Annual Report 2005

METKA

Table of Contents

BOARD OF DIRECTORS 5

LETTER TO THE SHAREHOLDERS 7

1. SUMMARY OF FINANCIAL FIGURES 8
1.1 Summary of Financial Figures for METKA S.A. 8
1.2 Summary of Consolidated Financial Figures 9

2. INFORMATION ABOUT THE PREPARATION OF THE REPORT AND THE COMPANY'S AUDITORS 10
2.1 Information about the Preparation of the Annual Report 10
2.2 Auditors 11
2.3 Tax Auditing 11
2.4 Information 11

3. IMPORTANT INFORMATION FOR THE COMPANY 12
3.1 Public Offers 12
3.2 Subsidiaries and Participations to the Share Capital of other Companies 12
3.3 Pending Judicial Cases 12

4. MARKET OVERVIEW 13
4.1 General Market Overview 13
4.2 Services and Products 13
4.3 Market Trends 14

5. INFORMATION ABOUT METKA S.A 16
5.1 General Information 16
5.2 Company History 17
5.3 Fixed Assets – Guarantees and Real Securities 18
5.3.1 Land – Buildings Facilities 18
5.3.2 Mechanical Equipment – Technical Installations 19
5.4 Investments 22
5.5 Investment policy 23
5.6 Main Events in 2005 23
5.6.1 Energy Projects 23
5.6.2 Defence Projects 26

6. CORPORATE GOVERNANCE – INTERNAL AUDIT 27
6.1 Board of Directors 27
6.2 Management 27
6.3 Corporate Governance – Internal Audit 27
6.4 Human Resources 28
6.5 Organization Chart 29

7. **INFORMATION ABOUT THE DEVELOPMENT OF SHAREHOLDER'S CAPITAL, THE EQUITY – BOOK VALUE OF STOCK AND THE SHAREHOLDERS OF THE COMPANY** 30
7.1 Development of Shareholder's Capital 30
7.2 Equity- Book Value of Stock 31
7.3 Shareholders 32

8. **AFFILIATED COMPANIES** 33
8.1 Affiliated Companies 33
8.2 Intercompany Transactions 42

9. **SHARE PRICE MOVEMENT AND DIVIDEND POLICY** 45
9.1 Profits per Share 45
9.2 Stock Price Movement 45
9.3 Dividend Policy 46

10. **LONG – TERM GOALS AND PROSPECTS** 47

11. **FINANCIAL STATEMENTS FOR THE YEAR ENDED THE 31st of DECEMBER 2005** 48
11.1 Management Report 49
11.2 Auditors Report 51
11.3 Balance Sheet 52
11.4 Income Statement 53
11.5 Consolidated Statement of Changes in Equity 54
11.6 Company Statement of Changes in Equity 55
11.7 Cash Flow Statement 56
11.8 Information about METKA S.A. 57
11.8.1 General Information 57
11.8.2 Background 58
11.9 Basis for preparation of the Financial Statements 58
11.10 Basic accounting principles 59
1.10.1 Consolidation 59
11.10.2 Foreign Currency Conversion 61
11.10.3 Tangible Assets 61
11.10.4 Intangible Assets 62
11.10.5 Impairment of Assets 62
11.10.6 Financial Instruments 63
11.10.7 Inventories 64
11.10.8 Trade Receivables 64
11.10.9 Cash and Cash Equivalents 65
11.10.10 Share Capital 65
11.10.11 Income Tax and Deferred Tax 65
11.10.12 Employee Benefits 66
11.10.13 Grants 66
11.10.14 Provisions 66
11.10.15 Recognition of Income and Expenses 67
11.10.16 Leases 67
11.10.17 Construction Contracts 68
11.10.18 Dividend Distribution 68

11.10.19 Segment Reporting ... 69
11.10.20 New Accounting Principles and Interpretations of IFRIC ... 69
11.11 Business risk management ... 69
11.11.1 Financial Risk Factors ... 69
11.11.2 Market Risk ... 69
11.11.3 Credit Risk ... 70
11.11.4 Liquidity Risk ... 70
11.11.5 Cash Flow Risk and Fair Value Risk due to Changes in Interest Rate ... 70
11.12 Notes on the Financial Statements ... 71
11.12.1 Property, plant & equipment ... 71
11.12.2 Goodwil ... 72
11.12.3 Intangible Assets ... 74
11.12.4 Investments in Subsidiaries ... 75
11.12.5 Investments in Associates ... 75
11.12.6 Deferred Tax ... 76
11.12.7 Gains from the Sale of Financial Assets Available for Sale ... 76
11.12.8 Other long-term Receivables ... 77
11.12.9 Inventories ... 77
11.12.10 Customers and Other Trade Receivables ... 78
11.12.11 Other Receivables – Other Current Assets ... 78
11.12.12 Financial Assets Valued at Fair Value through the Income Statement ... 78
11.12.13 Cash and Cash Equivalents ... 79
11.12.14 Construction Contracts ... 79
11.12.15 Total Equity ... 79
11.12.16 Liabilities for pension plans ... 81
11.12.17 Other Long-term Liabilities ... 82
11.12.18 Trade and other payables ... 83
11.12.19 Tax Payables ... 83
11.12.20 Short-term debt ... 83
11.12.21 Other Short-term Liabilities ... 83
11.12.22 Current portion of non-current provisions ... 84
11.12.23 Sales turnover ... 84
11.12.24 Analysis of Expenses by their nature ... 85
11.12.25 Employee Benefits ... 86
11.12.26 Other Ordinary Income and Expenses ... 87
11.12.27 Financial Income / Expenses ... 88
11.12.28 Other Financial Results ... 88
11.12.29 Income Tax Expense ... 89
11.12.30 Analysis of Cash Flow Adjustments ... 90
11.12.31 Analysis of IFRS First Implementation Adjustments ... 91
11.12.32 Modification of the Beginning Balance Sheet and the Financial Statements for Previous Fiscal Year ... 95
11.12.33 Commitments ... 96
11.12.34 Contingent Assets and Contingent Liabilities ... 96
11.12.35 Related Party Transactions ... 97
11.12.36 Earnings per Share ... 98
11.12.37 Subsequent Events ... 99

BOARD OF DIRECTORS

EVANGELOS MYTILINEOS

Chairman (Non-executive Member)

IOANNIS MYTILINEOS

Vice President & Managing Director

GEORGIOS PALLAS

Member & Deputy Managing Director

NIKOLAOS BAKIRTZOGLOU

Member & General Manager

GEORGIOS IKONOMU

Member

IOSIF AVAGIANOS

Member (Independent Non-Executive)

IOANNIS ANTONIADIS

Member (Independent Non-executive)

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Although 2005 was a year of post-Olympic recession for the construction sector, METKA Group achieved its most impressive results, in all aspects, since its establishment.

The project mix of the Group during the year, in all areas of activity (Energy, Defence, Infrastructure), ensured high levels of profitability, while at the same time strengthened its Cash position allowing a Capital return of €70m (€1.35/share) to the shareholders of METKA S.A. in October 2005. It is worth noting that after this capital return the company remained debt free.

Our positive course and the success of our strategic planning were clearly reflected in our financial results of 2005. This fiscal year was an excellent one for the Group that increased its turnover by 29%, its EBITDA by 58% and its profit after Tax and minorities by 89% compared to 2004.

IOANNIS MYTILINEOS

Vice President & Managing Director

1. SUMMARY OF FINANCIAL FIGURES

1.1 Summary of Financial Figures for METKA S.A.

Basic Indices		2003	2004	2005
Total Shareholder's Equity	mio€	127.6	137.6 (+8%)	89.7 (-29%)
Total Capital Employed	mio€	185.2	242.3 (+31%)	256.3 (+38%)
Fixed Assets (before Depreciation)	mio€	103.1	123.6 (+20%)	122.1 (+18%)
Fixed Assets Depreciation	mio€	6.2	9.4 (+52%)	13.8 (+123%)
Gross Profit	mio€		27.7	49.1 (+77%)
Profit before tax. borrowings and investments results	mio€		22.1	42.6 (+93%)
Profit before income tax	mio€		22.1	46.6 (+111%)
Profit after tax	mio€		16.4	34.3 (+109%)
Intended Dividend	mio€	8.3	10.3 (+24%)	15.6 (+88%)
Consolidation rate of equity (non-depr.fixed assets/equity)		76%	83%	121%
Equity / Debt ratio		222%	131%	54%
Current ratio (current assets/ short-term debt)		2.11	1.96	1.09
Return on equity (net profit/equity)			11.90%	372%
Return on capital employed (net profit minus finance expenses/total capital employed)			6.76%	33.82%

1.2 Summary of Consolidated Financial Figures

Basic Indices		2003	2004	2005
Total Shareholder's Equity	mio€	129.33	144.33 (+11.59%)	100.65 (-22.13%)
Total Capital Employed	mio€	193.82	253.69 (+30.89%)	266.63 (+37.57%)
Fixed Assets (before Depreciation)	mio€	89.27	109.89 (+23.09%)	198.56 (+122.4%)
Fixed Assets Depreciation	mio€	8.25	12.22 (+48.12%)	18.02 (+118.4%)
Gross Profit	mio€		37.63	57.91 (+53.89%)
Profit before tax, borrowings and investments results	mio€		29.26	48.6 (+66.10%)
Profit before income tax	mio€		29.29	52.68 (+79.86%)
Profit after tax	mio€		21.30	38.71 (+81.74%)
Intended Dividend	mio€	8.31	10.39 (+25%)	15.59 (+87.60%)
Consolidation rate of equity (non-depr.fixed assets/equity)		63%	68%	179%
Equity / Debt ratio		201%	132%	61%
Current ratio (current assets/ short-term debt)		2.61	2.40	1.35
Return on equity (net profit/equity)			15%	38%
Return on capital employed (net profit minus finance expenses/total capital employed)			8.28%	13.11%

2. Information about the Preparation of the Report and the Company's Auditors

2.1 Information about the Preparation of the Annual Report

The Annual Report contains all necessary information and financial data for shareholders, investors and their consultants, to properly assess the company's assets, financial position, results and prospects.

The preparation and distribution of the Annual Report was effected according to the provisions of the nr. 5/204/14.11.2000 (Government's Gazette 1487/6-12-2000) decision of the Capital Market Committee and the Presidential Act 348/95.

The parties responsible for the preparation of the Annual Report and the accuracy of the data are:

- Georgios Mammas, Head of Financial and Administrative Services,
  11 Marinou Antipa, N. Iraklio, tel. +30 210-2709200

- Spyridon Petratos, Head Accountant,
  11 Marinou Antipa, N. Iraklio, tel. +30 210-2709200

- Aristomenis Kalkavouras, Responsible for Public Relations and Marketing,
  11 Marinou Antipa, N. Iraklio, tel. +30 210-2709200

The company's Board of Directors states that all of its members are informed about the content of this Report and, together with those responsible for its preparation, confirm that:

a. All information and data contained are complete and true.
b. There are no other data or events having taken place which, if concealed or omitted, could turn into misleading the whole or part of the data and information contained in the Annual Report.

2.2 Auditors

The company is audited by Certified Auditors. For the fiscal year ending 31/12/2005, the auditing was effected by Mr. Georgios Deligiannis, Athens resident, SOEL Reg.Nr. 15791. The auditing certificates are included in the attached Appendix, under the publicized balance-sheets.

2.3 Tax Auditing

There has been tax auditing through fiscal year 2004. This means that the company's tax obligations for previous fiscal years have become final.

2.4 Information

The Annual Report is provided by the Company to any investor for free. A copy of the Report is submitted to the Hellenic Capital Market Committee and to the Athens Stock Exchange.

The annual financial statements, the auditors' report and the management report wich constitute part of the consolidated financial statements, are presented at the company's website at the address **www.metka.gr.**

For additional information, investors may call or visit the company's Headquarters (working days and hours), based at Marinou Antipa 11, N. Irakleio, tel. +30 210 - 27 09 200. Mr. Sarantis Hatzakos (Head of the Shareholders' Department).

3. Important Information for the Company

3.1 Public Offers

During the course of the previous and the current fiscal year, the Company has not made any public offer for purchase or exchange of another company's shares, nor have there been any such offers by third parties to acquire the Company's shares

3.2 Acquisitions and Participations to the Share Capital of other companies

METKA acquired 83.5% of the non-listed company, ELEMKA S.A., from "MYTILINEOS HOLDINGS S.A.", thus bringing together all activities in the fields of energy projects and other specialized constructions. ELEMKA is active in specialized technology projects (bridge bearings, contraction and expansion joints for bridges, seismic insulation, sound proofing barriers and applications for slope protection in road construction projects).

3.3 Pending Judicial Cases

There are no substantial disputes in Courts or in Arbitration that can influence the operation and the financial results of the Company.

4. Market Overview

4.1 General Market Overview

METKA S.A. is competitive in the energy sector (construction of thermoelectric and hydroelectric power plants), infrastructure projects (mine equipment, specialized manufacturing installations, site erection for major projects) and in the area of defence co-production programmes.

The company's long experience in the energy field enabled it to develop strongly in this particular area.

In the defence co-production sector, METKA is moving dynamically in the co-production of battle tanks, other vehicles, frigates, submarines and the Patriot missile system. The company's activity relies upon its sophisticated production facilities (two factories in the Industrial Area of Volos and N. Ionia, Volos respectively, and the industrial facilities of EKME in Thessaloniki and Kavala).

METKA, as a member of the "MYTILINEOS HOLDINGS S.A.", has acquired considerable synergies and economies of scale, either through its International Sales and Contact Network or through cost reduction, especially in raw material supply.

4.2 Services and Products

Through continuous investment in workforce and equipment, the company's development in the area of large scale electro-mechanical and energy projects has been rapid. Starting from simple metal constructions (electricity transmission pylons in 1970) the company quickly began constructing complex steel-mechanical structures and projects such as mine equipment (excavators, lignite mills and conveyors), harbour equipment, large industrial installations such as those for Aluminum of Greece, TITAN and others, power plant boilers, and more recently, generators and turbines for hydroelectric and thermoelectric units.

The company's long-standing, close co-operation with major international companies (ALSTOM, SIEMENS, ANSALDO, BABCOCK, MAN, GENERAL ELECTRIC, LURGI, VEVEY) has played an important role in the developments mentioned above. This co-operation started from co-execution of large projects in Greece and was developed to joint execution of major projects abroad, such as for mine equipment in Germany, parts for power plants in Germany, Belgium, Switzerland, construction of the largest ore loading/unloading crane in Holland, extending to the provision of the rights in Greece to exclusive know-how for equipment with high level technological requirements.

The Company provides complete solutions, by realizing Turn-Key projects. In general, certain characteristics define the market sectors in which METKA operates:

- the globalization of markets coupled with international mergers;
- the undertaking of packaged solutions including design, material procurement, construction and erection;
- emphasis on quality assurance and control

Although competition differs within each market and sub-sector, METKA undoubtedly possesses competitive advantage wherever, due to the nature of the project or the preferences of the client, the following conditions are important:

- the technological and quality requirements of the project are high;
- there is a need for specialized technical knowledge and previous, successful experience (references);

- there is a requirement for an organization structured according to international standards, combined with the reliability and financial strength of the contractor;
- there is a need for competence and experience in collaborating with other local and international companies

4.3 Market trends

The strategic fields of activity in which METKA operates are as follows::

- Energy (Deregulation / Renewable Energy Sources / Co-production)
- Large scale infrastructure projects (Petrochemicals – Refineries, Mining Equipment, Bridge Support Systems, Building Infrastructure and Sports Complexes, Cranes and other Harbour)
- Defence Projects

The specialized metallic construction sector has been and will remain an area requiring a high level of technical know-how and industrial equipment.

The energy projects sector, which in the past was monopolized by foreign companies, has today been transformed through the significant participation of Greek companies, the participation of which reaches up to 100% of the execution of the project in certain cases.

The requirement for industrial co-production, in collaboration with Greek industry, as a prerequisite for participation in tenders for defence programs is a convention which has provided real assistance to Greek industry to obtain technical know-how as well in the completion of important industrial investments.

Energy

METKA was extremely active in the energy projects sector during 2005. The unique experience of METKA and its subsidiaries within the Greek market in the construction and erection of Thermal Power Plants (Aliveri, Kardia I & II, Kardia III & IV, Ag. Demetrios I & II, Ag. Demetrios III & IV, Amyntaion, Ag. Demetrios V, Lavrio, Komotini, Florina, Chania and Linoparamata) and Hydro Power Plants (Ghiona, Aoos, Thisavros, Platanovrisi, Mesohora and Kremasta) make it a leading designer, supplier, constructor, and erector of power generation plants.

Whether as an EPC Contractor or as a member of consortia or groups with internationally renowned firms, METKA, as a result of its highly trained engineering workforce, has become in essence the first and only Greek company with the capability of executing projects which until recently were the domain of large foreign companies.

METKA's success as an EPC Contractor is reflected in the award of turn-key projects, such as that for the Design, Supply, Transportation, Installation and Commissioning of the Unit V combined cycle, capacity 377, 66 MW, natural gas fired unit at SES Lavrio; the construction of new electrostatic precipitators and the upgrading of existing ones for environmental protection at SES Kardia, Aghios Demetrios and Megalopolis; and the installation of gas turbine units in the island of Rhodes and Crete.

In addition, METKA has undertaken the EPC contract from Aluminium de Grèce (ADG) for the timely, workmanlike, complete, economical, and safe execution of the Co-generation Project of ADG, which includes the Engineering, Supply, Transportation, Installation and Commisioning of a gas-fired Co-Generation Station of 316MW and 252 MWth power.

The company has strong interest in participating in investments, both in renewable energy sources (solar, wind, biomass-waste management) as well as in the co-generation of electrical energy.

Defence Industry

The Defence sector became a strategic choice after the Company's management was taken over by the "MYTILINEOS HOLDINGS S.A." METKA began its activity in the Defence sector by undertaking the fabrication of the hull of the armored vehicle "LEONIDAS" in 1995.

In executing this strategic choice, METKA utilized its significant installations of mechanical equipement at its two factories in the industrial area of Volos, as well as the technical know-how of its human resources. At the same time, this was upgraded with new machinery having a value of more than €15,000,000, and investments were made in new specialized personnel. As a result of these actions, METKA undertook important projects and became established in the especially demanding area of defence equipment manufacture.

METKA's two plants in Volos have a significant amount of high added value work ensured until 2009.

Infrastructure Projects

2005 was a year of anticipated post-Olympic recession for the construction sector.

METKA already has an active presence in projects relating to repair, maintenance, and supply of spare parts for lignite/ash mining and handling facilities for the Public Power Corporation. Lignite will continue to be the basic fuel for electric power production in Greece, with more than 5,000 MW of installed power generation capacity. In high-technology projects targeting the upgrade of facilities and environmental protection, e.g. enclosed conveyors for wet and dry ash transporation, METKA will capitalize on its collaboration with major international firms operating in the sector, thus contributing to further know-how advancement.

METKA has always been a key player in construction for major industrial investment projects (expansions, revamps, upgrading). The sectors of metallurgy and cement production are indicative of this activity. In the domain of heavy industry, METKA is a reliable partner for the realization of optimized solutions. Additionally, Refineries and the Petrochemical Industry in general, appreciate the experience and specialized capabilities of METKA in construction and erection works which conform to their strict and specialized standards.

5. Information about METKA S.A.

5.1 General Information

METKA S.A. was established in 1962. The company started its operation in the metal construction industry, dealing mainly with the manufacturing and construction of complex and advanced metal and mechanical structures. Today METKA is active in Energy Projects, Infrastructure and Defence projects. Its registered office is in Neo Irakleio Attiki, Greece, its duration is 50 years and its objectives, according to article 4 of its statutes are:

- Industrial production of metal constructions of all types and for all purposes, as well as boiler and sheet metal items, and the trade of all such products in Greece and abroad.
- Production of all types of mechanically processed goods and their trading in Greece and abroad, as well as the execution of all types of mechanical works.
- Performance of all types of works relating to the construction, modification, repair and dismantling of ships, and trade of such products in Greece and abroad.
- Design and realization of public and private construction projects of all kinds, especially those relating to the assembly and installation of products manufactured by the Company in Greece and abroad, and all types of industrial equipment installations.
- Commercial exploitation of real estates - including buying, building, leasing, selling and related activities – as well as the leasing or subleasing of mobile and fixed mechanical equipment.

Especially for the public works projects, and following a reassessment of certificates of experience which was concluded early 2003, METKA S.A. possesses a 6th class certificate for all project categories (Electromechanical, Industrial-Energy, Civil Engineering works, Road construction, Harbour works, etc.)

To achieve the above objectives, the Company may:

- Participate in any type of business with a similar object, including the acquisition of shares of an S. A. company;
- Collaborate with any natural person or legal entity in any way;
- Establish branches or agencies anywhere;
- Act as an agent for any other domestic or foreign company

Article 4 in the company's statutes of 1962 was broadened and codified in 1982 and extended through the General Assembly of 2001, so as to cover also Civil Engineering works. It continues to be in force today without any additional changes having been made since then.

The basic market sectors of the Company's successful activity today (design, development, manufacture, installation and operation) are listed below:

- Energy Projects (Thermoelectric and Hydroelectric Power Stations)
- Defence Co-manufacturing Projects
- Infrastructure Projects (Buildings - Sports Complexes, Mines - Conveyors, Refineries, Harbour Installations, Erection of metallic structures for bridges, construction and exploitation of building complexes)

The Company’s objectives are classified under "Construction of metal framework and metal frameworks parts", according to the analysis of the Hellenic National Bureau of Statistics.

5.2 Company History

The Company was founded in 1962 by the Industrial Development Organization in order to fill a void which existed in the field of metallic constructions in Greece. The factory started operating in 1964.

In 1971, the Company passed into private hands, and its impressive development began. The Company's shares were listed on the Athens Stock Exchange in 1973.

In 1980, METKA S. A. acquired TECHNOM S.A., a strong and well known contracting company, thus obtaining the capability to assemble and erect the structures it was producing in its factory, and consequently, the ability to undertake and implement large projects.

In 1989, the company acquired almost complete ownership (99.98%) of SERVISTEEL S. A., a production plant equipped with automated technology machinery, appropriate for the first phase in the production of metal constructions (i.e. cutting, drilling and sandblasting).

The company continued to specialize and develop technically, by constructing innovative high value added works with demanding technical requirements.

In January 1999, "MYTILINEOS HOLDINGS S.A." completed its acquisition of METKA, after a six-month process in which it gained a majority of the Company's share capital. The first portion of 11.8% of METKA's share capital was acquired in July 1998, rising to 27.54% in December 1998. An amount of €31.4 million was expended for the acquisition of these shares. The acquisition was officially completed in early 1999, through the transfer of a further portion of 20.6% of the Company's share capital to MYTILINEOS from the main shareholders for a amount of €27 million. The acquired company constitutes the largest metal constructions complex in Greece, with a substantial presence over several decades, both in Greece and abroad. The company's current project backlog stands at €446 million.

5.3 Fixed Assets – Guarantees and Real Securities

5.3.1 Land – Building facilities

The Company fully owns the following property:

- Industrial facility in Nea Ionia, Volos, of a total area of 25,766m^2, as well as an 870m^2 offices building in the same area, located on a 78,521m^2 land plot.
- Land plot in Nea Ionia, Volos, of a total area of 120m^2.
- Land plot in Nea Ionia, Volos, of a total area of 463m^2.
- Land plot in Nea Ionia, Volos, of a total area of 213m^2.
- Land plot in Nea Ionia, Volos, of a total area of 388m^2.
- Building of a total area of 2,489m^2 on a 1,293m^2 plot in the Athens suburb of Neo Iraklio, where the Company's Headquarters are situated.

The subsidiary company SERVISTEEL S.A. fully owns the following property:

- Land plot in Keratea, Attiki, of a total area of 16,187m^2.
- Industrial facility in the 1st Industrial Park of Volos, of a total floor area of 13,883m^2, on a 103,431m^2 plot.

The subsidiary company RODAX S.A. fully owns the following property:

- Land plot in the Arcadia region (near Tripolis), of a total area of 10.650 m^2, with a building of 300 m^2.

Value of Fixed Assets

The Group's tangible assets are analyzed as follows:

METKA GROUP

Amounts in €	Plots	Buildings	Mechanical Equipment	Vehicles & Transportation	Equipment Furniture & other Equipment	Tangible Assets Under Construction	Total
Book Value as at 31/12/2005	17,299,000	21,109,682	29,365,481	380,207	1,402,777	99,661	69,656,807

The Company's tangible assets are analyzed as follows:

METKA SA

Amounts in €	Plots	Buildings	Mechanical Equipment	Vehicles & Transportation	Equipment Furniture & other Equipment	Tangible Assets Under Construction	Total
Book Value as at 31/12/2005	11,967,000	12,645,353	25,712,052	323,293	1,151,296	0	51,798,994

Insurance Policies

The company has signed the following insurance policies for 2005

(figures in €):

Buildings & Building Improvements, Machinery & Equipment	120,000,000
Computers	200,000
Automobiles – Cranes	4,309,000
Third Party	10,300,000
TOTAL	**134,809,000**

METKA's non-depreciated value of fixed assets (buildings, machinery, equipment, etc.) amounts to €51.80 million, of which €11.97 million concern land that cannot be insured. Consequently, the current amount of insurance policies is regarded as reasonable.

The above referred policies are effective for one year, they have been drafted legitimately and their terms are in line with applicable insurance practice.

5.3.2 Mechanical Equipment – Technical Installations

As of 31.12.2005, METKA's plant is situated on a 78,521 m^2 plot, of which 25,000 m^2 are covered production facilities.

- 24x240m room, designed for construction of items of up to 100 tons, equipped with four (4) bridge cranes of a lifting capacity of 60, 30, 15 and 10 tons respectively and an 8-meter-high hook.
- 20x240m room, equipped with five (5) bridge cranes with a lifting capacity of 20, 20, 10, 6 and 5 tons respectively and a 6 meter-high hook.
- 20x240m room, equipped with five (5) bridge cranes with a lifting capacity of 50, 20, 16, 6, and 5 tons respectively, featuring 7- and a 11-meter-high hooks.
- Fifteen (15) portal cranes with a lifting capacity of 2-16 tons.
- Seven (7) 5-ton pillar-mounted slewing cranes.

The plant has a 2,000 m2 open-air assembly area, serviced by a 70-ton portal crane.

A. Metal Construction Department Equipment

The Metal Constructions Department employs skilled technicians with extensive experience in high-technology industrial construction.

All welders are qualified to EN 287-1.

The department's equipment comprises current technology know-how and includes:

- Automatic welding machines UP 1200A, 1000A and 800A.
- Semi-automated welding machines 350A and 600A, rotating welding machines 400A, LINDE, MESSER GRIENSHEIM, KLOOS, SAF, ELIN, HOBART and ESAB.
- Automatic welding machine of box-type beams, 2000x2500 mm, KASTENTRAEGER, FRO type, with two welding power sources of 800A.

