2,989,561	4,394,666
	136,444,014	**178,447,085**

7. Expenses by nature

(Amounts in Euro)	2016	2015
Cost of inventories recognised as an expense	101,850,902	118,920,674
Personnel expenses	8,463,100	6,992,302
Energy costs	2,618,401	2,435,103
Depreciation & amortisation	5,649,483	5,385,327
Taxes	197,364	206,292
Insurance premiums	1,918,484	631,138
Rent	122,085	70,723
Transportation expenses	124,679	92,905
Third party fees and benefits	12,127,911	27,879,722
Other	4,000,212	3,408,399
Total Cost of sales, Distribution and Administration expenses	**137,072,621**	**166,022,584**

The decrease in third-party fees and benefits is due to fees paid to subcontractors in 2015 in the context of performance of contracts with customers.

The Company makes heavy investments in research and development so as to develop value added products and services on an ongoing basis, and to optimise its production processes. Research and development expenses recognised as an expense for 2016 amount to EUR 866,000 (2015: EUR 457,000) and have been included in the account "Cost of goods sold".

The “third party fees and benefits” in the table above includes fees of EUR 40,000 paid to Company’s auditors for the fiscal year 2016.

Personnel expenses are analysed as follows:

(Amounts in Euro)	2016	2015
Salaries and wages	6,336,309	5,238,505
Contributions to social security funds	1,593,723	1,314,700
Staff retirement indemnities	110,715	114,469
Other personnel expenses	422,353	324,628
	8,463,100	**6,992,302**

8. Other income

(Amounts in Euro)	Note	2016	2015
Grants amortisation	**27**	334,495	425,541
Income from liabilities write-off		182,216	94,632
Income from recharges of expenses to third parties		80,845	79,656
Revenue from collection of contested receivable		901,981	-
Prior period income		119,119	62,261
Other income		35,664	9,457
Total		**1,654,320**	**671,547**

In 2016, a final court ruling was handed down with respect to a legal claim of the Company against one of its customers. When the Company was acquired by Hellenic Cables in 2011, the customer's balance had been written off as non-collectible and after the final court ruling was handed down an amount of EUR 902,000 was recorded as revenue.

9. Other expenses

(Amounts in Euro)	2016	2015
Prior period expenses	51,088	244,021
Other provisions	63,784	175,059
Taxes - duties	109,025	101,717
Fixed-assets write-off/impairment	87,330	40,773
Losses from the sale of fixed assets	8,963	39,480
Penalty clauses	42,375	317,243
Personnel compensation	25,527	3,981
Other expenses	72,206	210,221
Total	**460,297**	**1,132,494**

10. Finance income

(Amounts in Euro)	2016	2015
Interest income	502	88,884
Foreign exchange differences	544,714	263,674
Gains from foreign exchange swaps	77,152	55,755
	622,368	**408,313**

11. Finance expenses

(Amounts in Euro)	2016	2015
Interest charges and related expenses	7,286,396	8,077,775
Foreign exchange differences	587,026	48,679
Losses from foreign exchange swaps	43,668	265,052
	7,917,090	**8,391,505**

12. Income tax

(Amounts in Euro)	**2016**	**2015**
Current tax	-	-
Deferred tax	950,083	(2,815,310)
	950,083	**(2,815,310)**

Current tax
According to Law 4334/2015 and Law 4336/2015 that were enacted in 2015, the income tax rate for legal entities in Greece is set at 29% for the year 2015. The income tax advance was increased from 80% to 100% of corporate profits. In case of profit distribution, withholding tax of 15% is imposed, according to article 48 of Law 4172/2013.