- ESAB arm type welding unit for internal and external pipe welding, up to a diameter of 5m, with two 1250A welding power sources. Maximum horizontal travel 5m, maximum vertical travel 5,5m.
- DEUMA automatic welding machine of double T type beams. Maximum beam width 1,600mm, maximum beam height 3,000mm. The unit has four (4) welding heads, two on each side of the beam, and power sources of 1250A.
- Welding center of circular crossbeams, DEUMA type, for diameters up to 7m, with a simultaneous operation of 4 automatic welding machines.

  This working center has:

  A. Special hydraulic system for distortion avoidance

  B. Four (4) welding sources 1200A and 1000A

  C. Automatic power warm-up system with continuous monitoring and recording.
- Assembly and welding center of circular metal structures, DEUMA type, for diameters up to 7m, with a simultaneous operation of 4 automatic welding machines for external and internal welding.

  This working center has:

  A. Special assembly system

  B. Four (4) welding sources 1200A and 1000A

  C. Automatic power warm-up system with continuous monitoring and recording.

  D. Rotating underpinning system (rollers), mobile and fixed, for weight up to 150 tons and length up to 20 meters.

B. Basic Machine-Works Equipment

FOREST-LINÉ, Majormill 500G

5-Axis CNC, Machining Center, Gantry type

FOREST-LINÉ, Modumill 300G

5-axis CNC Machining Center, Gantry type

MAUTEFER Vertical Lathe

with CNCFAGOR 8025T and two tool carriages
Max diameter of machining13,000 mm
Maximum height 4,500mm.
Maximum weight of work piece 200 tons.
Vertical travelling of 2,500 mm
Capacity 300 HP
Power 240 KW

KOLOMNA Vertical Lathe

With two tool carriages
Maximum diameter of machining 6,300mm.
Maximum height of machining 3,000mm
Horizontal travelling of tool carriage 3,200 mm
Vertical travelling 2,000mm
Maximum weight of work piece 125,000 kg.
Capacity 200 HP
Power 78 KW

WALDRICH Horizontal Lathe

With CNC SINUMERIC 810T
Maximum diameter of machining 3,300mm.
Maximum length of machining 10,000mm.
Maximum weight of work piece 50 tons.
Capacity 150 HP
Power 57, 5 HP

SCHARMAN-DOERRIES

With CNC SINUMERIK 880M, 5-axis
Machining center X-travelling: 10,000 mm
Y-travelling: 3,000 mm
Z-travelling: 800 mm
W-travelling: 700 mm
Automatic tool changer for 40 tools
Rotating table 3600
Power 90 KW

LOMBARMET Vertical Lathe

With CNCFAGOR 8025T and two tool carriages
Maximum diameter of machining 5,000mm.
Maximum height of machining 2,600mm.
Horizontal travelling of tool carriage 2,850mm.
Vertical travelling of tool carriage 1,600mm.
Maximum weight of work piece 63,000 kg.
Both tools vertical travel 2,310mm.
Capacity 106 HP
Power 78 KW

Twin BORING SKODA W 160

Pivot diameter 160mm. Work depth 1,600mm.
Work depth 1,600mm.
Work length with piles 19,000mm.
Head vertical travel 2,500mm.
A fitting plate is installed in front of the
machines with 75 HP capacity.

SCHIESS Gear Cutter RF 50/120

Maximum dia. in continuous cutting 6,700mm.
Maximum cutting travel per tooth 12,000mm.
Minimum dia. in continuous cutting 1,600 mm
Maximum module for steel 36.
Maximum module for casting 42.
Table maximum load 60 tons.
Tooth cutting width 2,000mm.

Sandblasting-Dye Works

For anti-rust protection of constructions, METKA has the following equipment/facilities:
Sandblasting system in covered space, width 8m, height 7m, length 16m, with dust abrasive mixture separator and no environmental pollution. Dye system in covered space, width 8m, height 7m, length 16m, with adjustable hydroscopic parameters, such as pressure, moisture and temperature safeguarding the quality of items. Both sandblasting and dying are connected with the main facilities of the plant through a 75-ton automatic system for moving/carrying steel items.

C. Mobile Equipment

- LIMA 7707 Crawler crane, with a lifting capacity of 273 tons, with a main boom of 94.5m and additional jib of 27.5m.
- DERRICK DWD 1800/1500 rail traveling crane, with a lifting capacity of 100 tons, main boom 92m and additional boom 40m.
- LIMA 75 C crawler crane capacity 68 tons, main boom 58m, additional 6m.
- LIMA 700 TC truck crane, capacity 68 tons, main boom 55m, additional jib 15m.
- 130-ton ALL TERRAIN DEMAG AC 435 telescopic crane.
- 120-ton ALL TERRAIN LIEBHERR LTM 1120 telescopic crane.
- 50-ton ROUGH TERRAIN LIEBHERR LTL 1050 telescopic crane.
- 55-ton ROUGH TERRAIN GROVE RT 755 telescopic crane.
- Two 21-ton truck cranes DAEWOO DTC-21-3.
- All terrain telescopic cranes DEMAG. Lifting capacity 40-120 tons. P&H hydraulic cranes, 18, 35, 40, 60 tons.
- 300-ton portal crane with adjustable span, height and movement in all directions. 120 welding machines.
- Ten annealing machines AEG / ELOTHERM 60 KW and 120 KW.
- Transportation means, air compressors, generators, winches, hydraulic lifting systems from 30 to 60 tons.

5.4 Investments

The company's largest investments are:

1999

- Acquisition of a 40% equity stake of EKME S. A., valued €6.76 million

2000

- Acquisition of a 12.94% equity stake of the Hellenic Vehicle Industry S.A. (ELVO), valued €3.79 million
- Acquisition of a 40% equity stake of TCB, valued €9.39 million
- Acquisition of a 40% equity stake in 3KP S.A., valued at €3.53 million
- Participation by 40% in EKME S.A.'s equity increase, against €2.77 million
- Acquisition of an 80% equity stake in RODAX, valued at €6.47 million

2001

- Participation in Hellenic Vehicle Industry's (ELVO S.A.) equity increase, against €2.13 million

2002

- Acquisition of a 60% equity stake of TCB S. A., valued €1.35 million
- Acquisition of a 20% equity stake of RODAX, valued €2.11 million

2005

- Acquisition of a 83.5% equity stake of ELEMKA S.A., valued at €3.5 million
- Participation by €817,000 in "MYTILINEOS – HELLENIC WIND POWER S.A." equity increase. METKA's participation in the above mentioned company , as the participation in "MYTILINEOS – POWER GENERATION AND SUPPLIES S.A.", were sold at 31/12/05, following decisions taken by the management for stock restructuring of "MYTILINEOS HOLDINGS S.A.".

5.5 Investment Policy

In recent years, METKA's investment plan pointed at participation in specialized companies with activities complementary to that of METKA S. A., at important plant and worksite equipment, and also at contracting professional engineers.

The above mentioned investments have brought significant benefits to the company, although not yet matured. Until this happens, no more large investments will be made to the above sectors.

5.6 Main Events in 2005

- New activities

For METKA S.A, 2005 has been a year of impressive success in all sectors of activity. The total assets of METKA's Group changed from €253.69 million (31.12.2004) into €266.63 million on 31.12.2005.

More specifically, the METKA Group was activated in the following sectors and undertook or continued from the previous fiscal years the following projects:

5.6.1 Energy Projects

- **SES Lavrio, Attika**

METKA succeeded in the relevant tender of the Public Power Corporation and undertook as an EPC Contractor the design, supply, transportation, installation and commissioning of Unit V, 377.66MW capacity, combined cycle, single axis, natural gas fired unit. The contract was signed on 2/1/2004. The total contract price of the project is €193,962,846. In parallel, a contract was signed which forsees the long-term maintenance of the gas-turbine, initially for 6 years, for an amount of €19.8 million. The Public Power Corporation has the right to extend the maintenance period for 6 more years, with a contract price of €18.9 million.

The contractor's obligation includes: design, engineering, manufacture, construction, supply, tests in the factories, transportation and storage in the area of the Project, assembly, installation, on-site tests, operation of the equipment, spare parts supply, supply of all required services (technical or other), as well as the design, engineering, and construction of the necessary Civil Engineering works and all necessary auxiliary premises, the demolition, dismantling and disposal of old constructions and equipment, the connection with the natural gas network of the Public Gas Supply Company, and also, the connection with the 400 kV Substation.

This very important project, of high and specialized demands and of short execution period, represents a challenge which METKA has confronted with its know how and the experience of an internationally competitive company.

First firing of the Unit V was made during February 2006, followed by commercial operation which started at the end of April 2006.

An amount of €121 million was invoiced within 2005.

Power and Thermal Co-generation Unit for «ALUMINUM OF GREECE» S.A.

METKA S.A. undertook the timely, workmanlike, complete, economical, and safe execution of the Co-generation Project of Aluminum de Grèce (ADG) which includes the Engineering, Supply, Transportation, Installation, and Putting into Operation of a Co-Generation natural gas fired Station of 316MW and 252 MWth power.

The contract was signed in July 2005. The Co-generation Station will cover the power and thermal (through steam) needs of the Aluminum and Alumina production plant at Aghios Nikolaos of Viotia.

More specifically, the above project, which will be executed in 28 months and has a budget of €179,900,000.00, includes the design, engineering, manufacture, fabrication, supply, tests, transportation, assembly, installation, supply of any required services (technical or other), the design and construction of the necessary Civil Engineering works, the connection to the natural gas network, and to the Electricity Transmission System through a 150kV sub-station.

The main parts of the project are:

- Two (2) Gas-turbines with their generators and auxiliary equipment
- Two (2) Heat Recovery Steam Generators with 4 stacks (detour stacks included).
- One (1) Steam-turbine with an in-between bleed-off, its generator and compressor, and all auxiliary items.
- One (1) double-fueled Boiler.
- Complete cooling, steam, water supply, condensate, production of de-ionized water, compressed air, chlorinating, fire-protection and sensing, and air-conditioning systems.
- One (1) Sub-station of 150kV, as well as the construction of the necessary buildings for installing the electrical equipment.
- System for the Automation and Monitoring of the Station's operation
- All necessary interconnections with the existing networks and installations.

An amount of €5.3 million was invoiced within 2005.

Construction of Gas-turbine units in Crete

Following an international tender by PPC, METKA was awarded the contract for the supply, installation and commissioning of two gas-turbine units of 27.95 MW each at SES Chania, in order to cover increased demands of electricity during peak times for the period 2003-2005. The contract with a total value of €32,341,000 was signed on 27/3/2003 and was extended by a contract supplement of value €4,949,971 for the installation of one of the two units at SES Linoperamata (instead of SES Chania).

In a relevant contract, the Public Power Company included the option of assigning to METKA the supply and installation of an additional gas-turbine unit, valued at €16,170,700. PPC informed METKA of its intention to proceed with this additional unit in February 2005. This Unit was installed in the Island of Rhodes and all work was completed by July 2005.

An amount of €3.8 million was invoiced within 2005.

- **Replacement of Electrostatic Precipitators at SES Megalopolis**

The project for the replacement of the existing Electrostatic Vapour filters of Unit III at SES Megalopolis continued during 2005. The value of the contract is €15,880,660. The project is being executed by METKA – ALSTOM POWER SWEDEN A.B. consortium, with participation percentages 69.3% and 30.7% respectively. The work started in March 2003 after signing the relevant contract with the Public Power Corporation, and concluded by March 2006, when the commercial operation of the last precipitator was initiated.

With the contract supplement numbers 1, 3 and 4, signed in February of 2004, May 2005 and September 2005 respectively, the total contract price was adjusted to €16,361.708.

The project concerns the replacement of the six Electrostatic Vapour Filters at the top of the boiler house of Unit III at SES Megalopolis, and includes the following: design, equipment manufacture, tests in the factories, supply, transportation and storage in the area of the Project, assembly, installation, on-site tests, operation of the equipment, gas distribution model test, dismantling and disposal of old equipment, spare parts supply, and also, provision of all required technical services related to the project.

The project is contributing to the reduction of the pollutant emissions and improvement of the environment of Central Peoloponese.

An amount of €3 million was invoiced within 2005.

- **Electrostatic Precipitators for SES Agios Demetrios**

Following an international tendering process by the Public Power Corporation, the consortium METKA - ALSTOM POWER SWEDEN A.B., undertook in September 2004 the project «Upgrading the existing electrostatic ash precipitators and addition of new ones on Units I, II, III, and IV of SES Agios Demetrios». The METKA-ALSTOM Group has already executed successfully a similar project, which concerned the supply, installation and operation of Electrostatic Precipitators on Units III and IV of SES Kardia.

The project - which is of contractual value €130,000,000.00, €88,994,868.00 of which concern METKA - includes the design, engineering, manufacture, supply, assembly, on-site installation and operation of all equipment (electrostatic precipitators, emission ducts, fly ash removal system, thermal emission recovery system, electrical equipment, control systems, etc.), as well as the study and construction of the necessary Civil Engineering works.

The project also includes the dismantling and relocation of the existing operating parts of the Plant which are in the area of installation of the new equipment, as well as the upgrading of the existing electrostatic precipitators and the supply of spare parts.

METKA has the leading role in the Group, participating with approx. 68.5%, and has undertaken, among others, the following responsibilities:

- representation of the Group towards the owner – that is, the Public Power Corporation
- design and construction of the necessary Civil Engineering works
- design and supply of the major part of the mechanical equipment which includes basic elements like the induced draft fans, etc.

- study, design, and supply of the electrical equipment and control systems
- installation of all equipment and putting into operation

The on-site works started in October 2004, by dismantling the existing equipment and by performing the necessary excavations. Unit II is currently out of operation and the works for interconnection of the new and existing equipment are in progress. It is anticipated that the works will be completed by 13/05/2006 at which time the unit will be put into operation again. For the other units the concrete works for the buildings are in progress and the mechanical works for Units I and III have started. Unit I is expected to be out of operation for the three month interconnection period in August, with Unit III to follow in December of 2006. Completion of the project is forseen in September 2007.

An amount of €31.3 million was invoiced during 2005.

5.6.2 Defence Projects

- **Armoured Submarine Hull**

This innovative project by the standards of Greek industry, with very demanding requirements, was completed in 2005, during which period all parts of third submarine were successfully delivered on time. An amount of €2.43 million was invoiced within 2005.

A contract has also been signed for an upgrade of the Neptune submarine. An amount of €115.000,00 was invoiced within 2005 for this project.

- **Co-production of LEOPARD 2-Hel Main Battle Tank**

A. The co-production, with KMW (Krauss Maffey Wegman), of 170 Leopard 2-Hel Armoured Vehicles for the Greek Armed Forces continued during 2005. The contract, valued at €125.36 million, is expected to ensure long-term work for the Volos Factory. Within 2005, a delivery of twenty-four (24) tank turrets and nine (9) hulls with their mechanical components was made on-time to the customer. An amount of €17.59 million was invoiced within 2005.

B. In the context of the above Program, a contract has also been signed with Rheinmetall Landsysteme company for the co-production of 12 collecting vehicles of the ARV Leopard 2-Hel. The contract value is €8.64 million. An amount of €6.94 million was invoiced within 2005.

C. Finally, in the context of the above Program, a contract has been signed with Rheinmetall Waffe Munition Company for a co-production of 170 armoured firearm stands for the Leopard 2-Hel tank. The value of the contract is €2.63 million and turnover for 2006 is anticipated to reach €284,000.

Other Projects

- **Volos Real Estate**

During 2005, the construction of a residential complex in a property on the beach front of Volos was continued. METKA purchased the property at €2.35 million after share capital increase.

During 2005 nine(9) apartments were sold with a total value of €1,732,529.00. The residential complex is expected to be finished by September 2006.

- **Various Projects**

Apart from the above mentioned projects, METKA executed during 2005 various other smaller projects, with a total turnover which surpassed €2 million.

6. Corporate Governance – Internal Audit

6.1 Board of Directors

Evangelos Mytilineos: Chairman (Non-executive Member)
Ioannis Mytilineos: Vice President & Managing Director
Georgios Pallas: Member & Deputy Managing Director
Nikolaos Bakirtzoglou: Member & General Manager
Georgios Ikonomu: Member
Iosif Avagianos: Member (Independent Non-Executive)
Ioannis Antoniadis: Member (Independent Non-Executive

6.2 Management

Filippos Zotos: Deputy General Manager of Administrative and Financial Services
Georgios Mammas: Head of Administrative and Financial Services
Sotiris Spyropoulos: Head of Projects Management Division
Christos Pantzikas: Head of Engineering Division
Dimitrios Poulakis: Head of Quality Division
Ekaterini Donta: Head of Plants Purchasing Division, Raw Material and Logistics Division
Alexandros Rigas: Head of Contracts, Cost audit, I. S. & M.I.S. Division
Alexandra Tsiomi: Head of Projects' Purchasing Division
Emma Benai: Head of Sales
Haris Hasapopoulos: Head of Projects' Maintenance Division
Spyridon Petratos: Chief Accountant
Georgios Ioannidis: Advisor to the Direction
Emilios Filippidis: Advisor to the Direction

6.3 Corporate Governance – Internal Audit

The company has adopted Corporate Governance Principles in line with those established by Greek legislation and by international best practices. These principles, on which the organization and management of the company are ultimately based, strive for transparency in investor relations and the indemnity of stakeholders' interest.

The Board of Directors of METKA S.A. is the trustee of its Group Corporate Governance Principles. It is comprised by 4 executive and 3 non-executive members. From the non-executive members, 2 satisfy the conditions set by law 3016/2002, and can be called "independent".

The Audit Committee is comprised by non-executive members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board. Its responsibilities are to ensure compliance with the rules of Corporate Governance, guarantee a proper operation of the Internal Audit System and supervise the works of the company's Internal Audit Department.

Internal Auditing is a basic and essential element of corporate governance. The Internal Audit Department of METKA

S.A. is an independent organizational unit that reports to the company's Board of Directors. Its responsibilities include the evaluation and improvement of risk management and internal auditing methodology. The unit also verifies compliance with legislated policies and with procedures set by the company's Internal Regulation of Operations, and the current legislation.

METKA S.A. has an Internal Audit Department since 26/11/2001. Head of the department as from October 2005 is Mr. Ioannis Theodoropoulos – Professional Electrical Engineer and an experienced manager in our company. The Head of Internal Audit has a full time employment relationship to our company.

6.4 Human Resources

METKA S.A. comprises carefully selected administrative personnel and technical staff.

The table below illustrates the allocation of personnel in the past three years.

The number of employees is analyzed in the following table:

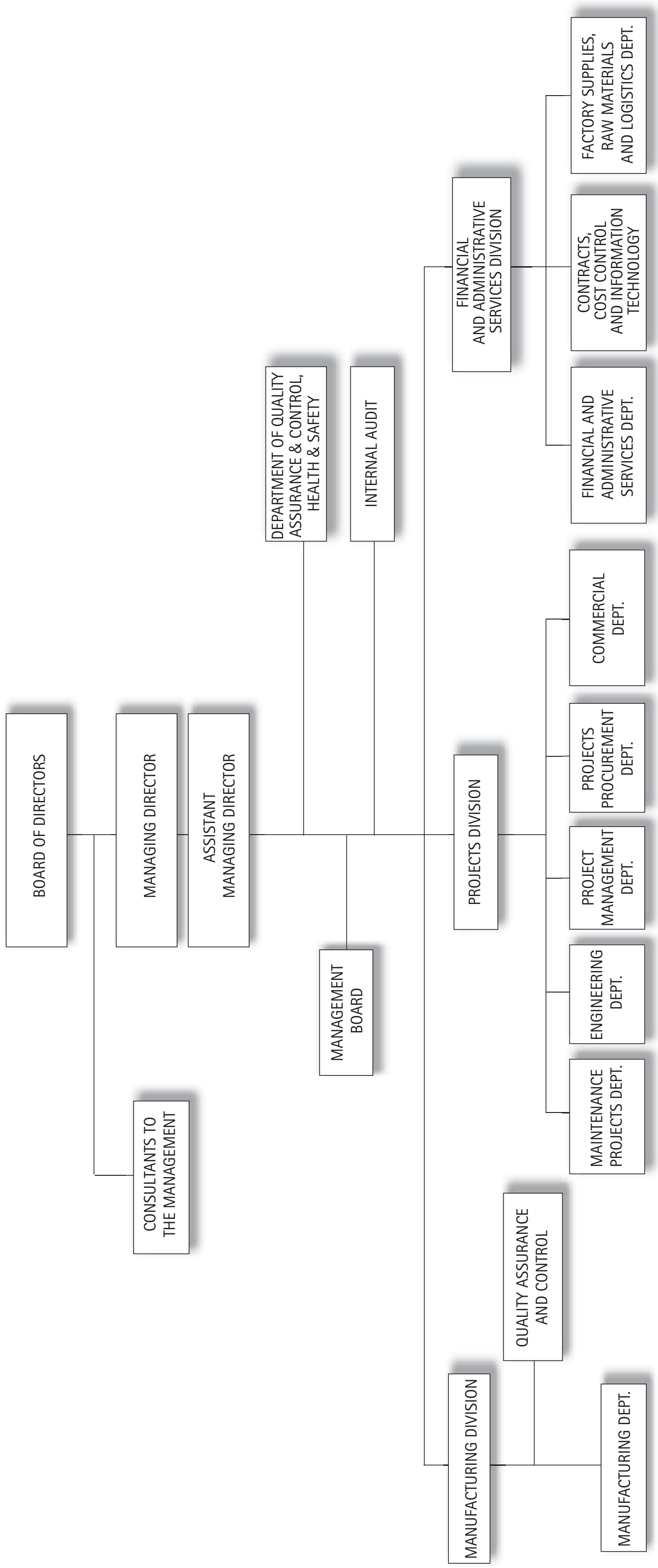
	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Full Time Employees	266	282	194	203
Part Time Employees	264	338	91	99
Total	**530**	**620**	**285**	**302**

EDUCATIONAL LEVEL	2005	2004
Higher Education – University	125	130
Higher Education – Technology Institutes	62	70
Secondary Education	231	348
Compulsory Education	112	72
TOTAL	**530**	**620**

METKA S. A. supports continuous personnel training, while providing additional insurance to its entire staff. Specifically, all employees are covered by a group insurance policy for life, accidents and health care. Insurance policies up to €35 th. per employee are signed with the insurance company ALICO. Relations between METKA's administration and employees are excellent.

The Group employs a total staff of 720.

6.5 Corporate Organization Chart



7. Information about the development of Shareholders Capital, the Equity – Book Value of Stock and the Shareholders of the Company

7.1 Development of Shareholder's Capital

Year	Date of General Meeting	Increase Amount (GRD)	Nominal shares (GRD)	Price of Share (GRD)	Equity after increase	Increase type	Govt. Gazette No.
1962	Incorporation	25,000,000	500	500	25,000,000	Cash	352/20.06.1962
1964	27.08.1964	15,000,000	500	500	40,000,000	Cash	
1966	05.02.1966	25,000,000	500	500	65,000,000	Cash	
1971	27.03.1971	(20,000,000)	500	500	45,000,000	Reduction of Shares	
1972	24.02.1972	21,400,000	500	500	66,400,000	Capitalisationof Capital Gains	
1973	30.08.1973	13,280,000	100	100	79,680,000	Nominal Value Reduction	1678/22.09.1973
1974	04.05.1974	23,904,003	100	100	103,584.00	Capitalisation of Reserves	1940/23.10.1974
1977	25.06.1977	22,892,064	111	111	126,476,064	Capital Gains & 1976 Profits	2434/16.07.1977
1977	05.11.1977	18,978,336	111	111	1,454.00	Cash	3328/16.11.1977
1982	22.10.1982	116,625,600	200	200	262,080,000	Capital Gains and Capitalisation of Reserves	4069/18.11.1982
1989	16.02.1989	183,456,000	200	200	445,536,003	Capital Gains and Capitalisation of Reserves	660/30.03.1989
1991	29.08.1991	163,466,000	200	200	609,002,000	Cash	3729/04.04.1991
1992	09.07.1992	121,800,400	240	240	730,802,400	Capital Gains and Capitalisation of Reserves	4534/16.09.1992
1993	17.06.1993	334,951,100	350	350	1,065,753,500	Capital Gains and Capitalisation of Reserves	4314/16.07.1993
1994	02.06.1994	279,121,500	350	350	1,344,875,000	Cash	2799/16.06.1994
1994	08.06.1994	403,462,500	350	350	1,748,337,500	Cash	2799/16.06.1994
1997	05.06.1997	1,498,575,000	500	500	3,246,912,500	Capital Gains and Capitalization of Reserves / Nominal Value Increase	4213/25.06.1997
1999	01.02.1999	100	100	100	3,246,912,500	Nominal Value Reduction	984/19.02.199
1999	12.07.1999	1,948,147,500	100	1,100	5,195,060,000	Cash	7035/30.08.99
2001	29.06.2001	469,633,424	100	109.04	5,664,693,424	Capital Gains and Capitalization of Reserves	6549/27.07.01

Year	Date of General Meeting	Increase Amount (€)	Nominal shares (€)	Price of Share (€)	Equity after increase	Increase type	Govt. Gazette No.
2005	23.05.2005	70,133,310	1.67	5.58	86,757,502	Share Capital Increase through Capitalization of Share Premium and Reserve Funds	6343/30.06.05
2005	20.09.2005	-70,133,310	0.67	7.54	16,624,192	Share Capital Decrease and Return to the Shareholders	10456/03.10.05

7.2 EQUITY – BOOK VALUE OF STOCK

Fair value reserves for the Company / Group are as follows:

Amounts in €	GROUP	COMPANY
Book Value as at 1st January 2004	**-**	**-**
Plus: Gains of revaluating the financial Assets available for sale	1,271,097	1,271,097
Book Value as at 31st December 2004	**1,271,097**	**1,271,097**
Minus: Transfer to P&L (amount that comes from the available for sale financial assets)	(1,271,097)	(1,271,097)
Book Value as at 31st December 2005	**0**	**0**

Other reserves for the Company / Group are as follows:

GROUP

Amounts in €	Legal Reserve	Special Reserve	Contigency Reserve	Tax exempt Reserves under special laws	Total
Balance at 1 January 2004, according to the previous accounting principles	3,391,457	826,575	9,340,385	10,257,029	23,815,446
minus: Adjustments to IFRS	(655,604)	0	(911,692)	(2,058,941)	(3,626,237)
Balance at 1 January 2004, according to IFRS	**2,735,853**	**826,575**	**8,428,693**	**8,198,088**	**20,189,209**
Adjustements during the year 2004					
- Formation of reserves due to profits of year 2003	655,604		911,692	1,675,784	3,243,081
Balance at 31 December 2004	**3,391,457**	**826,575**	**9,340,385**	**9,873,873**	**23,432,290**
Adjustements for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	829,281		142,155	3,747,972	4,719,409
- Increase of share capital by capitalization of reserves	0	0	(6,291,396)	(411,218)	(6,702,614)
- Taxes from the reserve distribution				(193,514)	(193,514)
Balance at 31 December 2005	**4,220,738**	**826,575**	**3,191,145**	**13,017,113**	**21,255,571**

COMPANY

Amounts in €	Legal Reserve	Special Reserve	Contigency Reserve	Tax exempt Reserves under special laws	Total
Balance at 1 January 2004, according to the previous accounting principles	2,895,373	826,575	6,254,368	10,774,476	20,750,793
minus: Adjustments to IFRS	(547,167)		(827,280)	(2,251,989)	(3,626,436)
Balance at 1 January 2004, according to IFRS	**2,348,206**	**826,575**	**5,427,088**	**8,522,488**	**17,124,356**
Adjustements during the year 2004					
- Formation of reserves due to profits of year 2003	547,167	0	827,280	1,516,380	2,890,828
Balance at 31 December 2004	**2,895,373**	**826,575**	**6,254,368**	**10,038,868**	**20,015,184**
Adjustements for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	661,780.48		37,027.25	3,176,579.44	3,875,387
- Increase of share capital by capitalization of reserves	-	-	(6,291,396)	(411,217.91)	(6,702,614)
- Taxes from the reserve distribution				(193,514.31)	(193,514)
Balance at 31 December 2005	**3,557,154**	**826,575**	**0**	**12,610,716**	**16,994,444**

The ordinary reserve was formed according to the L.2190/1920.

In the "tax exempt and other reserves under special provisions" are included tax-free discounts and other special law reserves.

(iv) Retained Earnings

	GROUP		COMPANY	
Amounts in €	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Intended Divident	15,585,180	10,390,120	15,585,180	10,390,120
Remaining Earnings	32,536,743	15,730,787	40,471,919	25,879,458
Total	**48,121,923**	**26,120,907**	**56,057,099**	**36,269,578**

The General Shareholders Meeting unanimously approved at 23/05/2005 the appropriation account for the fiscal year 2004 and the distribution of €10,390,120 out of the profit for the year 2004, wich represents a dividend of €0.20 per share.

It is suggested to from "Legal Reserves" amounting to €1,716,995 and also to distribute €15,585,180 as a dividend (€0,30 per share), out of the net profit of the year 2005 amounting to €34,339,900.

Book Value of Stock (figures in €)

Book Value of Stock	2005	2004	Change(+/-)
2005/2004	1.73	2.65	-0.35%

7.3 Shareholders

Based on data of 31.12.2005, the main shareholders of METKA are:

Shareholder	Number of Shares	%
MYTILINEOS HOLDINGS S.A.	26,599,540	51.20
MISCELANEOUS	25,351,060	48.80
TOTAL	**51,950,600**	**100**

The Company's shares are nominal and have a large spread of 34.08%. None of the shareholders not shown in the above table hold an interest of over 1.5%.

The following table shows the number of shares in the possession of the Directors and Managers of METKA S.A. on 31.12.2005:

NAME	NUMBER OF SHARES
Evangelos Mytilineos	3,311
Ioannis Mytilineos	241,968
Georgios Pallas	156,700
Nikolaos Bakirtzoglou	15,400
George Iconomu	19,000
Iosif Avagianos	20,000
Ioannis Antoniadis	160
Georgios Mammas	--
Fillipos Zotos	3,200
Sotiris Spyropoulos	--
Ekaterini Donta	21,000
Ioannis Theodoropoulos	640
Demetrios Poulakis	--
Christos Pantzikas	--
Georgios Ioannidis	--
Emilios Filipidis	--

No loans have been granted to the Directors and Managers of the Company.

8. Affiliated Companies

8.1 Affiliated Companies

The following table shows METKA's participation to the share capital of the affiliated companies, as well as the acquisition value and the net position on 31.12.2005.

	TOTAL SHARES	METKA'S SHARES	PARTICIPATION PERCENTAGE	ACQUISITION VALUE IN €	PARTICIPATION VALUE ON 31.12.2005 IN €
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	591,894	591,784	99.98%	3,518,835.30	9,352,739.95
GREEK VEHICLE COMPANY S.A. (ELVO)	373,560	48,344	12.94%	5,792,802.85	5,792,802.85
EKME S.A.	6,637,500	2,655,000	40%	9,577,782.66	7,879,633.77
3KP A.T.E.E.	16,000	6,400	40%	3,536,533.03	1,664,976.32
RODAX A.T.E.E.	34,293	34,293	100%	19,117,437.07	12,593,314.44
ELEMKA S.A	3,600	3,006	83.5%	3,507,000.00	1,677,370.47

SERVISTEEL S.A.

Participation: 99.98%.

SERVISTEEL S.A. has its headquarters in the Industrial Area of Volos. Its share capital on 31.12.2005 was €2,367,560.00. The company was founded in 1982 and operates in the Greek market of metal constructions. In 1989, METKA bought a 99.98% of its share capital. This was a strategic movement for METKA, given that SERVISTEEL was at that time the only steel treatment company in Greece.

The company's plant and offices are in the 1st Industrial Area of Volos. More specifically, SERVISTEEL is the only steel service center in Greece and deals exclusively with the first phase of a metal construction, namely the marking-cutting-treatment of metal sheets or sections.

The plant covers an area of 110,000m^2, 9,500m^2 of which is a fully covered production-office area and 35,000m^2 is an outdoor storehouse of raw material (metal sheets-sections). The storehouse area is covered by bridge cranes for immediate and easy transfer of raw material.

SERVISTEEL has made significant investments in facilities and equipment with the best of modern technology, and mainly in mechanical equipment for the first phase of the metal construction (marking-cutting-treatment).

Employees in the production department have at least 10 years of experience each.

The long experience combined with an integrated personnel training and the high accuracy of the automated machines, ensure both demanding tolerance standards and requirements and perfect quality of construction. Apart from the financial services department (Accounting-Computer processing-Personnel relations office), the plant is comprised of two basic departments which are directly related to the final product:

A. Department of cutting-treatment programming
B. Production department

The department of cutting-treatment programming employs specially trained staff and is equipped with three computer systems, each with its own peripherals which permit the marking and cutting-treatment programming of the steel sheets / profiles, through special programs and processes.

It is also possible to mark axes and points for the second phase of a metal construction – that is, the assembly.

In this way, the department of cutting-treatment programming ensures, on one hand the best possible quantitative and qualitative use of raw material (steel sheets – iron pieces) and, on the other hand, it facilitates the next stage of assembly, having done beforehand the appropriate marking.

It is worth mentioning that, in SERVISTEEL the marking of raw material is done electronically, while in almost all metal construction plants in Greece it is manually made. The automated marking offers high time-saving, resulting in better delivery times, better quality, and better raw material exploitation in a very competitive price.

BOARD OF DIRECTORS

PRESIDENT:	IOANNIS MYTILINEOS
VICE-PRESIDENT & GENERAL MANAGER:	GEORGE ICONOMU
MEMBER:	IOANNIS DESSIPRIS

The following table shows the company's financial results in the last two years:

SERVISTEEL (figures in €)	2004	2005
Receivables	1,963,456.46	2,276,221.72
Current Assets	2,301,216.66	2,575,741.91
Share Capital	2,367,560.00	2,367,560.00
Shareholders Equity	9,159,699.62	9,354,478.43
Short-term liabilities	319,892.26	370,476.95
Turnover	1,760,360.17	2,010,931.71
Gross profits	-23,166.33	185,896.88
Profits before taxes	-251,430.92	63,705.49
Profits after taxes & BOD fees	34,875.83	224,373.30

The management intends to disengage the company from the works it acquires mainly from METKA S. A. and transform it to the most up-to-date steel service center, exploiting the modern equipment, the know-how and the company's strategic geographic position in Central Greece.

3KP S.A.

Participation: 40%.

Based in Athens, 23 Kifissias avenue, Ambelokipi.

One of the most important construction companies in the energy sector specialized in constructing – erecting industrial and refinery units and parts of power plants.

Moreover, the company undertakes projects concerning metal constructions and piping works, electrical projects, etc.

METKA's participation in the Company is 40%, and was acquired for the amount of €3.53 million, funded by the company's share capital increase in December 1999.

This strategic movement offers synergies in constructing/erecting industrial and refinery parts, and power plants.

The company's prospects are favorable due to the upgrading in the Greek refineries. The energy market being liberalized, 3KP will participate in projects belonging to its area of specialization. The company stakes were assessed according to the provisions of article 28 of the tax book code (Presidential Act 186/1992) – that is, in the acquisition value. The shares have been fully paid.

There are neither third party receivables nor debts toward the company.

The Shareholders and Management are as follows:

SHAREHOLDERS

Shareholders	No. of shares	Share value (€)	Assessment
EMMANUEL PROUZOS	2,984	17	50,728
GEORGE KIKIS	2,984	17	50,728
GEORGE KONSTANTINOU	2,984	17	50,728
DEMETRIOS APOSTOLOU	648	17	11,016
METKA S. A.	6,400	17	108,800
TOTAL	**16,000**		**272,000**

BOARD OF DIRECTORS

PRESIDENT:	EMMANUEL PROUZOS
VICE-PRESIDENT:	GEORGE KONSTANTINOU
MANAGING DIRECTOR:	GEORGE KONSTANTINOU
MEMBERS:	GEORGE KIKIS
	STAMATIS GIANNAKOPOULOS
	GEORGE MAMMAS

The following table shows the company's financial results in the last two years:

3KP (amounts in €)	2004	2005
Receivables	4,755,867.07	3,190,485.46
Current Assets	7,000,889,92	5,260,622.83
Share Capital	272,000.00	272,000.00
Shareholders Equity	4,059,515.49	4,162,440.30
Short-term liabilities	3,575,532.19	1,727,275.79
Turnover	11,595,665.78	12,155,237.80
Gross profits	1,755,159.87	1,169,930.82
Profits before taxes	1,078,411.05	612,418.49
Profits after taxes & BOD fees	607,555.99	453,325.32

EKME S.A.

Participation: 40%.

Following a study of EKME's data by METKA's financial department, the Company proceeded to a 40% share acquisition valued at €9.59 million which was funded by METKA's share capital increase in December 1999.

EKME's facilities are in Thessaloniki and Kavala, and the company deals with designing and constructing units for petrochemical and power production plants.

More specifically, EKME S. A. specializes in the design and construction of fabricated steel items and in the production of equipment such as tanks, boilers, pressure vessels, distillation towers, heat exchangers, etc.

The main clients are Hellenic Petroleum, EKO-ELDA, the Public Power Corporation, Motor Oil, TITAN, P.F.I., Kavala Oil, JET-OIL, VESTAS, Aluminium de Grèce, Bitoumina.

During 2005 the company's turnover saw a decrease, which was anticipated due to the particularly high turnover in 2004, and also due to more general difficulties in the post 2004 construction market. Sales and profits figures are considered as satisfactory and confirm the strong customer base during a period of strong competition and with a limited number of projects. The company continued to increase participation in energy projects from renewable or other sources, a field which is expected to provide strong activity in the years to come.

The company stakes were assessed according to the provisions of article 28 of the tax book code (Presidential Act 186/1992) – that is, in the acquisition value. The shares have been fully paid.

The Shareholders and Management are as follows:

SHAREHOLDERS

Shareholders	No. of shares	Share value (€)	Assessment
VASSILEIOS KARIOTIS	3,900,560	1.20	4,680,672
GEORGE VRYZAS	145,400	1.20	174,480
IOANNIS KARIOTIS	171,140	1.20	205,368
DEMETRIOS GERODIMOU	145,400	1.20	174,480
METKA S. A.	2,908,000	1.20	3,489,600
TOTAL	**7,270,500**		**8,724,600**

BOARD OF DIRECTORS

PRESIDENT:	IOANNIS KARIOTIS
VICE-PRESIDENT:	GEORGE VRYZAS
MANAGING DIRECTOR:	VASSILEIOS KARIOTIS
MEMBERS:	ANASTASIOS TENEKENTZIS
	GEORGE PANTAZIS
	GEORGE MAMMAS
	DEMETRIOS DIMITRIADIS

The following table shows the company's financial results in the last two years:

EKME (amounts in €)	2004	2005
Receivables	11,800,311.95	7,781,456.00
Current Assets	18,485,680.95	16,934,643.63
Share Capital	7,965,000.00	8,724,000.00
Shareholders Equity	18,369,570.09	19,699,084.43
Short-term liabilities	5,817,010.87	2,888,525.31
Turnover	20,449,366.00	14,445,623.92
Gross profits	2,972,033.91	2,950,273.30
Profits before taxes	2,590,938.54	2,350,980.67
Profits after taxes & BOD fees	1,957,987.38	1,727,643.22

RODAX S.A.

Participation: 100%.

RODAX is a technical company operating in the area of electromechanical projects. The Company undertook and successfully executed various projects in Greece, mainly for the Public Power Corporation. RODAX co-operated with all major companies of the sector, in Greece and abroad, such as METKA S.A., UCC FLACT, CLYDE BERGEMANN, SIEMENS, ANSALDO, ABB, ALSTOM, KONCAR, GROUPE SCHNEIDER, etc.

RODAX, following the developments in the construction sector, specializes in electrical design and is capable of fully executing electrical works (design, supply, construction, erection and commissioning) either on its own or as METKA's sub-contractor.

The progress of RODAX during the present period was very satisfactory, achieving an excellent level of co-operation with the parent company, METKA.

RODAX continued, during 2005, the execution of the following projects:

- Design, supply, erection and putting into operation of electrical and I & C equipment, as well as the erection of mechanical equipment and the execution of Civil Engineer works, for the PPC project "Design, Supply, Transportation, Installation and Commissioning of the natural gas fired Unit V of SES Lavrion, of 377.66MW, combined cycle, single axis"
- Design, supply, erection and commissioning of electrical equipment for the PPC project "Electrostatic Lignite Filters for Unit III of SES Megalopolis"
- Design, supply, erection and putting into operation of electrical equipment for the PPC project "Upgrading of the old and addition of new Electrostatic Ash Filters in Units I, II, III and IV of SES Aghios Demetrios"
- Design, supply, erection and putting into operation of electrical equipment, as well as erection of mechanical equipment and execution of Civil Engineer works, at SES Chania and SES Linoperamata, for the project "Supply and installation of two gas-turbine units, 27.95 MW each, in order to cover increased demands of electricity during peak times for the period 2003-2005"
- Design, supply and engineering of electrical equipment for the project "Supply and Installation of a new gas-turbine Units of 27.95 MW at SES Rhodos, in order to cover increased demands of electricity during peak times for the period 2003-2005"
- Design, supply, erection and putting into operation of the electrical equipment for the PPC's project "Upgrading of the old and addition of new Electrostatic Ash Filters in Units III and IV of SES Kardia"

- Installation of electromechanical equipment at the pedestrian bridge, which facilitates access to the Katehaki Metro Station over Mesogeion Avenue, designed by Sandiago Calatrava

During 2005, RODAX started the execution of the following projects:

- a) Erection and putting into operation of mechanical equipment, b) design, supply and putting into operation of electrical and control equipment, c) execution of Civil Engineering works of A, B and C for the construction of the Power and Thermal Co-generation Unit for Aluminium de Grèce S.A. (ADG)
- Execution of Civil Engineering works for the project of ADG "Foundation and other civil works for the Filter press of bauxite mud processing unit in the installations of ADG at Aghios Nikolaos area".
- Engineering, procurement and putting into operation of the control and supervisory system for the Fly Ash Handling System of the New ESPs of Units I, II, III & IV of the Aghios Dimitrios S.E.S. under the order of the company CLYDE BERGEMANN (England)
- Engineering, procurement and putting into operation of the Sootblower control and supervisory system for the New ESPs of Units I, II, III & IV of the Aghios Dimitrios S.E.S. under the order of the company CLYDE BERGEMANN (Germany)

The company will distribute dividends for the current fiscal year amounting at €4,301,330.90.

There are neither third party receivables nor debts toward the company.

BOARD OF DIRECTORS

PRESIDENT & MANAGING DIRECTOR:	DIONYSSIA PALLA
VICE-PRESIDENT:	GEORGE PALLAS
MEMBER:	GEORGE MAMMAS

The following table shows the company's financial results in the last two years:

RODAX (amounts in €)	2004	2005
Receivables	18,829,339.37	21,386,388.60
Current Assets	19,029,177.93	21,857,136.40
Share Capital	1,028,790.00	1,028,790.00
Shareholders Equity	10,664,694.87	12,593,314.43
Short-term liabilities	8,929,458.47	10,278,204.55
Turnover	27,263,061.86	41,549,467.06
Gross profits	5,145,157.41	4,478,548.81
Profits before taxes	3,920,232.64	3,025,593.05
Profits after taxes & BOD fees	2,516,434.31	1,928,619.56

GREEK VEHICLE INDUSTRY (ELVO) S.A.

Participation: 12.94%.

METKA's participation in ELVO S.A., valued €5.80 million, was sold on 04/01/2006 to "MYTILINEOS HOLDINGS S.A.".

ELVO is situated in the Industrial Area of Thessaloniki, at Sindos, 3km away from the 15th kilometer of the National Road Thessaloniki-Athens. ELVO's land at Sindos covers an area of 270,000m2, and the covered area of the plant and the offices occupies 60,000m2.

It was established in 1972 as Stayer Hellas S.A. with a share capital of US$10.2 million, aiming to produce and sell:

- Agricultural tractors
- Trucks
- Bikes
- Fixed engines

In 1986, following a share capital increase and transfer of the Austrian stake to the Greek State, the company was renamed Hellenic Vehicle Industry S.A. (ELVO).

On August 29th, 2000, Mytilineos Holdings S.A. and its subsidiary METKA acquired a 43% of ELVO, namely 5% from the Greek State, 13.29% from the General Bank, and 5.85% from the Hellenic Airforce Share Fund (through a contract, the Group undertook also the company's management)

The mechanical equipment is modern, compared to international standards, and unique for Greece: CNC machines combined with a CAD-CAM system, and LASER cutting presses which are the latest technological developments.

ELVO's know-how for the production of vehicles has been acquired through a co-operation with major foreign companies such as SNF, MERCEDES, SCANIA, NEOPLAN, MAN, etc. Production is supported by the quality control department, and is certified according to ISO 9001:2000.

The employees are specialized technicians with long experience, and managers with the necessary knowledge for producing vehicles in co-operation with the above mentioned companies.

ELVO employs a staff of 774:

Workers-technicians:	520
Managerial staff:	252 (75 of which are scientific staff)
Students:	20

ELVO produces the following civil and military vehicle categories: Trucks (Ladder trucks for the fire department, Garbage trucks and Tanker trucks), Buses (Urban, Long-distance, Electric, Tourist Coaches and Military vehicles for staff transport, Armored vehicles (For staff transport and Infantry Fighting Vehicles), as well as 4x4 Jeeps and major parts for all the above vehicles.

ELVO has a great strategic importance for Thessaloniki, due to the following reasons:

- Ensures know-how transfer from abroad and achieves high Greek Value Added.
- Offers constant income for the employees of the company.
- Supports the local sub-manufacturers and suppliers which in turn acquire the know-how and employ hundreds of employees.

ELVO's partial acquisition is considered as an important and strategic movement which strengthens the Group's position in the defence sector, thus giving a prominent and complementary operation to the Group apart from the energy and metallurgy sectors.

The current shareholders of the company are:

SHAREHOLDERS – ELVO S.A.

	NUMBER OF SHARES	PERCENTAGE (%)
GREEK STATE (Ministry of Finance)	131,473	51.00
MYTILINEOS HOLDINGS S.A.	58,083	22.53
METKA S.A.	33,359	12.94
GENERAL DEFENSE MATERIAL INDUSTRY S.A.	19,407	7.53
I. LAINOPOULOS	15,468	6.00
TOTAL	**257,790**	**100.00**

BOARD OF DIRECTORS

PRESIDENT:	ATHANASSIOS GALINOS
1st VICE PRESIDENT:	VASILEIOS GIANNAKOPOULOS
2nd VICE PRESIDENT:	EVANGELOS MYTILINEOS
MEMBER:	EVANGELOS CHRISAFIS
MEMBER:	FOTIOS SPYRAKOS
MEMBER:	DEMETRIOS GAGALIS
MEMBER:	ELIAS PERPERIDIS
MEMBER:	NIKOLAOS PAPADOPOULOS
MEMBER:	ELENI VASILEIADOU

ELEMKA S.A.

Participation: 83.5%

METKA acquired 83.5% of the non listed ELEMKA S.A. from "MYTILINEOS HOLDINGS S.A." on 31/12/2005 for the amount of €3.5 million, within the context of the restructuring of the Group's companies. ELEMKA S.A. was consolidated with the method of full consolidation.

Athens-based ELEMKA S.A. (41-45, Marinou Antipa street, N. Iraklio of Attika) was established in 1990. The company has a branch in Thessaloniki and hires storehouses in Thessaloniki and Aspropyrgos of Attika. Its goals, based on article 3 of its statutes, are:

- study and construction of technical works, buildings of any kind, public or private, in any relationship, fee or subcontract
- buying, selling, and exploiting real estate,
- hotel and tourist business activity, construction, leasing, exploitation of tourist facilities and any relevant activity
- trade, import, export, and representation of items relevant to the above goals, as well as agricultural, stockbreeding and piscatory, industrial or small industry products.

In order to attain its goals, the company may participate, directly or indirectly, in businesses pursuing similar goals, of any company type, to establish branches, agencies or offices wherever its Board of Directors decides, and cooperate with any natural person or legal entity in order to promote its company objectives, to represent any business, native or foreign, having a similar objective, for its own account or for a third party's account, in exchange for a commission or a percentage of the profits, as well as to supply guaranties in favor of third party natural persons or legal entities with which it has transactions, as limited by law 2190/20.

Its primary focus, as a subcontractor, is providing specialized know-how for construction projects such as lake-reservoirs on Aegean islands, using new forms of geosynthetic insulating materials. The company also conducts pilot and research projects such as the pilot tank of anaerobic soil processing for the Agricultural Research Institute of the Ministry of Agriculture in Thessaloniki. It has completed a study on the effectiveness of bioactive stabilizing systems in Thrace, and a project to determine the best method to upgrade the upper Chalastra Crossing in Thessaloniki. ELEMKA also trades in advanced-technology materials for complex construction projects. These materials include bridge bearings and contraction and expansion joints.

The company utilizes the technology of seismic insulation seats in road construction projects and is a pioneer in the application of sound hops and applications for the safety of high slopes in speedways.

The company employs a staff of 55 people.

Its founding capital was €105,649.30. On the 28/6/2002 the BOD decided to increase the company's share capital by €10.70 through cash deposit and increase the share's face value to €29.35. Thus, today the company's share capital comes up to €105,660.00, divided into 3,600 innominate shares with a face value of €29.35 each.

The company's share allocation is as follows:

SHARE ALLOCATION – ELEMKA S.A.

SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE (%)
METKA S.A.	3,006	83.50
CHRISTOFILAKOS PANAGIOTIS	540	15.00
PASHALIS KIROU	54	1.50
TOTAL	**3,600**	**100.00**

BOARD OF DIRECTORS – ELEMKA S.A.

PRESIDENT AND MANAGING DIRECTOR:	GEORGE KONTOUZOGLOU
VICE-PRESIDENT AND EXECUTIVE DIRECTOR:	PANAGIOTIS CHRISTOFILAKOS
MEMBERS:	SOTIRIS RAPTOPOULOS
	NIKOLAOS MOUSAS
	IOANNIS MYTILINEOS
	(SON OF ANDREW)
	ANESTIS HATZIPANAGIOTIDIS
	CHRISTOS GAVALAS

8.2 Intercompany Transactions

Related party transactions (Purchases - Sales) 31/12/2005

BUYING COMPANY		METKA S.A. (Trade)	MYTILINEOS S.A.	RODAX S.A.	EKME S.A.	3 KP S.A.	SERVISTEEL S.A.	ELVO S.A.	STALKO	STANMED	EUR. ANTIPROSOPEIES METALLON	ALUMINIUM DE GRECE	MYTILINEOS POWER GENERATION AND SUPPLIES S.A.	TOTAL
METKA S.A. (Trade)	-				2,725	2,205	2,036	87,664	416		15,453	15,057,008		15,167,506
METKA S.A. (Loan)	-									346,731				346,731
MYTILINEOS S.A.	Parent Company	1,243,794	209,941											1,453,736
RODAX S.A.	Subsidiary	40,429,664												40,429,664
EKME S.A.	Subsidiary	237,433	21,068	1,321,071										1,579,572
3 KP S.A.	Subsidiary			104,041										104,041
SERVISTEEL S.A.	Subsidiary	1,971,601						8,887	9,077				19,768	2,009,333
ELVO S.A.	Affiliated	151,291												151,291
STALKO	Affiliated	37,548												37,548
ELEMKA	Company of Mytilineos Group of Companies	-5,177												-5,177
TOTAL		44,066,154,18	21,068	1,635,054	2,725	2,205	2,036	96,551	9,493	346,731	15,453	15,057,008	19,768	

Related party transactions (Purchases – Sales) 31/12/2004

BUYING COMPANY		METKA S.A. (Trade)	METKA S.A. (Loan)	MYTILINEOS S.A.	RODAX S.A.	EKME S.A. -	3 KP S.A.	SERVISTEEL S.A.	ELVO S.A.	STALKO	ELEMKA	STANMED	MYTILINEOS POWER GENERATION AND SUPPLIES S.A.	TOTAL
METKA S.A. (Trade)	-			1,006,271	7,975		56,660	22,069			1,315		7,671	1,101,962
METKA S.A. (Loan)	-											349,386		349,386
MYTILINEOS S.A.	Parent Company	124,797			103,960									228,757
RODAX S.A.	Subsidiary	26,380,083												26,380,083
EKME S.A.	Subsidiary	25,415		17,205										42,620
3 KP S.A.	Subsidiary	60,000												60,000
SERVISTEEL S.A.	Subsidiary	1,570,161							10,453	4,543			15,954	1,601,111
ELVO S.A.	Affiliated													0
STALKO	Affiliated													0
ELEMKA	Company of Mytilineos Group of Companies	384,935												384,935
TOTAL		28,545,390,80	0	1,023,476	111,935	0	56,660	22,069	10,453	4,543	1,315	349,386	23,625	

Intercompany Receivables – Debts 31/12/2005

		DEBTS METKA S.A. (Trade)	MYTILINEOS S.A.	RODAX S.A.	EKME S.A.	SERVISTEEL S.A.	ELVO S.A.	STALKO	EUR. ANTIPROSOPEIES METALLON	MYTILINEOS POWER GENERATION AND SUPPLIES	TOTAL
METKA S.A. (Trade)	-		1,322,220		3,243	2,423	104,320	490,88	44,309	0	1,477,006
METKA S.A. (Loan)	-										0
MYTILINEO S.A.	Parent Company	536,560									536,560
RODAX S.A.	Subsidiary	20,479,696									20,479,696
EKME S.A.	Subsidiary	70,499		716,460							786,959
3 KP S.A.	Subsidiary			5,202							5,202
SERVISTEEL S.A.	Subsidiary	2,143,632					1,626	307		41,631	2,187,196
ELVO S.A.	Affiliated	46,795									46,795
STALKO	Affiliated	41,788									41,788
ELEMKA	Subsidiary	736									736
ALUMINUM DE GRECE	Company of Mytilineos Group of Companies	29,135,247									**29,135,247**
TOTAL		**52,454,953**	**1,322,220**	**721,662**	**3,243**	**2,423**	**105,946**	**798**	**44,309**	**41,631**	

Intercompany Receivables – Debts 31/12/2004

		DEBTS METKA S.A. (Trade)	MYTILINEOS S.A.	RODAX S.A.	3 KP S.A.	ELVO S.A..	STALKO	ELEMKA	STANMED	RDA	MYTILINEOSΣ POWER GENERATION AND SUPPLIES	TOTAL
METKA S.A. (Trade)	-				12,107			13,255		2,915,403	4,158	2,944,923
METKA S.A. (Loan)	-								8,300,000			8,300,000
MYTILINEOS S.A.	Parent Company	38,626		103,960								142,586
RODAX S.A.	Subsidiary	16.836.456										16.836.456
EKME S.A.	Subsidiary	72,011	14,313									86,323
3 KP S.A.	Subsidiary	32,003										32,003
SERVISTEEL S.A.	Subsidiary	1,836,087				4,655	21,804				33,106	1,895,651
ELEMKA	Company of Mytilineos Group of Companies	18,963										18,963
TOTAL		**18,834,145,68**	**14,313**	**103,960**	**12,107**	**4,655**	**21,804**	**13,255**	**8,300,000**	**2,915,403**	**37,265**	

9. Share Price movement and Dividend Policy

9.1 Profits per Share

The basic earnings per share (in euro cents) are as follows:

	GROUP		COMPANY	
Amounts in €	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Profit before income tax	52,678,753	29,290,199	46,593,879	22,145,327
Income Tax Expense	(13,972,715)	(7,994,779)	(12,253,979)	(5,773,481)
Profit for the Period (1)	**38,706,038**	**21,295,420**	**34,339,900**	**16,371,846**
Attributable to:				
Equity holders of the parent (2)	37,397,417	19,756,088		
Minority Interests	1,308,621	1,539,332		
	38,706,038	**21,295,420**		
Weighted average number of shares (3)	**51,950,600**	**51,950,600**	**51,950,600**	**51,950,600**
Basic earnings per Share (in cent /share)	**(2)/(3): 71.99**	**(2)/(3): 38.03**	**(1)/(3): 66.1**	**(1)/(3): 31.51**

9.2 Stock Price Movement

The summarized statistical data regarding the share price movement during 1999 -2005 are shown in the following tables.