Reconciliation of applicable tax rate:

(Amounts in Euro)	**2016**	**2015**
Profit / (Loss) before tax	**(6,729,306)**	**3,980,362**
Tax calculated by using the applicable tax rates 29% (2015: 29%)	*1,951,498*	*(1,154,304)*
Non-deductible tax expenses	(132,434)	-320,894
Tax-exempt income	97,004	123,407
Tax rate change	-	(343,002)
Recognition / (Derecognition) of deferred tax asset on tax losses carried forward	(965,985)	(1,120,517)
Total income tax for the period	**950,083**	**(2,815,310)**
<u>Applicable tax rate</u>	**(14.12%)**	**(70.73%)**

Deferred tax

The deferred tax assets and liabilities that were recorded by Company and the movement of the relevant accounts are demonstrated below:

Movement of temporary differences

2016

(Amounts in Euro)	Balance as at 01/01/2016	Recognised through profit or loss	Recognised through equity	Tax rate change	Balance as at 31/12/2016
Property, plant & equipment	(7,082,030)	572,657	-	-	(6,509,373)
Intangible assets	(5,551)	(3,856)	-	-	(9,407)
Investment property	7,131	24,644	-	-	31,775
Derivatives	6,112	(862)	(40,245)	-	(34,995)
Loans-Notes	(3,319,680)	281,763	-	-	(3,037,917)
Provisions for works	(757,608)	723,896	-	-	(33,712)
Employee benefits	234,639	7,403	53,054	-	295,096
Provisions	375,573	(239,368)	-	-	136,205
Other	303,326	(64,742)	-	-	238,584
Tax losses	5,575,946	(351,452)	-	-	5,224,494
Total deferred tax liability	**(4,662,142)**	**950,083**	**12,809**	**-**	**(3,699,250)**

2015

(Amounts in Euro)	Balance as at 01/01/2015	Recognised through profit or loss	Recognised through equity	Tax rate change	Balance as at 31/12/2015
Property, plant & equipment	(6,866,717)	577,000		(792,313)	(7,082,030)
Intangible assets	(5,166)	189	-	(574)	(5,551)
Investment property	6,393	-	-	738	7,131
Derivatives	(90,929)	4,141	103,014	(10,114)	6,112
Loans-Notes	(3,234,716)	288,273	-	(373,237)	(3,319,680)
Provisions for works	(300,279)	(422,681)	-	(34,648)	(757,608)
Employee benefits	229,080	1,817	(22,900)	26,642	234,639
Provisions	415,537	(87,929)	-	47,965	375,573
Other	-	92,079	-	211,247	303,326
Tax losses	7,930,055	(2,927,983)	-	573,874	5,575,946
Total deferred tax liability	**(1,916,742)**	**(2,475,094)**	**80,114**	**(350,420)**	**(4,662,142)**

The provisions of article 49 of Law 4172/2013 on thin capitalisation were applied in 2016 which state that the limit of deduction of surplus interest charges is set up to 30% of the EBITDA of each entity. These amounts can be offset against future tax gains; therefore, the Company has recognised a deferred tax asset in relation to the surplus interest charges that arose during the last two fiscal years.

For the calculation of deferred taxes, the applicable tax rates or those that are substantially enacted on the reporting date are used.

Tax losses carried forward

The tax losses carried forward of the Company are as follows:

Company/ Year	2012	2013	2014	2015	2016	Total
FULGOR SA	-	5,703,539	10,117,254	-	-	**15,820,794**

On 31 December 2016, the Company has recognised a deferred tax asset for a part of the above tax losses carried forward, since management estimates that this amount is recoverable in the future. Tax losses can be offset against taxable profits for five years.

13. Employee Benefit Obligation

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

According to the Greek Labour Law employees are entitled to compensation when dismissed or retiring, the level of which is related to employee salary, 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 set certain requirements concerning the valuation of the current liability and the principles and actuarial assumptions which have to be followed to assess 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 employee benefit obligation was calculated based on an actuarial study performed by an independent third party. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity for the years 2016 and 2015 respectively.

a. Change in the present value of the obligation

(Amounts in Euro)	**2016**	**2015**
Movement of net liability recognised in the Balance Sheet		
Net Liability at the beginning of the year	809,100	884,083
Benefits paid	(85,188)	(110,488)
Total expenditure recognised in the income statement	110,715	114,469
Total expenditure recognised in the statement of comprehensive income	**182,944**	(78,964)
Net Liability at year-end	**1,017,571**	**809,100**
Analysis of amounts recognised in the income statement as expenses		
Current service cost	51,077	48,697
Interest cost	15,920	13,261
Curtailment/ settlement/ termination cost	43,718	52,511
Total expenditure recognised in the income statement	**110,715**	**114,469**
Analysis of expenses recognised in the statement of comprehensive income		
Actuarial loss / (gain) - demographic assumptions	61,336	-
Actuarial loss / (gain) - financial assumptions	62,499	(54,500)
Actuarial loss / (gain) – experience adjustment	59,109	(24,464)
Total expenditure recognised in the statement of comprehensive income	**182,944**	**(78,964)**