1999

Average Price	4,331	GRD
Minimum Price	2,065	GRD
Maximum Price	7,738	GRD
Average Daily Trading Volume	296,118	pieces
Net Dividend per Share	20	GRD
% on Average Price	0.46	%

2000

Average Price	3,782	GRD
Minimum Price	1,915	GRD
Maximum Price	6,805	GRD
Average Daily Trading Volume	164,747	pieces
Net dividend per Share	30	GRD
% on Average Price	0.79	%

2001

Average Price	6.71	€
Minimum Price	3.98	€
Maximum Price	9.92	€
Average Daily Trading Volume	137,769	pieces
Net dividend per Share	0.10	€
% on Average Price	1.49	%

2002

Average Price	4.33	€
Minimum Price	2.86	€
Maximum Price	5.40	€
Average Daily Trading Volume	36,122	pieces
Net dividend per Share	0.16	€
% on Average Price	3.70	%

2003

Average Price	3.79	€
Minimum Price	2.58	€
Maximum Price	5.10	€
Average Daily Trading Volume	47,855	pieces
Net dividend per Share	0.16	€
% on Average Price	4.22	%

2004

Average Price	4.51	€
Minimum Price	3.56	€
Maximum Price	6.02	€
Average Daily Trading Volume	51,142	pieces
Net dividend per Share	0.20	€
% on Average Price	4.43	%

2005

Average Price	6.41	€
Minimum Price	4.34	€
Maximum Price	9.28	€
Average Daily Trading Volume	178,550	pieces
Net dividend per Share	0.30	€
% on Average Price	4.68	%

9.3 Dividend Policy

The dividend policy followed by the company in the last two years is presented in the following table:

DIVIDEND POLICY

(in ths €)	2004	2005
Profit After Taxes	16,371.85	34,339.90
Total Dividend	10,390.12	15,585.18
% on Profit	63.4%	45.4%

For the fiscal year 2005 the company distributed €0.30 per share. The Company's policy is to pay dividend that corresponds to at least 35% of the profits of distribution.

10. Long-Term Goals and Prospects

Assuming the leading position in the Greek market of energy and environmental projects, METKA is evaluating adequate way to expand abroad.

The company's management is trying to combine expansion abroad along with an industrial and strategic alliance with a multinational renowned firm in the sector of energy and technology.

The positive results and the prospects for further development will also characterize the new year.

More specifically, in 2006 we expect momentous development in all areas of our activity:

- In Energy: through the construction of the "Cogeneration Plant" for "Aluminum of Greece", the continuation of the project in SES Ag Dimitrios regarding the upgrading of the existing electrostatic precipitators, the completion of the major project in Lavrio, and the continuous assessment for strategic alliances with a view to expansion in new markets.
- In Defence: through the continuation of the Leopard Tank project.
- In Infrastructure: through the continuous activation in smaller but important projects where the Group has remarkable experience and expertise.

All the above are goals that make part of our strategic planning towards a continuous promotion and development of synergies among the group companies, as well as our expansion in new markets.

11. Financial Statements for the year ended the 31st of December 2005

It is certified that the financial statements published hereby, are those that were approved by the Board of Directors of "Metal Constructions of Greece S.A." at 20/02/2006 and are disclosed to the Athens Stock Exchange, the Hellenic Capital Market Committee and the company website www.metka.gr. It is noted that the published financial data aim at giving certain financial information to the readers but they do not fully depict the financial position and the results of the Company and the Group, according to the IFRS. It is also worth noting that there have been some rearrangements of certain accounts with the intention to simplify the published in press financial statements.

Evangelos Mytilineos
President of the Board
METAL CONSTRUCTIONS S.A.

11.1 Management Report

Ladies and Gentlemen Shareholders,

Although 2005 was a year of post-Olympic recession for the construction sector, METKA Group achieved its most impressive results, in all aspects, since its establishment.

The project mix of the Group during the year, in all areas of activity (Energy, Defense, Infrastructure), ensured high levels of profitability, while at the same time strengthened its Cash position allowing a Capital return of €70m (€1.35/share) to the shareholders of METKA S.A. in October 2005. It is worth noting that after this capital return the company remained debt free.

Our positive course and the success of our strategic planning were clearly reflected in our financial results of 2005. This fiscal year was an excellent one for the Group that increased its turnover by 29%, its EBITDA by 58% and its profit after Tax and minorities by 89% compared to 2004.

Prospects for the forthcoming year (2006)

The positive results and the prospects for further development will also characterize the new year.

More specifically, in 2006 we expect momentous development in all areas of our activity:

- In energy: through the construction of the "Cogeneration Plant" for "Aluminum of Greece", the continuation of the project in SES Ag Dimitrios regarding the upgrading of the existing electrostatic precipitators, the completion of the major project in Lavrio, and the continuous assessment for strategic alliances with a view to expansion in new markets.
- In Defense: through the continuation of the Leopard Tank project.
- In Infrastructure: through the continuous activation in smaller but important projects where the Group has remarkable experience and expertise.

All the above are goals that make part of our strategic planning towards a continuous promotion and development of synergies among the group companies, as well as our expansion in new markets.

Ladies and Gentlemen shareholders, during 2005 MYTILINEOS GROUP increase its dynamics through its strategic choices, promoted its presence in the energy, defence and infrastructure projects.

Finally, both the significant financial performance of the Group for 2005 and the positive prospects for the forthcoming year of 2006 were reflected also in the share price that increased by 42,13% during the year (2005 average price: €6.41 versus €4.51 for 2004) .

Factors of added value and performance evaluation

The group monitors its performance through the analysis of three (3) sectors of activity:

(1) The Energy projects Sector, where the projects of construction or/and maintenance of Thermoelectric and Hydroelectric Power Plants are classified.

(2) The Defense projects Sector, where the projects of metallic constructions for defense systems, carried at Volos factory, are classified and

(3) The Infrastructure projects Sector, where all other projects not qualifying for any of the above categories are

classified.

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary corrective actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

- ROCE (Return on Capital Employed): this ratio divides EBIT with the total Capital Employed if the Group which is the sum of Equity, Total of Bank Loans and Long Term Provisions.
- ROE (Return on Equity): this ratio divides Earning After Tax (EAT) with the Group's Shareholders' Equity.
- EVA (Economic Value Added): this figure is calculated by multiplying the difference of ROCE and Cost of Capital with the Capital Employed as defined above and reflects the amount added to the economic value of the firm. In order to calculate the Cost of Capital the group uses the WACC formula.

The above indicators for 2005 as compare to 2004 are as follows:

KPI	2005	2004
ROCE	42%	18%
ROE	38%	15%
EVA (in '000€)	37,938	8,640

Corporate Governance

The company has adopted Corporate Governance Principles in line with those established by Greek legislation and by international best practices. These principles, on which the organization and management of the company are ultimately based, strive for transparency in investor relations and the indemnity of stakeholders' interest.

The Board of Directors of METKA S.A. is the trustee of its Group Corporate Governance Principles. It is comprised by 4 executive and 3 non-executive members. From the non-executive members, 2 satisfy the conditions set by law 3016/2002, and can be called "independent".

The Audit Committee is comprised by non-executive members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board. Its responsibilities are to ensure compliance with the rules of Corporate Governance, guarantee a proper operation of the Internal Audit System and supervise the works of the company's Internal Audit Department.

Internal Auditing is a basic and essential element of corporate governance. The Internal Audit Department of METKA S.A. is an independent organizational unit that reports to the company's Board of Directors. Its responsibilities include the evaluation and improvement of risk management and internal auditing methodology. The unit also verifies compliance with legislated policies and with procedures set by the company's Internal Regulation of Operations, and the current legislation.

METKA S.A. has an Internal Audit Department since 26/11/2001. Head of the department as from October 2005 is Mr. Ioannis Theodoropoulos – Professional Electrical Engineer and an experienced manager in our company. The Head of Internal Audit has a full time employment relationship to our company.

Dividend Policy

Regarding the distribution of dividends the Board Of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, proposes the distribution of dividends of 0.30€/share as opposed to 0.20€/share in 2004. This proposed dividend is subject to the approval of the General Assembly.

The Vice-President and Managing Director

Ioannis Mytilineos

11.2 Auditors' Report with Unqualified Opinion

To the Shareholders of «METAL CONSTRUCTIONS OF GREECE A.E.»

We have audited the accompanying financial statements as well as the consolidated financial statements of METAL CONSTRUCTIONS OF GREECE A.E, as of and for the year ended 31 December 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the holding company), as of 31 December 2005, and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity, for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements

Athens, 20 February 2006

The Certified Public Accountant

George N. Deligiannis
A.M. S.O.E.L. 15791

Grant Thornton
Vassileos Konstantinou 44
116 35 Athens
A.M. S.O.E.L. 127

11.3 Balance sheet

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
ASSETS				
Non Current Assets				
Property, plant and equipment	69,656,807	70,844,527	51,798,994	52,662,938
Goodwill	1,829,630	0	0	0
Intangible assets	9,309,316	10,003,867	9,291,770	9,980,000
Investments in Subsidiaries	0	0	38,671,777	35,164,028
Investments in Associates	0	143,214	0	505,140
Deffered Tax Asset	1,391,383	878,316	624,366	435,969
Available for sale financial assets	6,159,684	12,477,783	5,917,934	12,236,033
Other non-current assets	2,185,738	3,319,967	2,065,409	3,225,827
	90,532,558	**97,667,674**	**108,370,250**	**114,209,935**
Current Assets				
Inventories	30,314,526	13,215,754	28,696,653	12,857,399
Trade and other reveivables	113,474,949	111,114,676	100,222,944	94,350,592
Other Receivables	8,743,680	10,412,377	7,114,742	8,696,150
Other Current Assets	1,712,778	7,772,214	1,666,499	7,757,395
Financial Assets at fair value through profit or loss	2,027,729	4,353,413	1,994,390	0
Cash and cash equivalent	19,821,624	9,157,778	8,259,394	4,416,374
	176,095,287	**156,026,212**	**147,954,621**	**128,077,911**
Total Assets	**266,627,845**	**253,693,886**	**256,324,870**	**242,287,845**
SHAREHOLDERS' EQUITY				
Equity				
Share Capital	16,624,192	16,624,192	16,624,192	16,624,192
Share Premium	0	63,430,696	0	63,430,696
Fair Value Reserves	0	1,271,097	0	1,271,097
Other reserves	21,255,571	23,432,290	16,994,444	20,015,184
Retained Earnings	48,121,923	26,120,907	56,057,099	36,269,578
Equity Attributable To parent's Shareholders	**86,001,685**	**130,879,182**	**89,675,735**	**137,610,748**
Minority Interests	**14,650,047**	**13,459,092**	**0**	**0**
Total Equity	**100,651,732**	**144,338,274**	**89,675,735**	**137,610,748**
LIABILITIES				
Non - current Liabilities				
Deffered Tax Liabilities	13,889,089	16,374,271	9,822,692	12,061,093
Liailities for pension plans	1,836,607	1,936,085	1,152,985	1,343,978
Other long term liabilities	20,147,222	25,821,593	20,506,963	25,821,593
Total Non-Current Liabilities	**35,872,918**	**44,131,949**	**31,482,640**	**39,226,664**
Current Liabilities				
Trade and other payables	102,516,547	51,195,496	111,131,206	55,382,023
Tax payable	13,058,957	3,222,596	12,434,813	2,657,316
Short term debt	769,522	133	12,605	133
Other short term liabilities	13,573,328	10,754,828	11,587,872	7,392,536
Current portion of non-current provisions	184,841	50,610	0	18,426
Total Current Liabilities	**130,103,195**	**65,223,663**	**135,166,496**	**65,450,433**
Total Liabilities	**165,976,113**	**109,355,612**	**166,649,136**	**104,677,097**
Total Equity and Total Liabilities	**266,627,845**	**253,693,886**	**256,324,870**	**242,287,845**

11.4 Income Statement

Amounts in €	THE GROUP		THE COMPANY	
	01/01 - 31/12/2005	01/01 - 31/12/2004	01/01 - 31/12/2005	01/01 - 31/12/2004
Continuing Operations				
Sales Turnover	224,955,765	173,736,548	198,865,281	140,706,798
Cost of Sales	(167,046,365)	(136,111,257)	(149,740,531)	(112,967,951)
Gross Profit	**57,909,400**	**37,625,291**	**49,124,750**	**27,738,847**
Other Operating Income	1,174,512	1,507,726	1,077,458	1,071,586
Distibution Expenses	(627,918)	(1,983,275)	(404,316)	(1,723,224)
Administration Expenses	(9,026,106)	(6,806,233)	(6,810,967)	(4,296,255)
Other Operating Expenses	(832,409)	(1,081,342)	(406,604)	(647,728)
Profit before interest and income tax	**48,597,478**	**29,262,167**	**42,580,320**	**22,143,226**
Financial income	725,346	528,847	660,090	461,636
Financial Expenses	(782,288)	(744,998)	(700,636)	(638,741)
Other financial results	3,776,292	357,462	4,054,105	179,206
Share of profit of Subsidiaries	(279,259)	(113,280)	0	0
Share of profit of Associates	641,186	0	0	0
Profit before income tax	**52,678,753**	**29,290,199**	**46,593,879**	**22,145,327**
Income Tax Expense	(13,972,715)	(7,994,779)	(12,253,979)	(5,773,481)
Profit for the Period	**38,706,038**	**21,295,420**	**34,339,900**	**16,371,846**
Attributable to:				
Equity holders of the parent	37,397,417	19,756,088		
Minority Interests	1,308,621	1,539,332		
	38,706,038	**21,295,420**		
Basic earnings per Share (in cent /share)	**71.99**	**38.03**	**66.10**	**31.51**

11.5 Consolidated Statement of Changes in Equity

Amounts in €	Share Capital Attributable To Shareholders							
	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Total
Equity at 1st January 2004 according to Greek GAAP	16,624,192	63,420,146	0	23,815,446	(3,074,745)	100,785,039	11,725,545	112,510,584
Adjustments of International Financial Reporting Standards (IFRS)	0	10,550	0	(3,626,237)	20,127,354	16,511,667	314,167	16,825,835
Equity at 1st January 2004 according to IFRS	**16,624,192**	**63,430,696**	**0**	**20,189,209**	**17,052,609**	**117,296,706**	**12,039,713**	**129,336,419**
Changes in Equity for the period 01/01 - 31/12/2004								
Transfer to Reserves	0	0	0	3,243,081	(3,243,081)	0	0	0
Net Profit/Loss transferred to fair value reserves from a change on the fair value of financial assets available for sale	0	0	1,271,097	0	262,893	1,533,990	0	1,533,990
Gains from the reduction of deffered tax liability	0	0	0	0	604,541	604,541	0	604,541
Dividend distribution of 2003 reconized as a liability in the period in which dividends approved by the General Assembly	0	0	0	0	(8,312,096)	(8,312,096)	(120,000)	(8,432,096)
Net Profit for the period 01/01-31/12/2004	0	0	0	0	19,756,041	19,756,041	1,539,379	21,295,420
Total Profit /Loss for the Period	**0**	**0**	**1,271,097**	**3,243,081**	**9,068,298**	**13,582,476**	**1,419,379**	**15,001,855**
Total shareholders' equity at 31 December 2004	**16,624,192**	**63,430,696**	**1,271,097**	**23,432,290**	**26,120,907**	**130,879,182**	**13,459,092**	**144,338,274**
Equity at 1st January 2005 according to Greek GAAP	**16,624,192**	**63,420,146**	**0**	**32,122,408**	**(1,552,287)**	**110,614,460**	**12,888,161**	**123,502,621**
Adjustments of International Financial Reporting Standards (IFRS)	10,550	1,271,097	(8,690,119)	27,673,193	20,264,722	570,931	20,835,653	
Equity at 1st January 2005 according to IFRS	**16,624,192**	**63,430,696**	**1,271,097**	**23,432,290**	**26,120,907**	**130,879,182**	**13,459,092**	**144,338,274**
Changes in Equity for the period 01/01 - 31/12/2005								
Gains/Losses from the sale of financial assets available for sale recognized in profit and loss accounts	0	0	(1,271,097)	0	0	(1,271,097)	0	(1,271,097)
Share Capital increase through capitalization of share premium and reserve funds	70,133,310,00	(63,430,696)	0	(6,702,614)	0	0	0	0
Expenses coming from the Share Capital increase	0	0	0	0	(480,387)	(480,387)	0	(480,387)
Decrease of the Share Capital & return it to the Share holders(in cash)	(70,133,310)	0	0	0	0	(70,133,310)	0	(70,133,310)
Increaseof Minority interests	0	0	0	0	0	0	1,123	1,123
Dividend distribution of 2004 reconized as a liability in the period in which dividends approved by the General Assembly	0	0	0	0	(10,390,120)	(10,390,120)	(450,245)	(10,840,365)
Net Profit for the period 01/01-31/12/2005	0	0	0	0	37,397,417	37,397,417	1,308,621	38,706,038
Transfer to Reserves	0	0	0	4,525,894,49	(4,525,894)	0	0	0
Increaseof Minority interests (acquisition of a Subsidiary)	0	0	0	0	0	0	331,456	331,456
Total Profit /Loss for the Period	**0**	**(63,430,696)**	**(1,271,097)**	**(2,176,719)**	**22,001,016**	**(44,877,496)**	**1,190,955**	**(43,686,541)**
Total shareholders' equity at 31st December 2005	**16,624,192**	**0**	**0**	**21,255,571**	**48,121,923**	**86,001,685**	**14,650,047**	**100,651,732**

11.6 Statement of Changes in Equity of Parent Company

	Share Capital Attributable To Shareholders					
Amounts in €	**Share Capital**	**Share Premium**	**Fair Value Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
Equity at 1st January 2004 according to Greek GAAP	16,624,192	63,430,696	0	20,750,793	0	100,805,681
Adjustments of International Financial Reporting Standards (IFRS)	0	0	0	(3,626,436)	30,496,115	26,869,679
Equity at 1st January 2004 according to IFRS	**16,624,192**	**63,430,696**	**0**	**17,124,356**	**30,496,115**	**127,675,360**
Changes in Equity for the period 01/01 - 31/12/2004						
Net Profit/Loss transferred to fair value reserves from a change on the fair value of financial assets available for sale	0	0	1,271,097	0	0	1,271,097
Gains from the reduction of deffered tax liability	0	0	0	0	604,541	604,541
Dividend distribution of 2003 reconized as a liability in the period in which dividends approved by the General Assembly,	0	0	(8,312,096)	0	0	(8,312,096)
Net Profit for the period 01/01-31/12/2004	0	0	0	0	16,371,846	16,371,846
Transfer to Reserves	2,890,828	(2,890,828)	0			
Total Profit /Loss for the Period	0	0	1,271,097	2,890,828	5,773,463	9,935,388
Total shareholders' equity at 31 December 2004	**16,624,192**	**63,430,696**	**1,271,097**	**20,015,184**	**36,269,578**	**137,610,748**
Equity at 1st January 2005 according to Greek GAAP	**16,624,192**	**63,430,696**	**0**	**27,445,546**	**0**	**107,500,435**
Adjustments of International Financial Reporting Standards (IFRS)	0	0	1,271,097	(7,430,362)	36,269,578	30,110,314
Equity at 1st January 2005 according to IFRS	**16,624,192**	**63,430,696**	**1,271,097**	**20,015,184**	**36,269,578**	**137,610,748**
Changes in Equity for the period 01/01 - 31/12/2005						
Gains/Losses from the sale of financial assets available for sale recognized in profit and loss accounts	0	0	(1,271,097)	0	0	(1,271,097)
Share Capital increase through capitalization of share premium and reserve funds	70,133,310	(63,430,696)	0	(6,702,614)	0	(0)
Expenses coming from the Share Capital increase					(480,387)	(480,387)
Decrease of the Share Capital & return it to the Share holders(in cash)	(70,133,310)	0	0	0	0	(70,133,310)
Increaseof Minority interests						0
Dividend distribution of 2004 reconized as a liability in the period in which dividends approved by the General Assembly,	0	0	0	0	(10,390,120)	(10,390,120)
Net Profit for the period 01/01-31/12/2005	0	0	0	0	34,339,900	34,339,900
Transfer to Reserves	3,681,872,86	(3,681,873)	0	0	0	0
0Total Profit /Loss for the Period	**0**	**(63,430,696)**	**(1,271,097)**	**(3,020,741)**	**19,787,520**	**(47,935,014)**
Total shareholders' equity at 31st December 2005	**16,624,192**	**0**	**0**	**16,994,444**	**56,057,099**	**89,675,735**

11.7 Cash Flow Statement

	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Operating Activities				
Profit after Tax	**38,706,038**	**21,295,420**	**34,339,900**	**16,371,846**
Plus (Less) Adjustments:	15,346,508	10,578,193	12,589,814	7,627,898
	54,052,547	**31,873,613**	**46,929,714**	**23,999,744**
Plus (Less) Adjustments for working capital				
Decrease / (Increase) in Inventories	(17,000,687)	(2,128,202)	(16,839,253)	(2,358,702)
Decrease / (Increase) in Trade and other Receivables	(1,800,529)	(102,304,469)	(8,745,794)	(59,237,996)
Decrease / (Increase) in other current assets	6,072,141	(7,542,341)	6,090,895	(7,563,556)
Decrease / (Increase) in Trade and other Payables (except banks)	47,729,020	74,766,459	55,547,749	38,776,950
	34,999,945	**(37,208,553)**	**36,053,598**	**(30,383,304)**
Cash flow from Operating Activities	89,052,492	(5,334,940)	82,983,312	(6,383,560)
Less: Debit interest and similar expenses Paid	(81,709)	(105,470)	(9,355)	0
Less: Taxes Paid	(10,883,679)	(7,234,321)	(8,411,408)	(4,724,328)
Net cash flow from Operating Activities	**78,087,104**	**(12,674,731)**	**74,562,549**	**(11,107,889)**
Inventing Activities				
Purchases of tangible assets	(3,966,144)	(7,984,962)	(3,522,476)	(7,499,765)
Purchases of intagible assets	(3,976)	(23,619)	0	0
Disposals from sale of tangible assets	373,755	137,094	364,565	133,172
Proceeds from dividends	10,591	169,874	411,843	179,084
Purchase of financial assets available for sale	0	(110,975)	0	(22,755)
Purchase of finanacial assets at fair value through profit and loss	(2,444,390)	(4,454,687)	(1,994,390)	0
Acquisition of associates and other invenstments	(817,080)	0	(817,080)	0
Acquisition of subsidiary (less the cash & cash equivalend of the Subsidiary)	(3,351,661)	0	(3,507,000)	0
Sales of Investements to associates	1,322,220	0	1,322,220	0
Sales of financial assets available for sale	8,546,581	0	8,546,581	0
Sales of financial assets at fair value through profit and loss	4,813,512	5,455,292	0	6,495
Interest received	725,346	528,847	660,090	461,636
Proceeds from borrowing of affiliated parties	8,300,000	200,000	8,300,000	200,000
Other	(6,595)	(15,357)	(6,595)	(15,357)
Net cash flow from Invensting Activities	**13,502,158**	**(6,098,492)**	**9,757,757**	**(6,557,488)**
Financing Activities				
Subsidiary's increase of the Share capital	1,123	0	(748)	0
Dividends Paid	(10,763,052)	(8,429,977)	(10,313,051)	(8,308,597)
Return of the Share Capital to the Share holders	(70,133,310)	0	(70,133,310)	0
Proceeds from Borrowings	5,000,000	26,571	5,000,000	26,571
Borrowings Paid	(5,000,000)	0	(5,000,000)	0
Payments of finance lease liablilities (capital)	(30,177)	(21,238)	(30,177)	(21,238)
Net cash flow from Financing Activities	**(80,925,416)**	**(8,424,644)**	**(80,477,286)**	**(8,303,264)**
Net increase / decrease in cash and cash equivalents	**10,663,846**	**(27,197,867)**	**3,843,019**	**(25,968,640)**
Cash and cash equivalents at the beginning of the period	9,157,778	36,355,645	4,416,374	30,385,015
Cash and cash equivalents at the end of the period	**19,821,624**	**9,157,778**	**8,259,394**	**4,416,374**

11.8 Information for METKA S.A.

11.8.1 General Information

METKA S.A. was established in 1962. The company started its operation in the metal construction industry, dealing mainly with the manufacturing and construction of complex and advanced metal and mechanical structures. Today METKA is active in Energy Projects, Infrastructure and Defense projects. Its registered office is in Neo Irakleio Attiki, Greece, its duration is 50 years and its objectives, according to article 4 of its statutes are:

- Industrial production of metal constructions of all types and for all purposes, as well as boiler and sheet metal items, and the trade of all such products in Greece and abroad.
- Production of all types of machinist items and their trading in Greece and abroad, as well as the execution of all types of machinist's works.
- Performance of all types of works relating to the construction, modification, repair and dismantling of ships, and trade of such products in Greece and abroad.
- Design and realization of all types of public and private construction projects, especially those relating to the assembly and installation of products manufactured by the Company in Greece and abroad, and all types of industrial equipment installations.
- Commercial exploitation of real estates - including buying, building, leasing, selling and relative activities – as well as the leasing or subleasing of mobile and infixed mechanical equipment.