During 2016, the Company paid a total amount equal to EUR 85,188 (2015: EUR 110,488) for compensation to employees who were either dismissed or departed on a voluntary basis. These particular payments generated an additional cost of EUR 43,718 (2015: for the Company, which is equal to the excess amount of the benefit paid compared to the corresponding expected liability and it was recorded as “Curtailment/ settlement/ termination cost”.

b. Actuarial assumptions

The main assumptions on which the actuarial study was based to calculate the provision are as follows:

	2016	**2015**
Discount rate	1.60%	2.00%
Inflation	1.50%	1.75%
Future wage increase	1.75%	1.75%
Plan duration	15.85	15.45

c. Sensitivity analysis

The defined benefit obligation (DBO) depends on the assumptions used in the actuarial study. Therefore, on the valuation date (31/12/2016):

- If a lower discount rate by 0.5% had been used (namely 1.1% instead of 1.6%), the DBO would have been higher by approximately 8.4%.
- If a higher discount rate by 0.5% had been used (namely 2.1% instead of 1.6%), the DBO would have been lower by approximately 7.6%.
- If a higher increase in pay by 0.5% had been used (namely 2.25% instead of 1.75%), the DBO would have been higher by approximately 8.4%.
- If a lower increase in pay by 0.5% had been used (namely 1.25% instead of 1.75%), the DBO would have been lower by approximately 7.6%.
- If an assumption of nil voluntary retirement had been used, the DBO would have been higher by approximately 3.0%.

14. Construction contracts

The Company deals with construction contracts mainly for the construction and installation of high-voltage land and submarine cables.

(Amounts in Euro)	**2016**	**2015**
Revenue recognised for the period		
- Invoiced amounts	10,380,281	22,183,466
Non-invoiced amounts	933,531	13,963,545
Advances due	-	-
Amount of retentions	-	-

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

15. Property, plant and equipment

(Amounts in Euro)

	Land & buildings	Mechanical equipment	Transport means	Furniture and fixtures	Fixed assets under construction	Total
Acquisition cost						
Balance as at 01/01/2015	**39,761,740**	**96,929,058**	**1,592,831**	**1,413,379**	**2,214,413**	**141,911,419**
Additions	3,989	375,727	15,120	72,828	4,731,222	5,198,886
Reclassifications*	404,120	3,681,238	-	52,976	(4,527,776)	(389,442)
Disposals	-	(1,360,598)	(693)	-	-	(1,361,290)
Balance as at 31/12/2015	**40,169,849**	**99,625,425**	**1,607,258**	**1,539,182**	**2,417,859**	**145,359,574**
Balance as at 01/01/2016	**40,169,849**	**99,625,425**	**1,607,258**	**1,539,182**	**2,417,859**	**145,359,574**
Additions	15,035	218,134	9,949	102,191	4,437,006	4,782,316
Reclassifications*	712,404	3,208,174	-	-	(4,538,102)	(617,523)
Disposals	-	(646,826)	(10,493)	-	-	(657,319)
Balance as at 31/12/2016	**40,897,288**	**102,404,907**	**1,606,714**	**1,641,373**	**2,316,764**	**148,867,047**
Depreciation/ Impairment						
Balance as at 01/01/2015	**(5,488,286)**	**(13,173,194)**	**(754,695)**	**(501,496)**	**-**	**(19,917,671)**
Depreciation for the year	(912,823)	(3,982,768)	(141,144)	(167,474)	-	(5,204,209)
Disposals	-	444,310	469	-	-	444,779
Balance as at 31/12/2015	**(6,401,109)**	**(16,711,653)**	**(895,369)**	**(668,970)**	**-**	**(24,677,101)**
Balance as at 01/01/2016	**(6,401,109)**	**(16,711,653)**	**(895,369)**	**(668,970)**	**-**	**(24,677,101)**
Depreciation for the year	(930,032)	(4,227,119)	(133,358)	(159,745)	-	(5,450,254)
Disposals	-	227,863	8,144	-	-	236,007
Balance as at 31/12/2016	**(7,331,141)**	**(20,710,909)**	**(1,020,583)**	**(828,715)**	**-**	**(29,891,348)**
Net book value						
As at 31.12.2015	**33,768,740**	**82,913,772**	**711,889**	**870,212**	**2,417,859**	**120,682,473**
As at 31/12/2016	**33,566,147**	**81,693,999**	**586,131**	**812,658**	**2,316,764**	**118,975,699**

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

The amounts reported in the above table are adjusted due to retrospective application of the change in valuation accounting policy (see Note 5).

a. Mortgages on fixed assets

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

b. Fixed assets under construction

The account “Fixed assets under construction” concerns mainly machinery the installation of which had not been completed by 31 December 2016.

16. Intangible assets

(Amounts in Euro)	Trademarks & licenses	Software	Other	Total
Acquisition cost				
Balance as at 01/01/2015	**1,101,867**	**161,982**	**283,975**	**1,547,824**
Additions	84,086	-	-	84,086
Reclassifications	331,342	58,100	-	389,442
Balance as at 31/12/2015	**1,517,295**	**220,082**	**283,975**	**2,021,351**
Additions	50,031	920	-	50,951
Reclassifications	617,524	-	-	617,524
Balance as at 31/12/2016	**2,184,849**	**221,002**	**283,975**	**2,689,826**
Amortisation / Impairment				
Balance as at 01/01/2015	**(5,668)**	**(95,709)**	**(99,187)**	**(200,565)**
Amortisation for the year	(119,850)	(33,951)	(27,317)	(181,118)
Balance as at 31/12/2015	**(125,518)**	**(129,661)**	**(126,504)**	**(381,683)**
Amortisation for the year	(151,729)	(25,827)	(22,605)	(200,162)
Balance as at 31/12/2016	**(277,248)**	**(155,488)**	**(149,109)**	**(581,845)**
Net book value				
As at 31/12/2015	**1,391,777**	**90,421**	**157,471**	**1,639,668**
As at 31/12/2016	**1,907,602**	**65,513**	**134,866**	**2,107,981**

17. Investment property

(Amounts in Euro)	2016	2015
Opening balance	**332,039**	332,039
Additions	388,317	-
Impairment	(84,981)	-
Balance at the end of the year	**635,374**	**332,039**

Investment property includes a number of lots which the Company intends to lease or sell to third parties in the near future provided that the applicable circumstances allow so. The Company tests the value of real estate properties for impairment on an annual basis.

In the context of the annual impairment test due to indications of impairment of the properties' commercial value owing to the persistent recession in the real estate segment, investment property was measured at fair value using the comparables or real estate method on 31 December 2016 and was impaired by EUR 85,000. The fair value measurement of investment property is classified in Level 2 according to the assumptions used in the application of the valuation techniques that were implemented.

These properties did not generate any revenue in 2016 because they are not leased while no operating expenses were incurred in relation to these properties throughout the year.

18. Other investments

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.

19. Inventories

Company's inventories are analysed as follows:

(Amounts in Euro)	**2016**	**2015**
Raw materials, auxiliaries, spare parts & consumables	11,514,733	9,677,576
Finished products	1,654,275	1,157,559
Semi-finished products	6,262,504	11,853,582
Merchandise	1,491,744	12,915
By-products & scrap	560,830	1,116,745
Down payments for the purchase of inventories	6,115,577	556,154
	27,599,663	**24,374,531**

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 2016 the Company had not raised any provision for inventories write-down because there was no such reason, compared to EUR 0,8 million raised in 2015.
The consumption of inventories charged to the operating results of the year (cost of sales) amounts to EUR 101.9 million.

20. Trade and other receivables

(Amounts in Euro)	2016	2015
Trade receivables	11,736,681	647,378
Receivables from customers for construction contracts	933,531	13,963,545
Receivables from related parties	6,552,791	1,406,785
Tax receivables	150,949	3,406,393
Other debtors	12,934,682	12,441,720
Other advance payments	50,173	236,968
	32,358,808	**32,102,789**

The above amounts of trade and other receivables include a provision for impairment equal to EUR 2.5 million and EUR 2.4 million for 2016 and 2015 respectively.