Especially for the public construction projects, and following a reassessment of certificates of experience which was concluded early 2003, METKA S.A. possesses a 6th class certificate for all project categories (Electromechanical, Industrial-Energy, Civil Engineering works, Road construction, Harbour works, etc.)

To achieve the above objectives, the Company may:

- Participate in any type of business with a similar object, including the acquisition of shares of an S. A. company;
- Enter a partnership of any form with any natural person or legal entity;
- Establish branches or agencies anywhere;
- Act as an agent for any other domestic or foreign company.

Article 4 in the company's statutes of 1962 was broadened and codified in 1982 and extended through the General Assembly of 2001, so as to cover also Civil Engineering works. It continues to be in force today without any additional changes having been made since then.

The basic market sectors of the Company's successful activity today (design, development, manufacture, installation and operation) are listed below:

- Energy Projects (Thermoelectric and Hydroelectric Power Stations)
- Co-manufacturing Defence Projects
- Infrastructure Projects (Erection and Sale of building complexes - Sports Complexes), Mining Equipment –Excavators and Bucket Wheel Excavators, Mills, Spreaders etc, Harbour Loading Equipment – Platforms for Lifting and Transporting Ships, Bridge Supporting Systems, Refineries, Special Constructions for Plants, Worksite Constructions)

The Company's objectives are classified under "Construction of metal framework and metal frameworks parts", according to the analysis of the Hellenic National Bureau of Statistics.

11.8.2 Background

The Company was founded in 1962 by the Industrial Development Organization and was involved in the manufacturing of metal constructions, while its plant in Volos started operating in 1964.

Following its privatization in 1971, the Company was rapidly developed. In 1973, the Company's shares were listed on the Athens Stock Exchange.

In 1980, METKA S. A. acquired the strong and experienced erection company TECHNOM S. A., thus obtaining the capacity to assemble and erect structures at an industrialized level, and therefore the ability to undertake and implement large public projects.

In 1989, the company acquired 99.98% of SERVISTEEL S. A., a production plant equipped with advanced technology machinery, appropriate for the first phase of industrialization of the metal works (sandblasting, cutting, and drilling).

The company continued to grow at a steady pace and acquired a higher technological level, by constructing innovative works of high-technological demand and of significant added value.

In January 1999, Mytilineos Holdings S.A. acquired METKA, after a six-month effort to gain participating interest in the Company's share capital. The 11.8% of METKA's share capital was bought in July 1998, rising to 27.54% in December 1998. The funds invested to obtain the above percentage reached €31.4 million. The acquisition was officially completed in early 1999, through an additional sale of 20.6% of the Company's share capital to Mytilineos Holdings S.A. against €27 million. The acquired company is the largest metal constructions complex in Greece, with an essential presence lasting for many decades in Greece and abroad. The company's current project backlog stands at €446 million.

11.9 Basis for preparation of the financial statements

The consolidated financial statements of METKA S.A. for the year ended December 31, 2005 have been prepared based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The IASB has issued a series of standards that are referred to as the "IFRS Stable Platform 2005". The Group uses the IFRS Stable Platform 2005 from January 1st, 2005 onwards. The aforementioned standards are as follows:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Net Profit or Loss, Basic Error and Changes in Accounting Estimates
IAS 10	Events After the Balance Sheet Date
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 14	Segment Reporting

IAS 16	Tangible Fixed Assets
IAS 17	Leases
IAS 18	Income
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Affiliated Party Disclosures
IAS 26	Accounting and Reporting of Retirement Benefit Plans
IAS 27	Consolidated Financial Statements and accounting of investments in subsidiaries
IAS 28	Accounting of Investments in Associate Companies
IAS 29	Financial Statements in hyper-inflationary economies
IAS 30	Disclosures with financial statements of banks and similar financial institutions
IAS 31	Financial presentation of rights in joint-ventures
IAS 32	Financial Instruments: Disclosures and Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Statements
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Valuation
IAS 40	Investments in Property
IAS 41	Agriculture
IFRS 1	First-Time adoption of International Financial Reporting Standards
IFRS 2	Payments with net worth items
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non current assets held for sale and discontinued operations

The financial statements fall under IFRS 1 "First-Time adoption of IFRS" since they constitute the first financial statements, which are prepared and published on such a basis. The date of transition is January 1st, 2004.

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary.

11.10 Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies consistently, are the following:

11.10.1 Consolidation

Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say that subsidiaries are companies in which control is exercised by the parent. The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Specifically as regards to business combinations that had taken place prior to the Group's transition date to the IFRS (January 1st, 2004) the exemption provided under IFRS 1 was used and the purchase method was not used retroactively. Based on this exemption, the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the date of transition to the IFRS, nor the fair value of the acquired assets and liabilities at the date of acquisition. Consequently, the goodwill recognized as at the transition date, was based on the IFRS 1 exemption, was calculated based on the prior accounting principles and was presented in the same way as the group's last published financial statements before the transition to IFRS. During the transition date, the review went forward with the impairment review of goodwill.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Associates: Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the Group imply that a holding of between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method.

At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is greater than or equal to its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized profits are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

Intercompany receivables – debts, intercompany transactions and Group's profits, arising from intercompany transactions that have not been realized yet (at a Group level), are eliminated for the formation of the consolidated financial statements.

Group Structure and consolidation method

Group companies that are included in the consolidated financial statements with the method of full consolidation are:

Subsidiaries	Headquarters	Participation Percentage	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99.98%	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40.00%	Control over the entity
RODAX S.A.	N.IRAKLION, ATTIKIS	100.00%	The participation percentage
3KP S.A.	ATHENS	40.00%	Control over the entity
ELEMKA	N.IRAKLION, ATTIKIS	83.50%	The participation percentage

The associate companies that are consolidated in the financial statements with the equity method are:

Associates	Headquarters	Participation Percentage
MYTLINEOS- POWER GENERATION		
& SUPPLIES S.A.	MAROUSSI	33.00%
MYTILINEOS – HELLENIC WIND POWER S.A.	MAROUSSI	24.00%

The above mentioned investments in associate companies as of 30/12/2005 were conveyed to MYTILINEOS – GROUP OF COMPANIES.

The financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 51.20% of METKA Group.

11.10.2 Foreign currency conversion

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date, are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

11.10.3 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

Land	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

11.10.4 Intangible assets

The intangible assets include the rights of use of Property, plant and equipment, as well as software licenses.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of construction contracts (compensative profits) they are valued at fair value at their date of concession less accumulated depreciation.

Depreciation is calculated on the basis of the units of production method.

Software: The authorisations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years.

11.10.5 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

11.10.6 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise of assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

In the Balance-sheet of Group the exchanges and the assessment at fair value of derivatives they are portrayed in separate items of Asset and Liabilities with titled « Derivatives Financial Assets ». The changes at fair value of derivatives they are registered in income statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

a) Receivables from down payments for the purchase of goods or services,
b) receivables relating to tax transactions, which have been legislatively imposed by the state,
c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is further than 12 months from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.

The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in the net book value based on the real interest rate method.

The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows.

The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

11.10.7 Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

11.10.8 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. In the event that the net book value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

11.10.9 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

11.10.10 Share capital

Expenses incurred for the issuance of shares, reduce after deducting the relevant income tax the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

11.10.11 Income tax & deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future. Deferred income tax liabilities are defined after taking into account the contingent income liabilities for expenses that may arise due to tax auditing.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

11.10.12 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits include defined contribution schemes as well as defined benefits schemes.

- Defined contribution scheme

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.

The payable contribution from the company to a defined contribution scheme, is recognized as an expense.

- Defined benefits scheme

The defined benefits scheme of the Group concerns its legal obligation for lump sum compensation to the employees upon retirement.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered.

The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

11.10.13 Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

11.10.14 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

11.10.15 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage (para.3.17).

- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

- **Rendering of services:** Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.

- **Income from exploitation rights of tangible assets (compensative profits):** The fair value of the exploitation rights is recognized as accrued income and is depreciated in the profit and loss account in proportion to the execution stage of the contracts to which it serves as a compensative profit.

- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

11.10.16 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Group Company as lessor: Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lesees) is recognized using the constant method during the period of the lease.

The Group does not act as a lessor through financial leasing.

11.10.17 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when such are realized.

In the case where the result of one construction contract may not by reliably valuated, and especially in the case where the project is at a premature stage, then the income must be recognized only to the extent that the contractual cost may be recovered, and the contractual cost must be recognized in the expenses of the period in which it was undertaken. Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valuated reliably, the contract's income and expenses are recognized throughout the contract's duration, respectively as income and expense. The Group uses the percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoicing until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoicing exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

11.10.18 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the Shareholders.

11.10.19 Segment reporting

A business segment is defined as a team of active elements of and activities in which goods and services are provided and which is subject to different risks and returns than other segments.

A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions.

The Group manufactures complex electromechanical metal constructions. Each contract executed by the Group has its own technical features which vary in every project. The projects executed by the Group mainly vary upon designated use of each project; the business risk and return exist though. In addition, throughout the first semester 2005, and also the period in question, the total of the projects have been executed in Greece. As a result, the Group does not provide any information by segment in these financial statements, since it does not operate in different business sectors and geographical regions.

11.10.20 New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretations that are not included in the "IFRS Stable Platform 2005". The IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006 or January 1st 2007.

The application of these new accounting standards and interpretations will not affect substantially the Group Financial Statements.

11.11 Business Risk Management

11.11.1 Financial Risk Factors

Based on its activities, our Group is exposed to a limited range of financial risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks, liquidity risks and cash flow risks.

The Group's general risk management primary deals with the good execution of works, the credibility and the good execution of procurement and afterwards comes the credit risk and the market risk.

The risks exposure is managed through the Group's two main Divisions: Finance Division, Projects Division and Quality Assurance Division.

Prior to their commitment, such transactions are approved by the executives entitled to do so.

11.11.2 Marker Risk

Foreign Exchange Risk

This risk does not affect substantially the Group's operation, since transactions with clients and suppliers in foreign exchange are minimal.

For the management of the minor exchange risk, arising from transactions with non-EU countries (mainly in US dollar), The Treasury Division concludes futures / forwards on behalf of the Group's subsidiaries.

Price Risk

The Group is exposed to the price fluctuation of raw materials and the stocks belonging to its portfolio as a financial instrument available for sale.

Price risk regarding financial instruments available for sale is considered limited since the stocks represent a minimal part of the total Group Assets.

11.11.3 Credit Risk

The Group's turnover mainly comes from transactions with public institutions and also with foreign companies of low risk rating. As a result, the credit risk is minimal.

Given that 72% of the company's turnover comes from one client (PPC), the client's credit risk is highly concentrated. In addition, the high credit rating of PPC, minimizes the Group's credit risk.

It is also mentioned that the company is exposed to credit risk, through security for debts provided to third parties.

11.11.4 Liquidity Risk

The liquidity risk is kept at a low level, having sufficient cash equivalents and negotiable securities. In addition to this, there exist unused credit lines from financial institutions.

A potential cash flow risk lies with the good execution and procurement of the projects, since there might be a cash elimination due to non conformity to the terms and conditions of the contracts.

Good execution and procurement risk

The Group, due to its long term experience, its severe selection of collaborators and suppliers and their close surveillance by the Quality Assurance Division, is not exposed to great risks concerning the projects' good execution and procurement.

In addition, there are collaterals such as Bank Guarantees from the suppliers-collaborators for the good execution of their works.

11.11.5 Cash Flow Risk and fair value risk due to changes in Interest Rate.

The operating income and cash flow of Group is essentially independent from changes at prices of interest rate. The Group does not possess short-term and long term debt, nor significant interest investment.

11.12 Notes on the Financial Statements

11.12.1 Property, plant & equipment

Land, buildings and machinery were valued as at the transition date to IFRS (01/01/2004) at deemed cost, according to the provisions of IFRS 1. The "deemed cost" cost is considered as the fair value of the fixed assets as at the transition date to IFRS, which was defined after a study by an independent evaluator. There are no mortgages or collateral on the fixed assets for borrowing.

The Group's tangible fixed assets are analyzed as follows:

THE GROUP

Amounts in €	**Plots**	**Buildings**	**Mechanical equipment**	**Vehicles & Transportation equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Gross Book value (or estimated cost of acquisition) as at 1st January 2004	17,299,000	21,522,979	30,562,810	1,567,686	4,247,088	631,265	75,830,828
minus : Accumulated depreciation and value impairment	0	(555,718)	(3,466,113)	(1,010,144)	(3,108,542)	0	(8,140,517)
Book value as at January 1st 2004	**17,299,000**	**20,967,261**	**27,096,697**	**557,543**	**1,138,546**	**631,265**	**67,690,312**
Additions	0	1,246,030	6,358,411	14,367	682,925	121,177	8,422,910
Transfers	0	0	0	0	0	(437,947)	(437,947)
Sales - Reductions	0	(112,110)	(511,182)	(212,355)	(41,510)	0	(877,157)
Depreciations of year 2004	0	(850,224)	(3,311,368)	(125,070)	(458,793)	0	(4,745,454)
Depreciations of Sold – Reduced Assets	**0**	**111,235**	**434,994**	**204,299**	**41,337**	**0**	**791,865**
Gross Book value (or estimated cost of acquisition) as at 31st January 2004	17,299,000	22,656,899	36,410,039	1,369,698	4,888,503	314,495	82,938,634
minus : Accumulated depreciation and value impairment	0	(1,294,707)	(6,342,488)	(930,914)	(3,525,997)	0	(12,094,106)
Book value as at December 31st 2004	**17,299,000**	**21,362,192**	**30,067,551**	**438,784**	**1,362,506**	**314,495**	**70,844,527**
Additions	0	471,954	3,076,697	96,696	535,630	155,247	4,336,225
Adjusments	0	(107,844)	(1,527)	0	0	0	(109,371)
Sales - Reductions	0	0	(471,305)	(113,634)	(1,432)	(370,081)	(956,451)
Depreciations of year 2005	0	(725,799)	(3,646,635)	(107,480)	(519,390)	0	(4,999,304)
Depreciations of Sold – Reduced Assets	**0**	**107,844**	**254,845**	**65,035**	**1,346**	**0**	**429,070**
Gross Book value (or estimated cost of acquisition) as at 31st December 2005	17,299,000	23,021,009	39,013,904	1,352,761	5,422,701	99,661	86,209,036
minus : Accumulated depreciation and value impairment	0	(1,912,662)	(9,734,278)	(973,360)	(4,044,041)	0	(16,664,340)
Adjusments	0	0	(663)	(838)	0	0	(1,501)
Gross Book value of Assets from the Acquisition of the Subsidiary company ELEMKA as at 31st December 2005	0	21,466	384,458	80,777	148,743	0	635,444
minus : Accumulated depreciation of ELEMKA	0	(20,131)	(297,941)	(79,133)	(124,626)	0	(521,832)
Book value as at December 31st 2005	**17,299,000**	**21,109,682**	**29,365,481**	**380,207**	**1,402,777**	**99,661**	**69,656,807**

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

THE COMPANY

Amounts in €	Plots	Buildings	Mechanical equipment	Vehicles & Transportation equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value (or estimated cost of acquisition) as at 1st January 2004	11,967,000	13,140,636	26,057,285	1,020,984	3,049,132	0	55,235,036
minus : Accumulated depreciation and value impairment	0	(487,541)	(2,860,135)	(611,341)	(2,164,163)	0	(6,123,179)
Book value as at January 1st 2004	**11,967,000**	**12,653,095**	**23,197,149**	**409,643**	**884,969**	**0**	**49,111,857**
Additions	0	818,156	6,127,180	5,101	549,328	0	7,499,765
Transfers	0					0	0
Sales - Reductions	0	(24,056)	(506,374)	(160,467)	(40,630)	0	(731,528)
Depreciations of year 2004	0	(526,750)	(2,931,691)	(70,280)	(334,843)	0	(3,863,564)
Depreciations of Sold - Reduced Assets	0	23,181	430,186	152,411	40,630	0	646,408
Gross Book value (or estimated cost of acquisition) as at 31st January 2004	11,967,000	13,934,736	31,678,091	865,618	3,557,830	0	62,003,273
minus : Accumulated depreciation and value impairment	0	(991,110)	(5,361,641)	(529,209)	(2,458,376)	0	(9,340,336)
Book value as at December 31st 2004	**11,967,000**	**12,943,626**	**26,316,450**	**336,409**	**1,099,453**	**0**	**52,662,938**
Additions	0	157,272	2,863,423	96,696	405,085	0	3,522,476
Adjusments	0	(107,844)	(1,527)		0	0	(109,371)
Sales - Reductions	0	0	(442,280)	(111,286)	(199)	0	(553,765)
Depreciations of year 2005	0	(455,545)	(3,271,421)	(60,375)	(353,157)	0	(4,140,498)
Depreciations of Sold - Reduced Assets	**0**	**107,844**	**248,070**	**62,687**	**113**	**0**	**418,715**
Gross Book value (or estimated cost of acquisition) as at 31st December 2005	11,967,000	13,984,164	34,097,706	851,028	3,962,716	0	64,862,614
minus : Accumulated depreciation and value impairment	0	(1,338,811)	(8,384,991)	(526,896)	(2,811,420)	0	(13,062,119)
Adjusments	0	0	(663)	(838)	0	0	(1,501)
Book value as at December 31st 2005	**11,967,000**	**12,645,353**	**25,712,052**	**323,293**	**1,151,296**	**0**	**51,798,994**

11.12.2 Goodwill

The goodwill recognized pertains to the acquisition of ELEMKA S.A. Specifically, the Group acquired 83,5% of the company's share capital as of 30/12/2005.

ELEMKA provides expertise in technical projects, and trades material required for such projects.

The Company is part of MYTILINEOS Group S.A. as from 1996. In the frame of the Group's restructuring, the Company was transferred to METKA Group. This transfer will allow both companies to increase their growth rate and their operating income.

The Group's goodwill is analyzed as follows:

Amounts in €	
Gross Book Value	0
Accumulated amortization & impairement losses	0
Book Value as at December 31st 2004	0
Gross Book Value	**0**
Acquisition Cost at Subsidiary	1,829,630
Gross Book Value	**1,829,630**
Accumulated amortization & impairement losses	0
Book Value as at December 31 st 2005	**1,829,630**

Checking goodwill for potential impairment, the above subsidiary was a uniform cash generating unit during 2005. The recovered amount of this unit was calculated by discounting its future cash flows. These cash flows were estimated by the management based on its future profitability and the market trends. The basic assumptions concerning the valuation of the subsidiary are as follows:

Discount rate	10.13%
Average rate of growth for the next five years	12.00%
Rate of growth after the next five years	0.50%

The acquisition cost of the subsidiary amounted to €3,507,000; the amount was paid in cash and does not include transaction costs. The fair values of Assets and Liabilities of the subsidiary, at the date of the acquisition, are as follows:

Amounts in €	**31/12/2005**
Property, plant and equipment	113,612
Intangible assets	4,966
Deffered Tax Asset	242,845
Other non-current assets	20,635
Inventories	1,098,086
Trade and other reveivables	3,144,390
Other receivables	126,651
Other current assets	12,705
Cash and cash equivalent	155,339
Deffered tax liabilities	(126,122)
Liailities for pension plans	(49,914)
Other long-term liabilities	(37,501)
Trade and other payables	(1,653,393)
Tax payable	(170,687)
Short term debt	(756,917)
Other Short term Liabilities	(115,869)
Total Financial Information of the Subsidiary	2,008,827
Net assets acquired from the Group	83.50%
Fair value of net assets acquired from the Group	1,677,370
Plus: Goodwill	1,829,630
Cost of Acquisition	3,507,000
Minus: the cash & cash equivalend of the Subsidiary	(155,339)
Net Cash outflow for the acquisition of the Subsidiary	3,351,661

The above mentioned values of net assets do not differ substantially from their carried amount recognized in the financial statements of the subsidiary, before the acquisition based on the IFRS.

The income statement of the subsidiary was not incorporated in the consolidated profit and loss account for the year 2005 since it was acquired at the end of the fiscal year. The turnover of the subsidiary was €7,547,629 and the net loss for the year amounted to €200,197.

A substantial part of the acquisition cost concerns the subsidiary's know-how in technical projects and its trade partnerships. The above cannot be recognized as intangible assets though, so they are incorporated in goodwill. In addition, deferred tax receivable of €197 th. was incorporated in the calculation of goodwill as it was not recognized separately. The deferred tax asset will be recognized in future, to the extent that the subsidiary will have sufficient profit to utilize the relevant deferred tax asset. This tax receivable will offset its future profitability.

11.12.3 Intangible assets

The intangible assets (Group / Company) are analyzed as follows:

GROUP

Amounts in €	Rights of exploitation of tangible assets	Software	Total
Gross Book value as at January 1st 2004	0	130,962	130,962
Accumulated amortization & value impairment	0	(109,862)	(109,862)
Book value as at January 1st 2004	**0**	**21,100**	**21,100**
Additions	9,980,000	23,619	10,003,619
Amortization & value impairment	0	(20,852)	(20,852)
Gross Book value as at January 31st 2004	9,980,000	154,580	10,134,580
Accumulated amortization & value impairment	0	(130,714)	(130,714)
Book value as at December 31st 2004	**9,980,000**	**23,867**	**10,003,867**
Additions	0	3,976	3,976
Amortization & value impairment	(688,230)	(15,263)	(703,493)
Gross Book value as at December 31st 2005	9,980,000	158,556	10,138,566
Accumulated amortization & value impairment	(688,230)	(145,977)	(834,207)
Gross Book value of Assets from the Acquisition of the Subsidiary company ELEMKA as at December 31st 2005	0	10,231	10,231
minus : Accumulated amortization & value impairment of ELEMKA	0	(5,264)	(5,264)
Book value as at December 31st 2005	**9,291,770**	**17,546**	**9,309,316**

COMPANY

Amounts in €	Rights of exploitation of tangible assets	Software	Total
Gross Book value as at January 1st 2004	0	68,300	68,300
Accumulated amortization & value impairment	0	(65,157)	(65,157)
Book value as at January 1st 2004	**0**	**3,143**	**3,143**
Additions	9,980,000	0	9,980,000
Amortization & value impairment	0	(3,143)	(3,143)
Gross Book value as at January 31st 2004	9,980,000	68,300	10,048,300
Accumulated amortization & value impairment	0	(68,300)	(68,300)
Book value as at December 31st 2004	**9,980,000**	**0**	**9,980,000**
Additions	0	0	0
Amortization & value impairment	(688,230)	0	(688,230)
Gross Book value as at December 31st 2005	9,980,000	68,300	10,048,300
Accumulated amortization & value impairment	(688,230)	(68,300)	(756,530)
Book value as at December 31st 2004	**9,291,770**	**0**	**9,291,770**

The intangible assets comprise of software (SAP). The exploitation rights of the fixed assets concern machinery granted through construction contracts(compensative profits). These rights were valued at fair value at the date they were granted, less depreciation calculated based on the units of production method.

11.12.4 Investment in subsidiaries

Investments in subsidiaries were valued at acquisition cost, in the company's financial statements.

The addition of the year refer to the acquisition of the 83,5% of the subsidiary ELEMKA S.A.

11.12.5 Investments in associates

	GROUP	
Amounts in €	**31/12/2005**	**31/12/2004**
Opening carrying amount	143,214	256,493
Share of profit / loss from Subsidiaries	(279,259)	(113,280)
Gains from sale of assosiates	641,186	
Additions	817,080	
Sales	(1,322,220)	
Closing carrying amount	(0)	143,214

"Additions" concern participation in share capital increase of an associate throughout the period in question. All participations in associates were sold to MYTILINEOS GROUP OF COMPANIES as at 30/12/2005.

In the following table summarized financial information are presented for the associates:

31/12/2005 **Company Name**	**Country of Domicile**	**Assets**	**Liabilities**	**Turnover**	**Profit (loss) after taxes**	**Participation percentage**
Mytilineos - Hellenic Wind Power S.A.	Greece	569,762	41,087	0	(23,114)	24%
Mytilineos - Power Generation ans Supplies S.A.	Greece	492,373	400,093	0	(288,642)	33%
		1,062,135	**441,180**	**0**	**(311,756)**	
31/12/2004						
Mytilineos - Hellenic Wind Power S.A.	Greece	17,284,794	14,551,651	0	(1,041,202)	24%
Mytilineos - Power Generation ans Supplies S.A.	Greece	136,722	361,833		(331,226)	33%
		17,421,516	**14,913,484**	**0**	**(1,372,428)**	

11.12.6 Deferred tax

The deferred tax receivables and liabilities are offset if there Group has the applicable legal right to offset current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle.