The line «Other debtors» of the table above includes an amount of EUR 4 million for 2016 (2015: EUR 4 million), which concerns a government grant recognised during 2015 that has not been collected yet. Additionally, the line «Other debtors» of the table above includes an amount of EUR 5.7 million for 2016 (2015: EUR 6.9 million), which concerns purchases of raw materials not received yet that were settled during the following fiscal year.

21. Cash and cash equivalents

(Amounts in Euro)	2016	2015
Cash at hand	4,785	5,381
Bank deposits	1,868,273	1,304,211
	1,873,058	**1,309,591**

Out of the above sum of EUR 1,873,058, the amount of EUR 25,189 is denominated in foreign currency and has been valuated according to the Euro/ foreign currency rate as of 31 December 2016. Any foreign exchange differences that arose were posted to operating results.

22. Share Capital

The Company's share capital amounts to EUR 40,014,097 (2015: 40,014,097) and is divided into 13,610,237 (2015: 13,610,237) shares with a nominal value of EUR 2.94 each.

The share premium of EUR 44,186,801 (2015: EUR 44,186,801) 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.

23. Reserves

(Amounts in Euro)	2016	2015
Statutory Reserve	1,052,450	1,052,450
Reserve from derivatives valuation	85,679	(12,852)
Special reserves	816,803	816,803
Untaxed reserves	11,427,378	11,427,378
	13,382,310	**13,283,779**

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 during previous years in accordance with special provisions of incentive laws. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.
On 31 December 2016, the Company has made investments of EUR 33 million which fall under incentive law 3908/2011. Pursuant to this law, the Company has the right to establish, from accounting profits that it will earn in future years, an untaxed reserve up to EUR 1,98 million. This right shall expire during 2025.

24. Loans and Borrowings

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

(Amounts in Euro)	2016	2015
Long-term liabilities		
- Bank loans	1,230,564	3,382,872
- Bond loans	41,663,268	41,445,499
	42,893,832	**44,828,371**
Short-term liabilities		
- Bank loans	38,824,958	30,607,824
- Bond loans	2,150,442	1,413,377
	40,975,400	**32,021,201**
Total loans & borrowings	**83,869,232**	**76,849,572**

Terms and maturity of loans & borrowings repayments:

	Currency	Average interest rate 2016	Year of repayment	31/12/2016	31/12/2015
- Short-term	Euro	5.85%	2017	36,414,834	28,170,064
- Long-term	Euro	3.67%	2017-2027	42,893,832	44,828,371
- Short term instalment	Euro	3.54%	2017	4,560,566	3,851,137
				83,869,232	**76,849,572**

25. Other long-term liabilities

Other long term liabilities concern long-term notes payable used to purchase mechanical equipment.

26. Trade and other liabilities

(Amounts in Euro)	**2016**	**2015**
Suppliers	19,976,459	22,790,043
Payables to related parties	16,396,061	18,899,567
Short-term notes payable	16,685,498	6,660,474
Transit credit balances	425,041	1,547,005
Sundry creditors	379,049	336,666
Accrued expenses	1,978,148	444,882
Advance payments from customers	448,828	384,015
Social security funds	391,589	329,612
Other payables	458,000	434,799
	57,138,674	**51,827,063**

The line "Suppliers” includes an amount of EUR 14,775,319 (2015: EUR 4,468,400 thousand) which concerns the payment of documentary credits by Banks.

27. Government grants

The movement of grants during the years 2016 and 2015 is as follows:

(Amounts in Euro)	2016	2015
Balance as at 1 January	11,486,006	7,914,769
Collection of grants	-	-
Grants approved during the year	-	3,996,778
Grants amortisation	(334,495)	(425,541)
Balance as at December 31	**11,151,511**	**11,486,006**

Grants concern investments made for the purchase and installation of tangible assets.

During 2015, the Company recognised an amount of EUR 4 million as receivable from grants given the fact that the Company has met all formal and substantial terms pertaining to the specific grants. The above amounts are expected to be received during the next year.