The amounts offset are the following:

	THE GROUP				THE COMPANY			
	31/12/2005		31/12/2004		31/12/2005		31/12/2004	
Amounts in €	**Receivable**	**Liability**	**Receivable**	**Liability**	**Receivable**	**Liability**	**Receivable**	**Liability**
Intangible Assets	2,664	0	5,445	0	0	-	106	0
Tangible Assets	18,472	(11,675,632)	22,786	(13,454,391)	-	(8,986,106)	0	(10,431,193)
Current Assets								
Constructional Contracts	7,847,596	(7,443,174)	4,245,025	(4,199,290)	6,950,936	(6,998,178)	3,980,515	(4,111,107)
Other Receivables	0	(1,048)	0	0				
Reserves								
De-taxation of reserves	0	(1,655,195)	0	(1,759,933)	0	(642,730)	0	(642,730)
Long-term Liabilities								
Employee Benefits	918,585	(4,074)	679,014	0	624,366	0	435,969	0
Other Long-term Liabilities	0	(509,283)	0	(1,047,926)		(150,000)	(870,000)	
Short-term Liabilities								
Provisions	0	(269)	0	0		(269)		
Liabilities from financing leases	3,655	-	13,316	-	3,655	13,316		
Compensation	**(7,399,587)**	**7,399,587**	**(4,087,270)**	**4,087,270**	**(6,954,591)**	**6,954,591**	**(3,993,937)**	**3,993,937**
Total	**1,391,383**	**(13,889,089)**	**878,316**	**(16,374,271)**	**624,366**	**(9,822,692)**	**435,969**	**(12,061,093)**

According to the tax legislation, some kind of income is not taxed when recognised but when distributed to the shareholders. The accounting principle followed by the Group suggests to recognize deferred income tax liability when this income is initially recognised and not when distributed.

The deferred tax is calculated based on the tax rate applied in the next period. Specifically, the income tax rate applicable for 2004 is 32%, while for 2005 is 29%.

11.12.7 Financial assets available for sale

	THE GROUP		THE COMPANY	
Amounts in €	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Opening carrying amount	12,477,783	11,095,466	12,236,033	10,941,936
Exchange differences				
Additions				
- Participation to equity increase of an associated company		111,221		23,000
Sales/write-offs				
- Sale of Attendance	(6,318,099)		(6,318,099)	
Adaptation at fair value		1,271,097		1,271,097
Closing carrying amount	**6,159,684**	**12,477,783**	**5,917,934**	**12,236,033**

Throughout the period 01/01-31/12/2005, the Group and the Company made profit from the sale of "financial assets available for sale", concerning shares of the parent company. A profit of €3.499.579, arising out of the sale of shares valuing at €6.318.099,00, was recognised to the profit and loss account of the period.

The above profit is analysed as follows:

Amounts in €	01.01-31.12.2005
Net income from the sale of financial assets available for sale	8,546,581
Minus : Acquisition cost of the financial assets	(6,318,099)
Profit/Loss of sale	2,228,482
Plus: Fair value of reserves	1,271,097
Net Profit from the sale of financial assets recognized as retained earnings	**3,499,579**

Investments in shares not listed in the ASE amounting to €6.160 th. were valued at their acquisition cost. In the above investments, the amount of €5.792,8 th. concerns participation in ELVO, which was sold in the beginning of 2006. The sale price was the cost of acquisition.

11.12.8 Other non-current receivables

The Group's and Company's other non-current receivables are analyzed in the following table:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Customers- Over 12 months retained receivable guarantees	1,982,000	3,149,013	1,982,000	3,149,013
Given Guarantees	199,893	167,109	83,409	76,814
Other	3,845	3,845		
Total other non-current assets	**2,185,738**	**3,319,967**	**2,065,409**	**3,225,827**

These receivables are to be recovered after the end of next period.

11.12.9 Inventories

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Raw materials	24,737,657	7,458,343	24,355,939	7,204,673
Work in Progress	4,185,501	4,598,506	4,088,602	4,521,522
Consumables	888,474	801,012	819,826	744,756
Spare parts & packing materials	459,981	425,574	398,075	351,703
Other goods & inventories	1,171,208	76,763	34,212	34,745
Total	**31,442,821**	**13,360,198**	**29,696,653**	**12,857,399**
Provisions for useless, delayedly and destroyed reserves:	(1,128,294)	(144,444)	(1,000,000)	
	(1,128,294)	**(144,444)**	**(1,000,000)**	**0**
Net total realization value	**30,314,526**	**13,215,754**	**28,696,653**	**12,857,399**

In the current year, the Company made a provision against slow moving and obsolete items, located in the warehouses, amounting to €1,000,000.

11.12.10 Customers and other trade receivables

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Customers	40,958,225	74,074,190	32,413,697	62,897,558
Withholding money for fine completion of contracts	13,695,006	11,525,595	11,733,532	7,126,000
Receivables in customers from the implementation of work (note 5.14)	43,393,018	15,583,432	41,687,136	14,997,304
Bills receivable	3,815	3,815	0	0
Checks receivable	1,430,175	8,000	0	0
Less: Provisions fall	(527,316)	(135,223)	0	0
Net trade & other receivables	**98,952,923**	**101,059,808**	**85,834,365**	**85,020,862**
Advances for purchases and subcontractors	16,504,026	13,203,881	16,370,579	12,478,744
Total	**115,456,949**	**114,263,689**	**102,204,944**	**97,499,605**
Non-current assets (note 5,8)	1,982,000	3,149,013	1,982,000	3,149,013
Current assets	113,474,949	111,114,676	100,222,944	94,350,592
	115,456,949	**114,263,689**	**102,204,944**	**97,499,605**

11.12.11 Other receivables – other current assets

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Taxes State	5,945,777	795,368	5,068,302	139,557
Others Receivable	2,213,004	779,958	1,757,090	176,593
Dividents	297,848	0	289,350	80,000
Loans for associated parts	0	8,300,000	0	8,300,000
Doubtful Receivables	287,051	537,051	0	
Total Receivables	**8,743,680**	**10,412,377**	**7,114,742**	**8,696,150**
Other current assets				
Prepayment expenses	1,712,778	7,772,214	1,666,499	7,757,395

11.12.12 Financial assets Valued at fair value through the Income Statement

The analysis of the investments in financial assets is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Bank bonds	1,994,390		1,994,390	
Bank trust funds	33,340	4,353,413		
Closing carrying amount	**2,027,729**	**4,353,413**	**1,994,390**	**0**

The total value of the above financial instruments is available for sale.

11.12.13 Cash and cash equivalents

They represent cash and bank accounts available at first demand.

Cash and cash equivalents are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Available cash on hand & banks	14,655,173	3,577,778	3,308,666	436,374
Repos	5,166,451	5,580,000	4,950,728	3,980,000
Total	**19,821,624**	**9,157,778**	**8,259,394**	**4,416,374**

There were no overdrafts in the bank accounts at the above mentioned dates.

11.12.14 Construction contracts

The construction contracts concern the construction of properties especially for clients, according to the terms provided in the contracts, whose execution usually lasts more than one fiscal year.

Amounts in €	THE GROUP		THE COMPANY	
	01/01-31/12/2005	01/01-31/12/2004	01/01-31/12/2005	01/01-31/12/2004
Sales turnover due to project execution of the period	219,548,732	170,563,769	195,516,987	139,452,752
Total cost that have beeen occurred from the beginning of the projects	560,094,519	424,902,807	518,662,084	371,997,207

The analysis of receivables / liabilities from construction contracts, is as follows:

Amounts in €	THE GROUP		THE COMPANY	
	01/01-31/12/2005	01/01-31/12/2004	01/01-31/12/2005	01/01-31/12/2004
Customer Advance payments	37,244,011	5,821,748	37,009,935	3,066,361
Customer Withholding of good performance	13,695,006	11,525,595	11,733,532	7,126,000
Customer receivables from the implementation of work	43,393,018	15,583,432	41,687,136	14,997,304
Customer liabilities from the implementation of work	(17,726,899)	(2,994,160)	(17,555,488)	(2,150,095)

11.12.15 Total equity

i) Share Capital

The share capital of the company consists of 51,950,600 nominal shares, of a nominal value €0.32 each. The total share capital amounts to €16,624,192. The company's shares are listed in the Athens Stock Exchange.

During the period in question, a share capital increase of €70,133,310 has taken place through reserves capitalization, consisting of: a) the reserve account "Reserves from Share Premium Account" amounting to €63,430,696.45 , b) the "Extraordinary reserves" account capitalization due to non- distributed taxed profits, amounting to €6,291,395.64, c) the "tax exempt reserves under special law provisions L.1892/90" account capitalization amounting to €411,217.91. This increase was realized by augmenting the share nominal value by €1.35, from €0.32 to €1.67 per share.

Further to the decision of the extraordinary General Assembly of shareholders, the share capital has been reduced by

€70,133,310 with the reduction of nominal value per share by €1.35 (from €1.67 in €0.32 per share). The abovementioned decision was approved by the Ministry of Development on 29/09/2005 (Decision No. K2-12347). The Athens Stock Exchange Board of Directors was informed on 18/10/2005 that the reduction of the share capital of the company was approved by the Ministry of Development, so the payment to the shareholders started on 31/10/2005.

The cost of the share capital increase amounted to €706,451 while the tax discount amounted to €226,064. The balance of €480,387 was recognized to the "retained earnings".

The share premium capital was generated by bonus share issue to a value greater than their nominal value.

ii) Fair value reserves

Fair value reserves for the Company / Group are as follows:

Amounts in €	THE GROUP	THE COMPANY
Book Value as at 1st January 2004	-	-
Plus: Gains of revaluating the financial Assets available for sale	1,271,097	1,271,097
Book Value as at 31st December 2004	1,271,097	1,271,097
Minus : Transfer to P&L (amount that comes from the available for sale financial assets)	(1,271,097)	(1,271,097)
Book Value as at 31st December 2005	0	0

iii) Other reserves

Other reserves for the Company / Group are as follows:

GROUP

Amounts in €	Legal Reserve	Special Reserve	Contigency Reserve	Tax exempt Reserves under special laws	Total
Balance at 1 January 2004, according to the previous accounting principles	3,391,457	826,575	9,340,385	10,257,029	23,815,446
minus: Adjustments to IFRS	(655,604)	0	(911,692)	(2,058,941)	(3,626,237)
Balance at 1 January 2004, according to IFRS	**2,735,853**	**826,575**	**8,428,693**	**8,198,088**	**20,189,209**
Adjustements during the year 2004					
- Formation of reserves due to profits of year 2003	655,604		911,692	1,675,784	3,243,081
Balance at 31 December 2004	**3,391,457**	**826,575**	**9,340,385**	**9,873,873**	**23,432,290**
Adjustements for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	829,281		142,155	3,747,972	4,719,409
- Increase of share capital by capitalization of reserves	0	0	(6,291,396)	(411,218)	(6,702,614)
- Taxes from the reserve distribution				(193,514)	(193,514)
Balance at 31 December 2005	**4,220,738**	**826,575**	**3,191,145**	**13,017,113**	**21,255,571**

COMPANY

Amounts in €	Legal Reserve	Special Reserve	Contigency Reserve	Tax exempt Reserves under special laws	Total
Balance at 1 January 2004, according to the previous accounting principles	2,895,373	826,575	6,254,368	10,774,476	20,750,793
minus: Adjustments to IFRS	(547,167)		(827,280)	(2,251,989)	(3,626,436)
Balance at 1 January 2004, according to IFRS	**2,348,206**	**826,575**	**5,427,088**	**8,522,488**	**17,124,356**
Adjustements during the year 2004					
- Formation of reserves due to profits of year 2003	547,167	0	827,280	1,516,380	2,890,828
Balance at 31 December 2004	**2,895,373**	**826,575**	**6,254,368**	**10,038,868**	**20,015,184**
Adjustements for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	661,780,48		37,027,25	3,176,579,44	3,875,387
- Increase of share capital by capitalization of reserves	-	-	(6,291,396)	(411,217,91)	(6,702,614)
- Taxes from the reserve distribution				(193,514,31)	(193,514)
Balance at 31 December 2005	**3,557,154**	**826,575**	**0**	**12,610,716**	**16,994,444**

The ordinary reserve was formed according to the L.2190/1920.

In the "tax exempt and other reserves under special law provisions" are included tax-free discounts and other special law reserves.

(iv) Retained Earnings

	GROUP		COMPANY	
Amounts in €	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Intended Divident	15,585,180	10,390,120	15,585,180	10,390,120
Remaining Earnings	32,536,743	15,730,787	40,471,919	25,879,458
Total	**48,121,923**	**26,120,907**	**56,057,099**	**36,269,578**

The General Shareholders Meeting unanimously approved at 23/05/2005 the appropriation account for the fiscal year 2004 and the distribution of €10,390,120 out of the profit for the year 2004, which represents a dividend of €0.20 per share.

It is suggested to form "Legal Reserve" amounting to €1,716,995 and also to distribute €15,585,180 as a dividend (€0.30 per share), out of the net profit of the year 2005 amounting to €34,339,900.

11.12.16 Liabilities for pension plans

Under the L.2112/1920, a lump sum compensation is paid to the employees upon retirement.

The Company and the Group recognizes as post-employment employee benefit liability, the present value of its legal commitment to pay a lump sum compensation to the employees due to retirement. This liability was calculated through an actuarial study.

This liability is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Opening carrying amount	1,936,085	2,482,389	1,343,978	1,868,015
Pension benefits	170,360	24,726	121,837	109,653
Pension benefits of the acquired Subsidiary company	49,914	-	-	-
Period payments	(319,753)	(571,030)	(312,829)	(633,690)
Closing carrying amount	**1,836,607**	**1,936,085**	**1,152,985**	**1,343,978**

The amounts concerning pension benefits are as follows:

Amounts in €	THE GROUP		THE COMPANY	
Analysis of Pension benefits	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Cost of current period employment	100,584	79,948	61,358	55,222
Interest cost	69,776	54,431	60,479	54,431
Total cost of pension benefits	**170,360**	**134,379**	**121,837**	**109,653**

The main actuarial assumption used for accounting purposes are the following:

	31/12/2005	**31/12/2004**
Discount Rate	4.5%	4.5%
Future wage increases	3.5%	3.5%
Future wage pensions	4.0%	4.0%
Inflation	2.5%	2.5%

11.12.17 Other long-term liabilities

The analysis of the Group's and Company's other long-term liabilities is as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Received Grants	74,901	111,838	74,901	111,838
Rights of use free of charge granted constant	9,291,770	9,980,000	9,291,770	9,980,000
Tax Liabilities & fees of previous years	1,055,500	0	1,055,500	0
Customer advance payments	50,173,264	16,524,000	50,173,264	16,524,000
Total	**60,595,435**	**26,615,838**	**60,595,435**	**26,615,838**
Long Term Liabilities	20,147,222	25,821,593	20,506,963	25,821,593
Short Term Liabilities	40,448,213	794,245	40,088,472	794,245
	60,595,435	**26,615,838**	**60,595,435**	**26,615,838**

The variation in the account "Rights of use free of charge granted constant" during 2005, amounting to €688,230 concerns depreciation effected on these rights.

11.12.18 Trade and other Payables

The analysis of the balance for the Group's and Company's trade and other liabilities is as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Suppliers	47,545,637	42,379,589	56,565,783	50,165,566
Customers' Advances	37,244,011	5,821,748	37,009,935	3,066,361
Liabilities due to the implementation of work (note 5.14)	17,726,899	2,994,160	17,555,488	2,150,095
Total	**102,516,547**	**51,195,496**	**111,131,206**	**55,382,023**

11.12.19 Tax Payables

Tax payable of the Group and the Company are divided in current income tax liabilities and previous years tax liabilities and are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Current period tax liabilities	12,623,957	3,222,596	11,999,813	2,657,316
Tax liabilities coming from previous years	435,000	0	435,000	0
Total	**13,058,957**	**3,222,596**	**12,434,813**	**2,657,316**

During the current year, the company was tax-audited for the fiscal years 2001-2004. The tax audit was concluded within 2005, while the final sheets for the tax imposed were issued at 9/1/2006. The total tax imposed amounted to €1,055,500, out of which €435,000 will be paid within the next year.

For the unaudited fiscal years of the companies of the Group, please revert to para. 11.12.34 "Contingent Assets-Contingent Liabilities".

11.12.20 Short-term debt

The Group and the Company's short-term debt is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Bank Debt	756,917	0	0	0
Other (Leasing)	12,605	133	12,605	133
Total short term debt	**769,522**	**133**	**12,605**	**133**

The short-term debt of the Group concerns short-term debt of a subsidiary. The total amount is expressed in Euros. The weighted average borrowing rate amounts to 4.54%, as at the balance sheet date.

There are no mortgages on the subsidiaries fixed assets as of 31/12/2005.

11.12.21 Other short-term liabilities

The other short-term liabilities are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Social security insurance	742,259	801,862	434,685	481,047
Other tax liabilities	2,485,287	7,345,291	1,439,165	4,891,464
Dividends payable	791,394	634,080	590,998	513,929
Accrued income	3,023,894	794,245	3,023,894	794,245
Accrued expenses	112,627	213,715	94,627	97,149
Others Liabilities	6,417,867	965,636	6,004,503	614,702
Total	**13,573,328**	**10,754,828**	**11,587,872**	**7,392,536**

11.12.22 Current portion of non-current provisions

The Group makes provisions for future damages likely to arise from the execution of projects. In the following table, such provisions are presented:

Amounts in €	THE GROUP	THE COMPANY
1st January 2004	**52.825**	
Additional provisions for the current year	934,398	776,606
Unused provisions that have been reversed	(52,825)	
Used provisions for the current year	(883,788)	(758,180)
31st December 2004	**50,610**	**18,426**
Additional provisions for the current year	177,069	
Unused provisions that have been reversed	0	
Used provisions for the current year	(42,838)	(18,426)
31st December 2005	**184,841**	**0**

11.12.23 Sales turnover

The sales turnover analysis for the Company and the Group is as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Income from the execution of construction contracts	219,548,732	170,563,769	195,516,987	139,452,752
Sales of apartements	1,732,529	0	1,732,529	0
Income from trading	0	1,006,523	0	1,006,523
Sales of Products	1,833,349	1,519,145	0	0
Income from maintenance and other services	181,483	236,384	0	0
Sales of scrap	1,659,672	410,726	1,615,765	247,522
Total	**224,955,765**	**173,736,548**	**198,865,281**	**140,706,798**

11.12.24 Analysis of expenses by their nature

The expenses analysis by the nature of expense for the Company and the Group is as follows:

The cost of sales analysis follows:

COST of SALES	GROUP		COMPANY	
Amounts in €	**01/01-31/12/05**	**01/01-31/12/04**	**01/01-31/12/05**	**01/01-31/12/04**
Benefits in employees	13,229,628	19,506,878	7,844,492	11,556,822
Cost of reserves recognized as expense	83,479,103	65,451,511	69,512,792	53,817,982
Wage and expenses of Subcontractors	53,045,759	35,682,172	61,123,644	37,993,109
Benefits third person	5,429,249	7,929,964	2,393,302	5,226,076
Insurance expenses	1,600,228	1,406,038	1,531,860	1,288,007
Rents of operating leases	305,788	1,079,738	211,485	982,822
Expenses of fixing and maintainance constant	659,942	528,453	498,338	327,422
Other third person expenses	1,078,662	1,111,427	366,860	373,494
Taxes & Duties Payable	202,796	311,037	147,551	250,089
Publicity	44,495	47,125	44,495	47,125
Reversal of Provisions	(42,838)	(1,020,198)	(18,426)	(1,020,198)
Other expenses	5,178,525	4,522,829	4,131,912	3,030,127
Other Provisions	177,069	0	0	0
Provisions for liabilities of settled benefits	77,555	55,222	45,472	55,222
Accumulated depreciation constant	4,497,672	3,783,108	3,735,758	3,256,550
Total	**168,963,633**	**140,395,304**	**151,569,534**	**117,184,651**
Tangible assets under construction	1,917,267	4,284,047	1,829,003	4,216,701
TOTAL COST OF SALES	**167,046,365**	**136,111,257**	**149,740,531**	**112,967,951**

The distribution expenses analysis is as follows:

DISTRIBUTION EXPENSES	GROUP		COMPANY	
Amounts in €	**01/01-31/12/05**	**01/01-31/12/04**	**01/01-31/12/05**	**01/01-31/12/04**
Benefits in employees	375,165	938,873	302,228	861,332
Cost of reserves recognized as expense	1,658	2,314	1,658	2,314
Wage and expenses of Subcontractors	0	0	0	0
Benefits third person	80,047	475,902	29,164	419,690
Insurance expenses	0	0	0	0
Rents of operating leases	22,230	43,789	22,230	43,573
Expenses of fixing and maintainance constant	11,111	13,480	9,266	7,560
Other third person expenses	17,720	19,942	11,584	10,837
Taxes & Duties Payable	2,293	3,486	727	771
Publicity	1,083	189,670	1,083	189,670
Other expenses	94,234	163,038	13,267	92,665
Provisions for liabilities of settled benefits	2,386		1,823	
Accumulated depreciation of tangible assets	19,991	132,782	11,287	94,811
Total	**627,918**	**1,983,275**	**404,316**	**1,723,224**

The administrative expenses analysis is as follows:

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
Amounts in €	**01/01-31/12/05**	**01/01-31/12/04**	**01/01-31/12/05**	**01/01-31/12/04**
Benefits in employees	2,834,988	2,476,500	1,974,190	1,663,750
Cost of reserves recognized as expense	577	424	577	424
Wage and expenses of Subcontractors	282,190	6,500	282,190	4,500
Benefits third person	3,231,958	1,008,875	2,761,040	507,193
Insurance expenses	30,573	46,906	2,998	9,264
Rents of operating leases	524,385	532,446	235,947	261,645
Expenses of fixing and maintainance constant	275,015	437,016	249,523	382,909
Other third person expenses	353,082	359,578	263,452	267,100
Taxes & Duties Payable	197,048	120,549	121,855	51,059
Publicity	100,679	182,300	100,679	182,300
Reversal of Provisions	(312,830)	(262,019)	(312,830)	(262,019)
Other expenses	990,894	1,013,305	723,829	712,784
Other Provisions	0	9,719	0	0
Provisions for liabilities of settled benefits	20,643	24,727	14,063	
Accumulated depreciation constant	496,904	849,407	393,454	515,346
Total	**9,026,106**	**6,806,233**	**6,810,967**	**4,296,255**

11.12.25 Employee benefits

The number of employees is analyzed in the following table:

	GROUP		COMPANY	
	01/01-31/12/05	**01/01-31/12/04**	**01/01-31/12/05**	**01/01-31/12/04**
Full time employees	266	282	194	203
Daily Wage employees	264	338	91	99
Total	**530**	**620**	**285**	**302**

The employee benefits for the Group and the Company are as follows:

Amounts in €	GROUP		COMPANY	
	01/01-31/12/05	**01/01-31/12/04**	**01/01-31/12/05**	**01/01-31/12/04**
Employee wages	12,063,820	16,111,873	7,432,986	9,723,819
Social Security Expenses	3,060,093	4,051,092	1,828,329	2,356,363
Retirement Penefits	844,627	2,045,890	657,522	1,715,841
Pension benefits	100,584	79,948	61,358	55,222
Other benefits	471,241	713,398	202,073	285,883
Total	**16,540,364**	**23,002,201**	**10,182,268**	**14,137,127**
Amount used in current's year P&L	15,412,925	20,371,972	9,128,405	11,570,023
Amount used to Assets under contsruction	1,127,440	2,630,228	1,053,862	2,567,104
	16,540,364	**23,002,201**	**10,182,268**	**14,137,127**

11.12.26 Other ordinary income and expense

The ordinary income and expense of the Group is analyzed as follows:

Amounts in €	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Other operating income				
Depreciation of received grants	36,937	37,211	36,937	37,211
Grants and sundry sales income	77,158	7,747	71,728	0
Compensations	0	44,082	0	0
Profit from foreign exchange differences	459,772	710,338	458,569	699,605
Income from Rents	88,121	2,113	83,158	0
Income from previous years	52,000	0	52,000	0
Other	319,962	336,441	235,345	266,293
Income from unused Provisions	0	297,568	0	0
Profit from sale of tangible assets	140,562	72,226	139,722	68,477
Total	**1,174,512**	**1,507,726**	**1,077,458**	**1,071,586**

Other operating expenses				
Losses from foreign exchange differences	232,596	508,481	229,198	507,743
Not embedded taxes	0	78,719	0	766
Tangible Bad Debts	115,530	93,987	0	0
Loss from sale of fixed assets	38,434	19,587	21,080	19,587
Other	342,296	269,744	81,395	69,515
Other taxes	54,019	23,925	25,399	9,533
Compensations	49,533	86,899	49,533	40,584
Total	**832,409**	**1,081,342**	**406,604**	**647,728**

11.12.27 Financial income / expenses

The financial income and expenses of the Group and the Company is analyzed as follows:

Amounts in €	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Interest income from:				
-Banks	412,929	179,462	348,226	112,250
"-Granted Loans"	311,416	349,386	311,416	349,386
-Other	1,000	0	448	0
	725,346	**528,847**	**660,090**	**461,636**
Interest expenses from:				
- Discount of Liabilities coming from personnel pension benefits	69,776	54,431	60,479	55,222
-Bank Loans	9,355	47	9,355	0
"- Supplies of Guaranteeing Letters"	622,987	639,045	562,052	543,704
"- Financing Leases"	1,170	2,877	1,170	2,877
"- Other Banking Expenses"	79,000	48,598	67,580	36,938
	782,288	**744,998**	**700,636**	**638,741**

11.12.28 Other financial results

The financial results of the Group and the Company is analyzed as follows:

Amounts in €	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Profit / (loss) from the sale of financial assets available for sale	3,475,701	132,047	3,432,812	0
Profit / (loss) from the sale of financial assets at fair value through profit or loss	0	58,171	0	0
Profit / (loss) from valuation of financial assets at fair value through profit or loss	549	(2,632)	0	122
Income from dividends	300,041	169,874	621,293	179,084
Total	**3,776,292**	**357,461**	**4,054,105**	**179,206**

11.12.29 Income tax expense

The Income tax expense for the Group and the Company is analyzed as follows:

Amounts in €	GROUP		COMPANY	
	31st December 2005	31st December 2004	31st December 2005	31st December 2004
Tax for the current period	15,757,635	8,369,045	13,584,169	6,063,111
Deferred tax expence	(2,011,526)	(504,902)	(1,556,797)	(289,630)
Tax differences from previous year	226,606	130,636	226,606	0
Total	**13,972,715**	**7,994,779**	**12,253,979**	**5,773,481**

Amounts in €	GROUP		COMPANY	
	31st December 2005	31st December 2004	31st December 2005	31st December 2004
Profit before income tax as Income Statement	52,678,753	29,290,199	46,593,879	22,145,327
Applicatory Income Tax rate	32%	35%	32%	35%
Income Tax according to the applicable Income tax rate	16,857,201	10,251,570	14,910,041	7,750,865
Tax that corresponds to tax-exempt income				
- Profit from the sale of associates	(205,179)	0		
- Dividends	(96,659)	(59,398)	(198,814)	(62,680)
- Profit from financial assets at fair value through profit or loss	(1,146,352)	(85,300)	(1,133,097)	(65)
- Other tax-free income	(17,410)	(22,435)		
Tax that corresponds to expenditures not recognized from the Tax authority				
- Losses from equity participations in associates	89,363	39,648		
- Tax & fees	66,010	89,273	56,614	15,583
- Othes tax-exempt expenditures	379,339	350,700	238,192	253,405
Tax Reduction through the formation of tax-exempt discounts and reseves under special law provisions	(986,384)	(1,277,730)	(980,091)	(1,123,320)
Adjustement of deffered tax according to the change of the Income tax rate	(1,198,284)	(1,438,106)	(869,544)	(1,064,969)
Supplementrary Income tax from land - plot & buildings	4,465	4,868	4,072	4,662
Tax cominng from the capitalization of reserves	193,514	0	193,514	0
Income tax coming from previous years	33,092	141,690	33,092	0
Tax expense in the profit & loss statement	**13,972,715**	**7,994,779**	**12,253,979**	**5,773,481**

11.12.30 Analysis of Cash Flow Adjustments

Analysis of Cash Flow Adjustments for the Group and the Company is analysed as follows:

Amounts in €	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Adjustments to Profit after Tax for:				
Income Tax	13,972,715	7,994,779	12,253,979	5,773,481
Depreciation of tangible assets	4,999,302	4,745,454	4,140,498	3,863,564
Depreciation of intangible assets	15,263	20,852	0	3,143
Provisions	1,712,960	146,977	1,121,837	0
Income from reverce of provisions	(362,591)	(1,579,291)	(331,256)	(1,285,283)
Profit / Loss from the Disposal of tangible assets	(105,582)	(52,639)	(118,642)	(48,890)
Losses from the fair value recognition of financial assets through profit and loss	(549)	2,752	0	0
Gains from sale of securities	0	(132,234)	0	(187)
Gains from sale of financial assets available for sale	(3,542,468)	(58,171)	(3,499,579)	0
Credit interest and similar income	(725,346)	(528,847)	(660,090)	(461,636)
Debit interest and similar expenses	81,709	105,470	9,355	0
Proceeds from dividends	(300,041)	(169,874)	(289,350)	(179,084)
Depreciation of grands - Granted rights	(36,937)	(37,211)	(36,937)	(37,211)
Losses from equity participations in associates	279,259	113,280	0	0
Gains from sale of associates	(641,186)	0	0	0
Other	0	6,897	0	0
Total Adjustments to Profit after Tax	**15,346,508**	**10,578,193**	**12,589,814**	**7,627,898**

11.12.31 Analysis of IFRS first implementation adjustments

STATEMENT OF CHANGES IN EQUITY AT THE BEGINNING OF THE PERIOD (01/01/2005 AND 01/01/2004 RESPECTIVELY) BETWEEN GREEK GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Amounts in €	GROUP		COMPANY	
	1-Jan-2004	31-Dec-2004	1-Jan-2004	31-Dec-2004
Total Equity according to Greek GAAP	**112,510,584**	**123,502,621**	**100,805,681**	**107,500,435**
Adjustments of International Financial Reporting Standards (IFRS)				
Reclasification of grants (from equity to non current liabilities)	(149,048)	(111,838)	(149,048)	(111,838)
Adjustment from revaluation of property, plant and equipment	47,000,812	41,851,536	36,482,576	32,359,981
Adjustments from derecognition of formation and other capitalised expenses	(1,363,242)	61,390	(1,221,568)	193,342
Adjustments from construction contracts	(2,390,755)	(193,532)	(1,538,514)	389,673
Recognition of divedends at the period that are approved by the General Assembly	8,312,096	10,390,120	8,312,096	10,390,120
Valuation of available for sale financial assets at fair value	(9,346)	327,457	(9,346)	327,457
Valuation of financial assets at fair value through profit or loss	228,856	1,427	0	0
Accrued retirement benefit obligations	(2,259,218)	(1,695,449)	(1,752,987)	(1,228,950)
Recognition of finance leases	9,505	2,212	9,505	2,212
Recognition of Deferred Tax	(16,879,345)	(15,495,955)	(12,519,294)	(11,625,124)
Not recognized consolidation differences as Goodwill	(15,268,653)	(14,287,640)	0	0
Adjustments from consolidation of investments associates under the equity method	(248,647)	(14,076)	0	0
Recognition of derivative financial instruments	(157,180)	0	(157,180)	0
Write-off free of charge acquired shares of affiliated companies	0	0	(586,560)	(586,560)
Total Adjustments	**16,825,835**	**20,835,652**	**26,869,679**	**30,110,314**
Total Equity according to IFRS	**129,336,419**	**144,338,273**	**127,675,360**	**137,610,748**

Amounts in €	GROUP	COMPANY
	12 months to 31/12/2004	12 months to 31/12/2004
Total Profit after Tax according to Greek GAAP	**17,810,190**	**14,298,599**
Adjustments of International Financial Reporting Standards (IFRS)		
Adjustments from derecognition of formation and other capitalised expenses	7,513	0
Adjustments from construction contracts	2,197,223	1,928,187
Impact from adjustments to the useful life and net value of tangible	(2,352,185)	(2,233,403)
Reversal of depreciations of formation expenses, capitalised under previous GAAP	1,414,909	1,414,909
Valuation of financial assets at fair value through profit or loss	(227,426)	
Accrued retirement benefit obligations	563,769	524,037
Recognition of finance leases	(7,293)	(7,293)
Recognition of Deferred Tax	515,956	289,630
Reversal of goodwill's depreciation	981,013	0
Adjustments from consolidation of investments associates under the equity method	234,571	0
Derivatives financial instruments recognition	157,180	157,180
Total Adjustments	**3,485,230**	**2,073,247**
Profit according to IFRS	**21,295,420**	**16,371,846**

NOTES TO THE ADJUSTMENTS

(i) Impact from the revaluation of property, plant and equipment

Property, plant and machinery was revalued on transition date to IFRS (1/1/2004) at deemed cost according to IFRS 1. The deemed cost is the fair value of the asset on transition date which was defined by independent real estate appraisal.

Other tangible assets (mainly vehicles, office furniture and computers) were valued at historic cost less accumulated depreciation. The depreciation of these fixed assets were readjusted based on their real useful life. Analytically, from the valuation of fixed assets as at the transition date to IFRS the following emerged:

Amounts in €΄000s	THE GROUP	THE COMPANY
Tangible assets valued at fair value (deemed cost)		
Fair value as deemed cost according to IFRS	64,746	47,401
Carrying amount on transition date, according to Greek GAAP	18,193	11,362
Total Adjustments to book value	**46,552**	**36,039**
Tangible assets valued at historic cost less accumulated depreciation		
Value on transition date according to IFRS (adjusted useful life)	2,874	1,640
Value on transition date according to Greek GAAP (useful life determined by P. D. 100/98)	2,426	1,197
Total Adjustments on carrying amount	**449**	**443**
Total Adjustments on tangible assets on transition date	**47,001**	**36,483**

The changes that occurred during 2004 are due to the following:

- to the readjustment the Group conducted on the previous accounting principles based on the provisions of L. 2065.
- to the recalculation of depreciations for fiscal year 2004.

(ii) – Impact from construction contracts

The accounting treatment of income and expense recognition from construction contracts, is based on the provisions of IAS 11 that requires revenues to be recognized to profit and loss using the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion resulting in the reporting revenue, expenses and profit which can be attributed to the proportion of the work completed.

In addition any expected loss on individual contracts is recognized as an expense in the income statement. The effect to Group's equity is as follows:

Amounts in €	GROUP		COMPANY	
	1/1/2004	31/12/2004	1/1/2004	31/12/2004
Write off, of actual cost of construction contracts which has been completed, but according to previous GAAP had been recognised as inventory	(13,588)	(12,732)	(11,741)	(12,439)
Recognition of contract revenue according to the proportion of the work completed	11,973	12,589	10,979	12,847
Recognition of provision for expected loss on individual contract	(777)	(51)	(777)	(18)
TOTAL	**(2,392)**	**(194)**	**(1,539)**	**390**

Due to the estimation of income and expenses generated from construction contracts on 31/12/2004, Group's contracts' cost of sales, was decreased by €855th., turnover and other income was increased by €617th. and €725 th. respectively. This amount refers to income from provision of projects loss, which were executed during 2004.

The parent company presented the following: increase in the cost of sales of projects by €698 th., increase by €1.868 th. of the turnover and other income amounting to €758 th. This amount refers to income from provision of projects loss, which were executed during 2004.

(iii) – Recognition of dividend distribution

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

(iv) – Revaluation of available for sale financial assets at fair value

The Group classified, on transition date (1/1/2004) according to IFRS 1, its financial instruments as "financial assets available-for-sale", "derivative financial instruments" and "financial assets at fair value through profit and loss".

Financial instruments that can be reliably measured, were valued on transition date at fair value (e.g. for listed companies, the closing price at the date of the financial statements). The difference in the valuation based in the previous accounting policies was charged to Equity.

A gain or loss arising from a change in fair value of financial assets held-for-sale is transferred to reserves, a gain or loss arising from a change in fair value of derivative financial instruments is recognized in profit or loss. The company followed the same principles in the previous accounting policies as well and carried from the valuation of these financial instruments to the Equity.

(v) – Recognition of accrued retirement benefit obligations

According to International Accounting Standards, the Group recognizes as liability the present value of its legal obligation for a lump sum payment to the employees as a remuneration due to retirement. The above mentioned liability on transition date for the Group, amounted to €2,259 th. (€1,752 th. for the parent company), which was estimated by actuarial study.

Specifically, this study concerned the calculation of actuarial figures required by IAS 19 that is mandatory to be registered in the Balance Sheet and the Profit and Loss.

The date on which the liability was first estimated was on 31 December 2004. In order to estimate the liability for 31 December 2004 the same actuarial assumptions were used.

As a result Group's profit for 2004 was increased by €546 th. due to a decrease of the employees of METKA S.A. (the company's by €524 th.).

(vi) – Not recognized consolidation differences as Goodwill

The Group used the option of not applying IFRS 3 retrospectively, thus goodwill generated by acquisitions of subsidiaries prior to transition date was not remeasured.

In addition, examining cost/benefit from the analytical application of IFRS3 regarding the recognition of goodwill, the Group did not recognise goodwill amounted to €15.269 th. As a result, while the expected return from investments in subsidiaries was supposed to exceed the investment cost, The Group erased the goodwill of the previous accounting policies, thus reducing the profit carried forward. Consolidated profit for the fiscal year 2004 and the period ended 31st December of 2004, was increased by €981 th., regarding to goodwill amortization that was charged to profit & loss according to previous GAAP.

(vii) – Impact from consolidation of investments in associates under the equity method

The Group applies the equity method of IAS 28, in order to consolidate Investments in associates. Investments in Associates at the date of transition include "MYTILINEOS HELLENIC WIND POWER S.A." and "MYTILINEOS POWER GENERATION AND SUPPLIES S.A.". The Company – based on previous accounting policies - consolidated the a/m companies at 31/12/2004 and recognized its proportion to the total of cumulative profits of these companies, as had arisen out of these accounting policies.

An amount of €249 th. was recognized to Equity, due to losses of these companies until 31/12/2003.

Impact to Group's equity arising from the consolidation of investments in associates is related to adjustments in their financial statements in order to be consistent with IFRS.

(viii) Recognition of Derivative financial instruments

According to the new accounting policies, the Company recognized its commitment for the forward (purchase of Euros against Dollars). This transaction was committed at the end of 2003 and expired in the beginning of 2004.The income of €157 th. concerns the year 2004, so it was registered in the profit and loss of the interim periods and the current year after the transaction expiry. Based on the previous accounting policies, this transaction was registered in off-balance sheet accounts.

Adjustments to the Cash Flow Statement

The Group, throughout the previous fiscal year, compiled and published its cash flow statement analysis, based on the Hellenic Capital Market Committee guidelines. At the transition to the IFRS, the cash flow statements were revised according to IAS 7 "Cash Flow Statements". The following differences came out of this revision:

Amounts in €	GROUP			COMPANY		
	Cash flow according to IAS 7	Cash flow according to the previous accounting principles	Difference	Cash flow according to IAS 7	Cash flow according to the previous accounting principles	Difference
Cash flows from operating activities	(12,674,731)	(9,102,380)	(3,572,351)	(11,107,889)	(9,709,872)	(1,398,017)
Cash flow from Investing activities	(6,098,492)	(7,898,065)	1,799,573	(6,557,488)	(7,301,949)	744,461
Cash flow from Financing activities	(8,424,644)	(9,122,517)	697,873	(8,303,264)	(8,956,819)	653,556
Net increase / decrease in cash and cash equivelants	**(27,197,867)**	**(26,122,963)**	**(1,074,904)**	**(25,968,640)**	**(25,968,640)**	**0**
Cash and Cash equivelants at the beginning of the period	36,355,645	33,680,741	2,674,904	30,385,015	30,385,015	0
Cash and Cash equivelants at the end of the period	**9,157,778**	**7,557,778**	**1,600,000**	**4,416,374**	**4,416,374**	**0**

The main differences are analysed as follows:

- The Group cash equivalents as at 1/1/2004 and 31/12/2004 increase by the amounts €2,674,904 and €1,600,000 respectively. These amounts concern short-term investments of great liquidity, which were registered in the account "Securities", according to the previous accounting policies, while according to IAS 7 they belong to the Cash equivalents.
- Interest and other relative expense as well as the interest receipts, according to previous accounting policies were registered to the cash flow from financing activities, while according to the new accounting policies they are registered to the operating activities.
- The purchases / sales of securities (financial instruments) according to the previous accounting policies were registered to the cash flow from operating activities, while according to the new accounting policies, they are registered in the investing activities

11.12.32 Modification of the beginning balance sheet and the financial statements for previous fiscal year

These financial statements are the first to be formed on the IFRS basis. The accounting principles followed for the statements of 2005, were applied consistently to the ones of the previous fiscal year 2004 and the balance sheet at transition date to IFRS (ie.01/01/2004).

The definitive adjustments at transition to the IFRS, have been modified in relation to the interim financial statements. Specifically, in the frame of evaluating the accounting principles and the adjustments to transition to IFRS, it was decided to recognize the deferred tax arising out of the expenses that were not deductible by the tax authorities. The calculation of this liability was performed based on past tax audit experience of the Group.

As a result, came the modification of the beginning balance sheet in IFRS as well as the modification of financial statements for the fiscal year 2004. Specifically, the parent company equity was charged with €720,000; in 2004 there was an additional provision of €150,000 and the equity was charged with €870,000 as of 31/12/2004. The consolidated equity as of 31/12/2003 was with €941,695; in 2004 there was an additional provision of €126,781 and the consolidated equity was charged with €1,095,404 as of 31/12/2004.

The adoption of the IFRS has no impact on the income statement of the interim financial statements, so they are not published again; the equity is altered though. The changes in equity are presented hereby:

Amounts in €	GROUP							
	1/1/2004	31/3/2004	30/6/2004	30/9/2004	31/12/2004	31/3/2005	30/6/2005	30/9/2005
Amount total equity according to the interim published financial statements	130,278,114	133,040,545	127,897,720	131,742,317	145,433,678	153,869,053	154,640,633	90,595,966
minus : Additional provision of deffered taxes due to tax differces	(941,695)	(941,695)	(941,695)	(941,695)	(1,095,404)	(1,095,404)	(1,095,404)	(1,095,404)
Total equity after the adjustements	**129,336,419**	**132,098,850**	**126,956,025**	**130,800,622**	**144,338,274**	**152,773,649**	**153,545,229**	**89,500,562**

Amounts in €	COMPANY							
	1/1/2004	31/3/2004	30/6/2004	30/9/2004	31/12/2004	31/3/2005	30/6/2005	30/9/2005
AAmount total equity according to the interim published financial statements	128,395,360	130,795,754	123,945,944	126,284,889	138,480,748	146,246,874	145,323,117	80,489,171
minus : Additional provision of deffered taxes due to tax differces	(720,000)	(720,000)	(720,000)	(720,000)	(870,000)	(870,000)	(870,000)	(870,000)
Total equity after the adjustements	**127,675,360**	**130,075,754**	**123,225,944**	**125,564,889**	**137,610,748**	**145,376,874**	**144,453,117**	**79,619,171**

The Net Profit for fiscal year 2004 is modified as follows:

Amounts in €	GROUP	COMPANY
Net Profit of the year 2004, according to the interim published financial statements of 1st quarter	**21,422,201**	**16,521,846**
minus : Additional provision of deffered taxes due to tax differences	(126,781)	(150,000)
Net profit of year 2004 after the adjustements	21,295,420	16,371,846

In addition, some accounts in the company and the consolidated financial statements of 31/12/2004 were rearranged but in any case the total equity was not affected. The most significant modification concerns the allocation of customer advances among the short-term and the long-term liabilities.

11.12.33 Commitments

Group's commitments due to construction contracts are as follows:

Amounts in €	THE GROUP		THE COMPANY	
Commitments from construction contracts	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Value of unexecutable construction contracts	445,822,976	441,778,876	384,814,468	387,153,123
Granted guarantees of good performance	77,166,752	128,896,702	75,785,583	126,823,727

11.12.34 Contingent Assets & Contingent Liabilities

There are no substantial disputes in Courts or in Arbitration that can influence the operation and the financial results of the company.

The company has proprietary titles over its fixed assets, and there are no real sureties towards the banks, except those towards National Bank of Greece amounting to €2,347.00; the loan has been paid in full though.

Unaudited fiscal years

The company has been tax audited for the years 2001-2004. The tax audit was completed during 2005, while the final tax audit sheets were published at 9/1/2006. A total income tax of €853,004.20 was imposed, being €552,330.02 as additional taxes and €300,704.18 as tax super addition. In addition, an amount of €202,496.00 concerning fines and tax differences was imposed as well. The company has made a provision for the tax differences.

For the Group companies, the unaudited fiscal years are as follows:

- SERVISTEEL: 2003-2005
- RODAX S.A.: 2001-2005
- EKME S.A.: 2001-2005
- 3KP S.A.: 2003-2005
- ELEMKA S.A.: 2002-2005

For expenses that may arise due to tax auditing, the company has formed sufficient provisions for deferred tax liability.

Information regarding contingent receivables

There are cumulative receivables of the company amounting to €3m. from insurance companies regarding damages in the projects execution. The compensations to be rendered, are under full consideration from the insurance companies.

Furthermore, the company has submitted to its clients claims amounting to €1.5m., regarding supplementary works in various projects.

11.12.35 Related party transactions

1) Balance among the related parties

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
a) Demands from customers and project under progress				
Parent company	0	14,313	0	0
Subsidiaries	727,328	12,107	5,666	12,107
Assosiates	41,631	37,265	0	4,158
Board of directors	0	0	0	0
Other Parent company's subsidiaries	178,219	2,933,312	176,594	2,928,657
Total	**947,178**	**2,996,996**	**182,260**	**2,944,923**
b) Other Demands				
Parent company	1,322,220	0	1,322,220	0
Other Parent company's subsidiaries	289,350	8,380,000	289,350	8,380,000
Total	**1,611,570**	**8,380,000**	**1,611,570**	**8,380,000**
c) Obligation to suppliers and other liabilities				
Parent company	4,043,560	142,586	4,043,560	38,626
Subsidiaries	23,416,224	18,776,557	22,694,563	18,776,557
Other Parent company's subsidiaries	29,182,043	18,963	29,182,043	18,963
Total	**56,641,827**	**18,938,106**	**55,920,165**	**18,834,146**
d) Obligation to customers and project under progress				
Other Parent company's subsidiaries	9,406,165	0	9,406,165	0
Total	**9,406,165**	**0**	**9,406,165**	**0**

2) Purchases/Sales among the related parties

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
a) Income frome execution of projects and other income				
Parent company	1,343,068	1,006,271	1,322,000	1,006,271
Subsidiaries	1,761,828	86,704	336,715	86,704
Assosiates	35,221	87,671	15,453	87,671
Other Parent company's subsidiaries	6,371,231	350,701	6,362,344	350,701
Total	**9,511,348**	**1,531,347**	**8,036,512**	**1,531,347**
c) Purchases of goods and services				
Parent company	4,960,736	124,797	4,750,794	124,797
Subsidiaries	44,063,810	28,035,659	42,638,698	28,035,659
Other Parent company's subsidiaries	146,114	384,935	146,114	384,935
Total	**49,170,660**	**28,545,391**	**47,535,607**	**28,545,391**

3) Commitments among the related parties

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Parent company	54,237,288	68,203,509	54,237,288	68,203,509
Other Parent company's subsidiaries	4,540,000	4,540,000	4,540,000	4,540,000
Total	**58,777,288**	**72,743,509**	**58,777,288**	**72,743,509**

4) Benefits of Board of Directors

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Salaries and other short term benefits	2,678,859	760,286	2,385,938	469,272
Total	**2,678,859**	**760,286**	**2,385,938**	**469,272**

11.12.36 Earnings per share

The basic earnings per share (in euro cents) are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Profit before income tax	**52,678,753**	**29,290,199**	**46,593,879**	**22,145,327**
Income Tax Expense	(13,972,715)	(7,994,779)	(12,253,979)	(5,773,481)
Profit for the Period (1)	**38,706,038**	**21,295,420**	**34,339,900**	**16,371,846**
Attributable to:				
Equity holders of the parent (2)	**37,397,417**	**19,756,088**		
Minority Interests	1,308,621	1,539,332		
	38,706,038	**21,295,420**		
Weighted average number of shares (3)	**51,950,600**	**51,950,600**	**51,950,600**	**51,950,600**
Basic earnings per Share (in cent /share)	(2)/(3): 71.99	(2)/(3): 38.03	(1)/(3): 66.10	(1)/(3): 31.51

11.12.37 Subsequent events

There are no subsequent events to the financial statements concerning the Group and the Company, that should be reported according to the IAS principles.

Athens, February 20, 2006

PRESIDENT OF THE BOD	VICE-PRESIDENT OF THE BOD AND MANAGING DIRECTOR	HEAD OF FINANCIAL DIVISION	CHIEF ACCOUNTANT
EVANGELOS G. MYTILINEOS	IOANNIS G. MYTILINEOS	GEORGIOS MAMMAS	SPYRIDON PETRATOS

METKA

METAL CONSTRUCTIONS OF GREECE S.A.

FIGURES AND INFORMATION FOR THE FISCAL YEAR OF 1ST JANUARY UNTIL 31ST DECEMBER 2005

(Published according to law 2190/1920, art.135 for Companies preparing annual financial statements, consolidated or not, according to the IFRS
The figures presented below aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries.
The reader who aims to form a full opinion on the company's financial position and results, must access the annual financial statements prepared according to the International Financial Reporting Standards and the Auditor's Report. Indicatively , the reader can visit the company's web site, where the above financial statements are posted.

COMPANY'S PROFILE

Head Office:	11 Mar.Antypa Str., N.Iraklio
Companies Registration Number:	10357/06/B/86/113
Competent Authority:	Ministry of Development-Direction of Commerce
Board of Directors Composition:	Evangelos Mytilineos Ioannis Mytilineos Georgios Pallas Nikolaos Bakirtzoglou Georgios Ikonomu Iosif Avagianos Ioannis Antoniadis
Date of Appproval of financial Statements:	20/02/2006
The Certified Auditor:	DELIGIANNIS GEORGE
Auditing Company:	Grant Thornton
Type of Auditor's opinion:	Unqualified
Company's Web Site:	www.metka.gr

BALANCE SHEET

Amounts in 000' s EURO

	The Group		The Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
ASSETS				
Fixed Assets	90.533	97.667	108.370	114.209
Inventories	30.315	13.216	28.697	12.857
Trade and other receivables	113.475	111.115	100.223	94.351
Other	32.305	31.696	19.035	20.871
TOTAL ASSETS	**266.628**	**253.694**	**256.325**	**242.288**
LIABILITIES				
Long Term Liabilities	35.873	44.132	31.483	39.227
Short Term Borrowings	770	0	13	0
Other short term Liabilities	129.333	65.224	135.153	65.450
Total Liabilities (a)	165.976	109.356	166.649	104.677
Share Capital	16.624	16.624	16.624	16.624
Other reserves & retained earnings	69.378	114.255	73.052	120.987
Total Shareholders Equity (b)	**86.002**	**130.879**	**89.676**	**137.611**
Minority Interests (c)	14.650	13.459	-	-
Total Equity (d)	**100.652**	**144.338**	**89.676**	**137.611**
TOTAL LIABILITIES (a) + (d)	**266.628**	**253.694**	**256.325**	**242.288**

INCOME STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Sales Turnover	**224.956**	**173.737**	**198.865**	**140.707**
Gross profit	**57.909**	**37.625**	**49.125**	**27.739**
Profit before tax, borrowings and investments results	**48.597**	**29.262**	**42.580**	**22.143**
Profit before tax, borrowings investments and depreciation results	**53.252**	**33.687**	**46.361**	**25.670**
Profit before tax	**52.679**	**29.290**	**46.594**	**22.145**
Less Taxes	13.973	7.995	12.254	5.773
Profit after tax	**38.706**	**21.295**	**34.340**	**16.372**
Distributed at:				
Shareholders of the Parent	37.397	19.756	-	-
Minority interests	1.309	1.539	-	-
Profit after Tax per Share (in euro cent/share)	71,99	38,03	66,10	31,51
Proposed Dividends per Share (in euro cent/share)	-	-	30	20

GENERAL INFORMATION

1. Group Structure - Group companies that are included in the consolidated financial statements with their respective domicile and percentage of ownership by the company are as follows:

COMPANY	Percentage
METKA S.A., N. Iraklio, Athens	**Parent**
RODAX A.T.E.E., N. Iraklio, Athens	100,00% (1)
SERVISTEEL, Volos	99,98% (1)
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	40,00% (1)
3.K.P. A.T.E.E., Abelokipoi, Athens	40,00% (1)
ELEMKA S.A , N. Iraklio, Athens (First time incorporated to the Group finacial statements due to acquisition percentage of 83,50% of its share capital on 31/12/2005)	83,50% (1)

Notes: [1] *Controling Shares - Full Consolidation Method*
Up to 30/12/2005 the following companies were incorporated to the consolidated statements with equity method:
MYTILINEOS POWER GENERATION & SUPPLIES S.A, Maroussi, Athens, held directly equivalent % participation 33,00%
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens, held directly with equivalent % participation 24,00%
The investments in the above assosiates were sold at 30/12/2005

2. The financial statements of METKA Group are included in the consolidated financial statements of Mitilineos Group, that is based in Greece and owns 51,20% of METKA Group.
3. The basic accounting principles applied in the consolidated Balance Sheet of 31/12/2004 have not been altered. As of 01/01/2005 the Group applies the I.F.R.S. Stable Platform 2005.
4. The company has been tax audited up for the fiscal year 2004. The non audited fiscal years for the Group are presented as follows:
   - SERVISTEEL, 2003-2005
   - RODAX ATEE, 2001-2005
   - EKME S.A., 2001-2005
   - 3KP ATEE, 2003-2005
   - ELEMKA S.A., 1999-2005
5. There are no encumbrances to the Company's and Group's assets.
6. There is no ligitation which might have an important impact on the Company's and the Group's assets.
7. The number of employees at the end of the reporting period are as follows:

	The Group		The Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
FULL TIME EMPLOYEES	266	282	194	203
DAILY - WAGE EMPLOYEES	264	338	91	99
Total	530	620	285	302

8. Company's transactions with related parties (according to IAS 24) as of 31/12/2005 are as follows: Purchases: € 42.639 thousand-Sales: € 336 thousand.The balance of the company's receivables and payables with its related parties (according to IAS 24) is respectively € 6 thousand and € 22.694 thousand. Group's transactions with related parties (according to IAS 24) as of 31/12/2005 are as follows: Purchases: € 5.107 thousand-Sales: € 7.749 thousand.- Receivables: € 1831 thousand - Payables: € 42.632 thousand.
9. Earnings per share have been calculated on the basis of net profits distribution over the numbers of shares.
10. For the year 2005 investments are: Group's € 4.340 thousand and Company's € 3.522 thousand.
11. The total Equity according to IAS, for the Group and the Company, as was depicted in the interim financial statements of first trimester 2005, based on the Statement of Changes in Equity table between Greek Accounting Standards and IAS, was reduced by the amounts:

The Group		The Company	
01/01/2004	31/12/2004	01/01/2004	31/12/2004
€ 942 thous.	€ 1.096 thous.	€ 720 thous.	€ 870 thous.