Grants amortisation corresponding to fixed assets depreciation is posted in the account "Other income" in the Income Statement.

28. 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 aforementioned facts, 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.
In early 2017 in Greece, negotiations with the Institutions for concluding the review of the current financing program are still under way. The return of economic stability depends to a large extent on the actions and decisions taken by institutions in Greece and abroad. However, having regard to the nature of Fulgor operations and the cables segment of Cenergy Holdings Group to which Fulgor belongs, which is primarily export-oriented (by way of illustration, at Company level 29.3% of the turnover for 2016 was channelled into exports and at the cables segment level 68.1% of the total turnover for 2016 was channelled outside Greece) and the financial situation of the Company, the parent company and Viohalco Group to which it belongs, any adverse developments in the Greek economy are not expected to have a significant impact on its smooth operation. As regards the plants' production capacity, no problems are anticipated given that exports (either directly or through affiliated entities) generate enough cash flows to cover the imports of all raw and other materials required for production. The availability and prices of key raw materials follow and are determined by the international market and, thus, are not affected by the circumstances in Greece.
Nevertheless, Management continually assesses the situation and its eventual implications to ensure that all necessary and possible measures and actions are taken to minimise any effect on the Company’s activities.
The overall financial environment in which the Company operates (capital controls, limited business financing from the banking system) make the Company's activity harder and with greater challenges. The support from the parent company is given at all levels (finance, sales, etc.), as it was demonstrated during the current year, as well.

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

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 HELLENIC CABLES and its affiliated company ICME ECAB, no customer participates in Company’s income by more than 10%, while no customer has any open balance higher than 10% of all receivables, with the exception of a construction firm on whose behalf construction contract work is performed and management believes that there is no credit risk.

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 performed by the Company includes the examination of bank sources regarding customers.

Credit lines 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 ageing 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 records an 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. 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 purchases in other currency than the Company's functional currency which is Euro.

Regarding 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 therefore 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.

28.1 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)	2016	2015
Trade and other receivables - Non-current assets	347,993	132,131
Blocked deposit accounts	193,130	193,130
Trade and other receivables - Current assets	32,358,808	32,102,789
	32,899,931	**32,428,050**
Derivatives	120,675	0
Cash and cash equivalents	1,873,058	1,309,591
Total	**34,893,664**	**33,737,641**

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

(Amounts in Euro)	2016	2015
Greece	23,928,796	31,965,975
Other EU countries	1,769,644	457,915
Other European countries	56,250	-
Americas	7,061,444	4,160
Other countries	83,797	-
Total	**32,899,931**	**32,428,050**

The maturity profile of trade receivables on the reporting date was:

(Amounts in Euro)	**2016**	**2015**
Current	32,687,171	32,050,357
Overdue up to 6 months	195,593	199,000
Overdue for more than 6 months	17,167	178,693
Total	**32,899,931**	**32,428,050**

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 recorded for doubtful debts, which is analysed as follows:

(Amounts in Euro)	**2016**	**2015**
Balance as at 1 January	**2,530,126**	**2,235,067**
Impairment for the period	63,784	295,059
Balance as at December 31	**2,593,910**	**2,530,126**

Management believes that the provision recorded as at 31.12.2016 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

28.2 Liquidity risk

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

2016

(Amounts in Euro)	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31/12/2016**
Bank loans	2,562,705	1,483,042	-	-	**4,045,747**
Bond loans	3,716,776	2,754,959	11,053,639	50,146,782	**67,672,156**
Long-term notes payable	751,920	2,599,358	6,867,849	226,902	**10,446,029**
Bank open accounts	36,784,438	-	-	-	**36,784,438**
Trade and other liabilities	57,568,942	-	-	-	**57,568,942**
Total	**101,384,781**	**6,837,359**	**17,921,488**	**50,373,684**	**176,517,312**

2015

(Amounts in Euro)	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2015
Bank loans	2,616,260	2,515,946	1,454,697	-	6,586,903
Bond loans	1,842,941	2,537,046	13,216,236	50,146,782	67,743,005
Long-term notes payable	1,473,595	2,662,099	7,314,376	2,379,734	13,829,804
Bank open accounts	28,558,082	-	-	-	28,558,082
Trade and other liabilities	51,827,063	-	-	-	51,827,063
Total	**86,317,941**	**7,715,091**	**21,985,309**	**52,526,516**	**168,544,857**

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.

28.3 Foreign exchange risk

Exposure to foreign exchange risk

Company's exposure to foreign exchange risk is as follows:

31/12/2016

(Amounts in Euro)	EURO	USD	GBP	OTHER	TOTAL
Trade and other receivables	32,860,596	39,335	-	-	32,899,931
Loans	(83,869,232)	-	-	-	(83,869,232)
Long-term notes payable	(8,268,872)	-	-	-	(8,268,872)
Trade and other liabilities	(53,658,223)	(3,270,273)	(31,278)	(178,900)	(57,138,674)
Cash	1,847,869	24,016	1,173	-	1,873,058
	(111,087,862)	**(3,206,922)**	**(30,105)**	**(178,900)**	**(114,503,789)**
Derivatives for hedging of the risks above (Nominal value)	-	1,803,157	-	-	1,803,157
	(111,087,862)	**(1,403,765)**	**(30,105)**	**(178,900)**	**(112,700,632)**

31/12/2015

(Amounts in Euro)	EURO	USD	GBP	OTHER	TOTAL
Trade and other receivables	32,416,632	11,418	-	-	32,428,050
Loans	(76,849,572)	-	-	-	(76,849,572)
Long-term notes payable	(10,233,541)	-	-	-	(10,233,541)
Trade and other liabilities	(52,023,592)	41,953	10,849	143,727	(51,827,063)
Cash	1,274,706	33,518	1,367	-	1,309,591
	(105,415,367)	**86,889**	**12,216**	**143,727**	**(105,172,535)**
Derivatives for hedging of the risks above (Nominal value)	-	1,915,550	-	-	1,915,550
	(105,415,367)	**2,002,439**	**12,216**	**143,727**	**(103,256,985)**

The exchange rates used per fiscal year are as follows:

	Exchange rate on	
Euro	**31/12/2016**	**31/12/2015**
USD	1.0541	1.0887
GBP	0.8562	0.7340

Sensitivity analysis

A 10% decrease/increase 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.

	Profit or loss		**Equity**	
(Amounts in Euro)	**Improvement**	**Weakening**	**Improvement**	**Weakening**
2016		-		
USD (10% change)	(356,325)	291,538	(214,076)	175,153
GBP (10% change)	(3,345)	2,737	(3,345)	2,737
2015				
USD (10% change)	9,654	(7,899)	160,770	(131,539)
GBP (10% change)	1,357	(1,111)	1,357	(1,111)

28.4 Interest rate fluctuation risk

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

(Amounts in Euro)	**2016**	**2015**
Fixed rate		
Liabilities	36,973,442	39,662,485
Floating rate		
Liabilities	46,895,790	37,187,087
	83,869,232	**76,849,572**

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 profit or loss by the amounts set out below. This analysis assumes that all the other variables and especially exchange rates remain fixed.

	Profit or loss		**Equity**	
Effect in Euro as at 31.12.2016	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(83,240)	83,240	-	-

Effect in Euro as at 31.12.2016	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(66,007)	66,007	-	-

28.5 Fair value

Fair value compared to book value

The book value of the following financial assets and financial liabilities approximates their fair value as the discount effect based on market interest rate is considered insignificant.

- Trade and other receivables
- Cash and cash equivalents
- Loans
- Trade and other liabilities

The major part of the balance of the items "Trade and other receivables" and "Trade and other liabilities" has a limited maturity (up to one year) and, therefore, it is estimated that the carrying amount of these items approximates their fair value.

The majority of loans and borrowings of the Company have been received at a fixed rate, including 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. On 31 December 2016, management estimates that the fair value of this loan approximates its book value.

The Company has assumed liabilities embedded in credit instruments (notes payable) with carrying amount EUR 8.3 million on 31 December. Given that these liabilities have been initially recognised at fair value, Company's management estimates that the accounting balance thereof on December 31, 2016 approximates their fair value.

Classification of financial instruments based on their valuation according to fair value hierarchy

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

- Level 1: Financial instruments measured at fair value using active market prices
- Level 2: Financial instruments measured 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 input in the market.

	2016			2015		
(Amounts in Euro)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative financial assets	120,419	256	-	-	-	-
Derivative financial liabilities	-	-	-	(18,102)	(2,974)	-
Total	**120,419**	**256**	**-**	**(18,102)**	**(2,974)**	**-**

29. Commitments and contingent liabilities

29.1 Operating lease liabilities

The Company leases machinery and transport means under operating lease agreements. The future lease payments, according to the operating lease agreements, are as follows:

(Amounts in Euro)	**2016**	**2015**
Up to 1 year	89,336	40,730
Between 1 and 5 years	242,625	107,421
	331,961	**148,151**

29.2 Contingent liabilities

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

(Amounts in Euro)	2016	2015
Guarantees given for securing payables to suppliers	24,200	35,000
Guarantees for subsidies	8,712,000	8,712,000
Mortgages and statutory notices of mortgage on fixed assets	49,000,000	49,000,000
Guarantees given for securing the performance of contracts with customers	6,651,879	10,296,177
Other	412,000	412,000
	64,800,079	**68,455,177**

Capital commitments:

(Amounts in Euro)	2016	2015
Property, plant and equipment	897,957	148,151
	897,957	**148,151**

29.3 Unaudited tax years

Fiscal years 2011, 2012, 2013, 2014 and 2015 have been audited for the Company by the statutory auditor who was chosen as per Codified Law 2190/1920, namely the audit firm of chartered accountants "Deloitte Hadjipavlou, Sofianos & Cambanis S.A. – Chartered Accountants" (statutory auditor) in accordance with article 82 of Law 2238/1994 and article 65a of Law 4174/13. The relevant tax compliance certificates were issued on the basis of "unqualified opinion” and did not include any qualifications.

Circular No. 1034/2016 brought significant modifications to the annual certificate issued by statutory auditors and audit firms. As a result, the provisions of article 65a of Law 4174/2013 have been modified with respect to tax year 1.1.2016 - 31.12.2016 and the issue of a tax compliance certificate is no longer required by the Company's statutory auditor. The tax liabilities of the Company for 2016 will be finalised once the competent tax authorities conduct the necessary ordinary audits. If additional tax liabilities arise after the tax audit is completed for 2016, Company’s management estimates that they will have no significant effect on the financial statements.

30. Related party transactions

Company's related parties include companies of the HELLENIC CABLES S.A. sub-group, executive members of its Board of Directors and the subsidiaries and associate companies of VIOHALCO SA/NV Group.

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

i Transactions with the parent company*	**2016**	**2015**
Receivables	4,081,105	1,057,096
Liabilities	9,001,073	16,983,173
Sales of products and other income	75,883,518	81,042,788
Purchases of products and other expenses	20,124,996	36,799,082

*: They include the intermediate parent companies "HELLENIC CABLES", Cenergy Holdings SA and HALCOR S.A. (intermediate parent company until 14/12/2016, when control of the parent "HELLENIC CABLES" was transferred to Cenergy Holdings SA upon completion of the cross-border merger by absorption by Cenergy Holdings SA of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme) and the ultimate parent company "VIOHALCO SA/NV".

II. Transactions with subsidiaries of VIOHALCO SA/NV Group	**2016**	**2015**
Receivables	3,977,707	349,689
Liabilities	6,026,260	1,916,394
Sales of products and other income	40,595,189	54,063,704
Purchases of products and other expenses	9,209,421	9,041,903

III. BoD members	**2016**	**2015**
Fees	284,910	202,996

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

31. Subsequent events

During 2017, the Company entered into a new five-year corporate bond of EUR 3,057,624 in order to extend the production capacity of the Company's plant in Soussaki. At the end of the year 2016, there are no significant events other than the above which could affect the Company's financial position.

* *

Athens, 10 May 2017

THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE HEAD OF ACCOUNTING DEPARTMENT
GEORGIOS PASSAS Φ 020251	IOANNIS THEONAS AE 035000	KONSTANTINOS STAMOULOS AI 521647