This is attributed to the Group's supplementary provision for contingent tax liabilities, likely to arise in the future due to the tax auditing of the unaudited fiscal years.

CASH FLOW STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Operating Activities				
Profit before Tax	52.679	29.290	46.594	22.145
Plus (Less) Adjiustments for:				
Depreciations	5.014	4.766	4.140	3.867
Provisions	1.350	(1.432)	791	(1.285)
Results (revenues, expenses, profit, loss)from Investment Activities	(5.072)	(856)	(4.605)	(727)
Debit Interest and similar expenses	82	105	9	-
Plus (Less) Adjustments for Working Capital accounts or generated from operations:				
Decrease /(Increase) in Inventories	(17.001)	(2.128)	(16.839)	(2.359)
Decrease /(Increase) in Trade and Other Receivables	(1.800)	(102.305)	(8.746)	(59.238)
Increase /(Decrease) in Trade and Other Receivables (except Banks)	47.729	74.766	55.548	38.777
Increase /(Decrease) in other current assets	6.071	(7.542)	6.091	(7.564)
Less:				
Debit Interest and similar expenses Paid	(82)	(105)	(9)	-
Taxes Paid	(10.883)	(7.234)	(8.411)	(4.724)
Net Cash Flow from Operating Activities (A)	**78.087**	**(12.675)**	**74.563**	**(11.108)**
Investing Activities				
Acquisition of subsidiary, associates and other investments	(6.620)	-	(6.320)	(22)
Purchase of intagible assets, property and equipment	(3.971)	(12.589)	(3.528)	(7.515)
Sales of intagible assets, property and equipment	1.696	137	1.687	133
Sales of financial assets available for sale	13.361	5.455	8.547	6
Interest received	725	529	660	462
Proceeds from borrowing of affiliated parties	8.300	200	8.300	200
Proceeds from dividends	11	170	412	179
Net cash from investing activities (B)	**13.502**	**(6.098)**	**9.758**	**(6.557)**
Financing Activities				
Proceeds from Share Capital Increase	1	-	-	-
Proceeds from Borrowings	5.000	26	5.000	27
Borrowings paid	(5.000)	-	(5.000)	-
Payments of finance lease Liabilities (capital)	(30)	(21)	(30)	(21)
Share Capital returned to the Shareholders	(70.133)	-	(70.133)	-
Dividends paid	(10.763)	(8.430)	(10.314)	(8.309)
Net cash from financing activities (C)	**(80.925)**	**(8.425)**	**(80.477)**	**(8.303)**
Net Increase / (Decrease) in cash and cash equivalent (A) + (B) + (C)	**10.664**	**(27.198)**	**3.844**	**(25.968)**
Cash and cash equivalent at the beginning of the period	**9.158**	**36.356**	**4.416**	**30.385**
Cash and cash equivalent at the end of the period	**19.822**	**9.158**	**8.260**	**4.417**

STATEMENTS OF CHANGES IN EQUITY

Amounts in 000' s EURO

	The Group		The Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Equity at the beginning of the period (01/01/2005 and 01/01/2004)	144.338	129.336	137.611	127.675
Profit / (Loss) after Taxes	38.706	21.295	34.340	16.372
Increase / (Decrease) in Share Capital	(70.133)	-	(70.133)	-
Distributed dividend	(10.840)	(8.432)	(10.390)	(8.312)
Income charged directly to equity	(1.751)	2.139	(1.752)	1.876
Increase of minority interests (acquisition of Subsidiary)	332	-	-	-
Total Equity at the end of the period 31.12.2005 and 31.12.2004)	**100.652**	**144.338**	**89.676**	**137.611**

THE PRESIDENT OF THE BOARD	THE VICE- PRESIDENT OF THE BOARD & MANAGING DIRECTOR	THE FINANCIAL DIRECTOR	THE CHIEF ACCOUNTANT
EVANGELOS MYTILINEOS	**IOANNIS MYTILINEOS**	**GEORGE MAMMAS**	**SPYRIDON PETRATOS**
I.D. No: I082392 /1972	I.D. No: Σ683930/1998	I.D. No: M164917/1982	I.D. No: Ξ391591/1988

METKA

METAL CONSTRUCTIONS OF GREECE S.A.

Company's number 10357/06/B/86/113 in the register of Societes Anonymes
11 Mar.Antypa Str., 141 21 N.Iraklio
Figures and information for the period of 1 January 2005 until 31 March 2005

The figures illustrated below aim to give summary information about the financial position of METKA S.A and its subsidiaries. We advise the reader before making any investment decision or other transaction concerning the company, to visit the company's web site (www.metka.gr) in which the financial statements according to International Financial Reporting Standards together with the Audit Report of the External Auditors (when necessary) are presented.

BALANCE SHEET

Amounts in 000' s EURO

	The Group		The Company	
	31/03/2005	31/12/2004	31/03/2005	31/12/2004
ASSETS				
Fixed Assets	97.940	97.714	114.464	114.210
Inventories	15.149	13.216	14.830	12.858
Trade and other receivables	110.014	111.115	93.874	94.351
Other	30.213	31.695	20.105	20.869
TOTAL ASSETS	**253.316**	**253.740**	**243.273**	**242.288**
LIABILITIES				
Long Term Borrowings	25.073	26.559	20.323	21.833
Short Term Borrowings				
Other short term Liabilities	74.374	81.747	76.703	81.974
Total Liabilities (a)	**99.447**	**108.306**	**97.026**	**103.807**
Share Capital Attributable To Shareholders	140.120	131.874	146.247	138.481
Minority Interests	13.749	13.560	-	-
Total Shareholders Equity (b)	**153.869**	**145.434**	**146.247**	**138.481**
TOTAL LIABILITIES (a+b)	**253.316**	**253.740**	**243.273**	**242.288**

INCOME STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-31/3/2005	1/1-31/3/2004	1/1-31/3/2005	1/1-31/3/2004
Sales Turnover	61.066	39.981	54.337	30.597
Gross profit	12.301	6.605	10.673	5.462
Profit before tax, borrowings and investments results	10.614	4.517	9.586	4.111
Profit before tax, borrowings, investments and depreciation results	11.967	5.692	10.728	5.082
Profit before tax	**11.835**	**4.583**	**10.842**	**4.101**
Less Taxes	(3.389)	(1.278)	(3.065)	(1.159)
Profit after Tax	**8.446**	**3.305**	**7.777**	**2.942**
Distributed at:				
Shareholders of the Parent	8.257	3.029	-	-
Minority interests	189	276	-	-
Profit after Tax per Share (in cent/share)	**15,90**	**5,80**	**14,96**	**5,66**

STATEMENTS OF CHANGES IN EQUITY

Amounts in 000' s EURO

	The Group		The Company	
	1/1-31/3/2005	1/1-31/3/2004	1/1-31/3/2005	1/1-31/3/2004
Equity at the beginning of the period (1/1/05 and 1/1/04)	145.434	130.278	138.481	128.395
Increase (Decrease) in Share Capital	-	-	-	-
Distributed dividend	-	-	-	-
Income charged directly to equity	(11)	(542)	(11)	(542)
Profit (Loss) after Taxes	8.446	3.305	7.777	2.942
Purchase (Sale) of Share Equities	-	-	-	-
Total Equity at the end of the period (31/3/2005 και 31/3/2004)	**153.869**	**133.041**	**146.247**	**130.795**

CASH FLOW STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-31/3/2005	1/1-31/3/2004	1/1-31/3/2005	1/1-31/3/2004
Operating Activities				
Profit Before Tax	**11.835**	**4.583**	**10.842**	**4.101**
Plus (Less) Adjustments for:				
Depreciations	1.354	1.175	1.142	971
Provisions	158	(45)	12	(224)
Exchange differences				
Results (revenues, expenses, profit, loss) from Investment Activities	(1.533)	(267)	(1.541)	(163)
Debit Interest and similar expenses	208	165	181	136
Plus (Less) Adjustments for working capital accounts or generated from operations:				
Decrease (Increase) in Inventories	(2.078)	(703)	(1.973)	(610)
Decrease (Increase) in Trade and Other Receivables	(922)	(26.401)	(1.566)	(23.614)
Increase (Decrease) in Trade and Other Payables (except Banks)	(12.167)	15.134	(9.752)	13.026
Increase (Decrease) other current assets	5.572	20	5.574	11
Less:				
Debit Interest and similar expenses Paid	(208)	(165)	(181)	(136)
Taxes Paid	(1.459)	(939)	(1.259)	(823)
Net cash flow from Operating activities (A)	**760**	**(7.443)**	**1.479**	**(7.325)**
Investing Activities				
Acquisition of subsidiary, associates and other investments	(1.134)	(105)	(784)	(23)
Purchase of intangible assets, property and equipment	(904)	(1.500)	(701)	(1.380)
Disposals from sale of tangible assets	-	36	-	36
Sales of financial assets available for sale	3.299	706	3.299	-
Interest received	129	53	119	38
Proceeds from borrowing of affiliated parties	50	-	50	-
Proceeds from dividends	-	-	-	-
Net cash from investing activities (B)	**1.440**	**(810)**	**1.983**	**(1.329)**
Financing Activities				
Proceeds from Share Capital Increase	-	-	-	-
Proceeds from Borrowings	-	15	-	5
Payments of Borrowings	-	-	-	-
Payments of finance lease Liabilities (capital)	(5)	(4)	(4)	(4)
Payments of finance lease Liabilities (interest)	-	-	-	-
Dividends paid	(2)	(76)	(2)	(12)
Net cash from financing activities (C)	**(7)**	**(65)**	**(6)**	**(11)**
Net increase / decrease in cash and cash equivalent (A)+(B)+(C)	**2.193**	**(8.318)**	**3.456**	**(8.665)**
Cash and cash equivalent at the beginning of the period	9.158	36.356	4.416	30.385
Cash and cash equivalent at the end of the period	11.351	28.038	7.872	21.720

GENERAL INFORMATION

1. Group Structure - Group Companies that are included in the consolidated financial statements with their respective locations and percentage of ownership are as follows:

COMPANY	Percentage
METKA S.A., N. Heraklio, Athens	Parent
RODAX A.T.E.E., N. Heraklio, Athens	100,00%[1]
SERVISTEEL, Volos	99,98% [1]
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	40,00% [1]
3.K.P. A.T.E.E., Abelokipoi, Athens	40,00% [1]
ELVO, Thessaloniki	12,94% [3]
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Marousi, Athens	33,00% [2]
MYTILINEOS HELLENIC WIND POWER S.A. , Marousi, Athens	24,00% [2]
AIOLIKI ANDROU TSIROVLIDI S.A., Marousi, Athens	1,00% [3]
AIOLIKI NEAPOLEOS S.A., Marousi, Athens	1,00% [3]
AIOLIKI EVOIAS PIRGOS S.A., Marousi, Athens	1,00% [3]
AIOLIKI EVOIAS POUNTA S.A., Marousi, Athens	1,00% [3]
AIOLIKI EVOIAS HELONA S.A., Marousi, Athens	1,00% [3]
AIOLIKI ANDROU RAHI XIROKABI S.A.., Marousi, Athens	1,00% [3]
AIOLIKI PLATANOU S.A., Marousi, Athens	1,00% [3]
AIOLIKI SAMOTHRAKIS S.A., Marousi, Athens	1,00% [3]
AIOLIKI EVOIAS DIAKOFTIS S.A., Marousi, Athens	1,00% [3]
AIOLIKI SIDIROKASTROU S.A, Marousi, Athens	1,00% [3]

Σημειώσεις:
[1] *Controling Shares - Full Consolidation Method*
[2] *Companies held directly - Equity Consolidation*
[3] *Companies held indirectly*

2. The financial statements of METKA Group are included in the consolitated financial statements of Mitilineos Group. that is based in Greece and owns 65,92% of METKA Group.
3. The basic accounting principles applied in the consolidated balance sheet of 31/12/04 have not been altered. As of 01/01/05 the Group applies the IFRS STABLE PLATFORM 2005.
4. The company has been tax audited up for the fiscal years 2001-2004. The non audited fiscal years for the Group, are presented as follows.
- SERVISTEEL, 2003-2004
- RODAX ATEE, 2001-2004
- EKME S.A., 2001-2004
- 3KP ATEE, 2003-2004
5. There are no encumbrances to the company's assets.
6. There is no litigation which might have an important impact on co's financial position.
7. The number of employees at the end of the reporting period are as follows:

	The Group		The Company	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
FULL TIME EMPLOYEES	287	312	204	241
DAILY - WAGE EMPLOYEES	240	410	97	193
TOTAL	527	722	301	434

8. Intercompany transactions as of 31/3/05 are as follows: Purchases: € 5.887 thous.- Sales: € 2,2 thous. The balance of the company's receivables and payables with its subsidiaries is respectively € 0,00 thous. and € 15.233 thous.
9. Auditors Report is not required.
10. Earnings per share have been calculated on the basis of net profits distribution over the number of shares.

STATEMENT OF CHANGES IN EQUITY AT THE BEGINNING OF THE PERIOD (01/01/2005 AND 01/01/2004 RESPECTIVELY) BETWEEN GREEK GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

Amounts in 000' s EURO

	The Group		The Company	
	1/1/2005	1/1/2004	1/1/2005	1/1/2004
Total Equity according to Greek GAAP	123.503	112.511	107.500	100.806
Adjustmens of IFRS				
Adjustment from revaluation of tangible at assets deemed costs	41.852	47.001	32.360	36.483
Adjustments from not recognized formation expenses of intangible assets	61	(1.363)	193	(1.222)
Adjustments from construction contracts	(193)	(2.391)	390	(1.539)
Deferred dividend cost	10.390	8.312	10.390	8.312
Reversal of Provision for impairment of subsidiaries according to greek GAAP				
Accrued Retirement benefit obligations	(1.695)	(2.259)	(1.229)	(1.753)
Provision of doubtful receivables				
Derecognition of goodwill	(14.288)	(15.269)	-	-
Reversal of goodwill's depreciation				
Adjustments from consolidation of investments associates under the equity method	(14)	(249)	-	-
Derivatives Financial Instruments Recognition	-	(157)	-	(157)
Adjustments from consolidation of subsidiary				
Fair Value recognition of Financial Instruments	329	220	327	(9)
Recognition of foreign exchange in P& L acc				
Recognition of Deferred Tax	(14.401)	(15.938)	(10.755)	(11.799)
Other	(110)	(140)	(695)	(727)
Total Adjustments	**21.931**	**17.767**	**30.981**	**27.589**
Total Equity according to IFRS	**145.434**	**130.278**	**138.481**	**128.395**

METKA

METAL CONSTRUCTIONS OF GREECE S.A.

Company's number 10357/06/B/86/113 in the register of Societes Anonymes
11 Mar.Antypa Str., 141 21 N.Iraklio

Figures and information for the period of 1 January 2005 until 30 June 2005 *(In compliance with the stipulations of decision 17/336/21.04.2005 & P.D. 360/1985)*

The figures illustrated below aim to give summary information about the financial position of METKA S.A and its subsidiaries. We advise the reader before making any investment decision or other transaction concerning the company, to visit the company's web site (www.metka.gr) in which the financial statements according to International Financial Reporting Standards together with the Audit Report of the External Auditors (when necessary) are presented.

BALANCE SHEET

Amounts in 000' s EURO

	The Group		The Company	
	30/06/2005	31/12/2004	30/06/2005	31/12/2004
ASSETS				
Fixed Assets	95.913	97.714	112.598	114.210
Inventories	14.538	13.216	14.157	12.858
Trade and other receivables	103.564	111.115	90.787	94.351
Other	41.996	31.695	29.626	20.869
TOTAL ASSETS	**256.011**	**253.740**	**247.168**	**242.288**
LIABILITIES				
Long Term Liabilities	39.684	43.082	34.989	38.357
Other short term Liabilities	61.686	65.224	66.856	65.450
Total Liabilities (a)	**101.370**	**108.306**	**101.845**	**103.807**
Share Capital Attributable To Shareholders	140.352	131.874	145.323	138.481
Minority Interests	14.289	13.560	-	-
Total Shareholders Equity (b)	**154.641**	**145.434**	**145.323**	**138.481**
TOTAL LIABILITIES (a+b)	**256.011**	**253.740**	**247.168**	**242.288**

INCOME STATEMENT

Amounts in 000' s EURO

	The Group				The Company			
	1/1-30/6/2005	1/1-30/6/2004	1/4-30/6/2005	1/4-30/6/2004	1/1-30/6/2005	1/1-30/6/2004	1/4-30/6/2005	1/4-30/6/2004
Sales Turnover	125.202	69.554	64.137	29.573	109.462	54.973	55.125	24.376
Gross profit	30.623	13.390	18.322	6.786	24.563	10.442	13.890	4.980
Profit before tax, borrowings and investments results	26.234	9.107	15.620	4.590	21.339	7.498	11.753	3.386
Profit before tax, borrowings, investments and depreciation results	28.579	11.316	16.612	5.624	23.255	9.291	12.527	4.209
Profit before tax	29.740	9.215	17.905	4.632	25.360	7.576	14.518	3.474
Less Taxes	8.422	2.320	5.033	1.042	6.856	2.030	3.791	871
Profit after Tax	21.318	6.895	12.872	3.590	18.504	5.546	10.727	2.603
Distributed at:								
Shareholders of the Parent	20.589	6.305	12.332	3.277				
Minority interests	729	590	540	314				
Profit after Tax per Share (in cent/share)	39,63	12,14	23,74	6,31	35,62	10,67	20,65	5.01

GENERAL INFORMATION

1. Group Structure - Group Companies that are included in the consolidated financial statements with their respective locations and percentage of ownership are as follows:

COMPANY	Percentage
METKA S.A., N. Heraklio, Athens	Parent
RODAX A.T.E.E., N. Heraklio, Athens	100,00%(1)
SERVISTEEL, Volos	99,98% (1)
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	40,00% (1)
3.K.P. A.T.E.E., Abelokipoi, Athens	40,00% (1)
ELVO, Thessaloniki	12,94% (3)
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Marousi, Athens	33,00% (2)
MYTILINEOS HELLENIC WIND POWER S.A. , Marousi, Athens	24,00% (2)
AIOLIKI ANDROU TSIROVLIDI S.A., Marousi, Athens	1,00% (3)
AIOLIKI NEAPOLEOS S.A., Marousi, Athens	1,00% (3)
AIOLIKI EVOIAS PIRGOS S.A., Marousi, Athens	1,00% (3)
AIOLIKI EVOIAS POUNTA S.A., Marousi, Athens	1,00% (3)
AIOLIKI EVOIAS HELONA S.A., Marousi, Athens	1,00% (3)
AIOLIKI ANDROU RAHI XIROKABI S.A.., Marousi, Athens	1,00% (3)
AIOLIKI PLATANOU S.A., Marousi, Athens	1,00% (3)
AIOLIKI SAMOTHRAKIS S.A., Marousi, Athens	1,00% (3)
AIOLIKI EVOIAS DIAKOFTIS S.A., Marousi, Athens	1,00% (3)
AIOLIKI SIDIROKASTROU S.A, Marousi, Athens	1,00% (3)

Σημειώσεις:
(1) *Controling Shares - Full Consolidation Method*
(2) *Companies held directly - Equity Consolidation*
(3) *Companies held indirectly*

2. The financial statements of METKA Group are included in the consolitated financial statements of Mitilineos Group. that is based in Greece and owns 65,92% of METKA Group.
3. The basic accounting principles applied in the consolidated balance sheet of 31/12/04 have not been altered. As of 01/01/05 the Group applies the IFRS STABLE PLATFORM 2005.
4. The company has not been tax audited up for the fiscal years 2001-2004. The non audited fiscal years for the Group, are presented as follows.
   - SERVISTEEL, 2003-2004
   - RODAX ATEE, 2001-2004
   - EKME S.A., 2001-2004
   - 3KP ATEE, 2003-2004
5. There are no encumbrances to the company's assets.
6. There is no litigation which might have an important impact on co's financial position.
7. The number of employees at the end of the reporting period are as follows:

	The Group		The Company	
	30/06/2005	30/06/2004	30/06/2005	30/06/2004
FULL TIME EMPLOYEES	287	303	206	228
DAILY - WAGE EMPLOYEES	238	349	96	145
TOTAL	525	652	302	373

8. Intercompany transactions as of 30/6/05 are as follows: Purchases: € 5.887 thous.- Sales: € 2,2 thous. The balance of the company's receivables and payables with its subsidiaries is respectively € 0,00 thous. and € 15.233 thous.
9. Earnings per share have been calculated on the basis of net profits distribution over the number of shares.
10. Auditors Report is:

CASH FLOW STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-30/6/2005	1/1-30/6/2004	1/1-30/6/2005	1/1-30/6/2004
Operating Activities				
Profit Before Tax	29.740	9.215	25.360	7.576
Plus (Less) Adjustments for:				
Depreciations	2.696	1.990	2.268	1.594
Provisions	61	(813)	61	(842)
Exchange differences	-	-	-	-
Results (revenues, expences, profit, loss) from Investment Activities	(3.390)	535	(3.958)	246
Debit Interest and similar expences	(289)	(446)	(249)	(402)
Plus (Less) Adjustments for working capital accounts or generated from operations:				
Decrease (Increase) in Inventories	(2.322)	(158)	(1.300)	(143)
Decrease (Increase) in Trade and Other Receivables	2.680	(20.233)	(1.148)	(19.653)
Increase (Decrease) in Trade and Other Payables (except Banks)	(16.410)	15.414	(9.271)	17.211
Increase (Decrease) in other current assets	7.667	90	7.655	54
Less:				
Debit Interest and similar expences Paid	(391)	(363)	(347)	(312)
Taxes Paid	(2.283)	(1.828)	(3.125)	(1.816)
Net cash flow from Operating activities (A)	**17.759**	**3.403**	**15.946**	**3.513**
Investing Activities				
Acquisition of subsidiary, associates and other investments	(817)		(817)	
Purchase of intangible assets, property and equipment	(1.898)	(3.343)	(1.503)	(3.073)
Purchase of financial assets available for sale	-	(111)	-	(23)
Disposals from sale of tangible assets	77	458	17	396
Purchase of financial assets at fair value through profit and loss	(350)	-	-	-
Sales of financial assets available for sale	8.547	-	8.547	-
Sales of financial assets at fair value through profit and loss	-	711	-	-
Interest received	271	447	249	402
Proceeds from borrowing of affiliated parties	70	-	70	-
Proceeds from dividends	289	-	289	-
Net cash from investing activities (B)	**6.189**	**(1.838)**	**6.852**	**(2.298)**
Financing Activities				
Proceeds from Borrowings	-	(16)	-	(16)
Payments of finance lease Liabilities (capital)	(10)	(11)	(10)	(11)
Dividends paid	(9.758)	(228)	(9.687)	(26)
Net cash from financing activities (C)	**(9.768)**	**(255)**	**(9.697)**	**(53)**
Net increase / decrease in cash and cash equivalent (A)+(B)+(C)	**14.180**	**1.310**	**13.101**	**1.161**
Cash and cash equivalent at the beginning of the period	**9.158**	**36.356**	**4.416**	**30.385**
Cash and cash equivalent at the end of the period	**23.338**	**37.666**	**17.517**	**31.546**

STATEMENTS OF CHANGES IN EQUITY

Amounts in 000' s EURO

	The Group		The Company	
	1/1-30/6/2005	1/1-30/6/2004	1/1-30/6/2005	1/1-30/6/2004
Equity at the beginning of the period (1/1/05 and 1/1/04)	145.434	130.278	138.481	128.395
Increase (Dicrease) in Share Capital				
Distributed dividend	(10.840)	(8.312)	(10.390)	(8.312)
Income changed directly to equity	(1.271)	(963)	(1.271)	(963)
Profit (Loss) after Taxes	21.318	6.895)	18.503	5.546
Purchase (Sale) of Share Equities	-	-	-	-
Total Equity at the end of the period (30/6/2005 και 30/6/2004)	**154.641**	**127.898**	**145.323**	**124.666**

METKA

METAL CONSTRUCTIONS OF GREECE S.A.

Company's number 10357/06/B/86/113 in the register of Societes Anonymes

11 Mar.Antypa Str., 141 21 N.Iraklio

Figures and information for the period of 1 January 2005 until 30 September 2005 *(In compliance with the stipulations of decision 17/336/21.04.2005 & P.D. 360/1985)*

The figures illustrated below aim to give summary information about the financial position of METKA S.A and its subsidiaries. We advise the reader before making any investment decision or other transaction concerning the company, to visit the company's web site (www.metka.gr) in which the financial statements according to International Financial Reporting Standards together with the Audit Report of the External Auditors (when necessary) are presented.

BALANCE SHEET

Amounts in 000' s EURO

	The Group		The Company	
	30/09/2005	31/12/2004	30/09/2005	31/12/2004
ASSETS				
Fixed Assets	96.896	97.714	113.728	114.210
Inventories	14.605	13.216	14.280	12.858
Trade and other receivables	78.990	111.115	69.180	94.351
Other	97.253	31.695	82.045	20.869
TOTAL ASSETS	**287.744**	**253.740**	**279.233**	**242.288**
LIABILITIES				
Long Term Liabilities	44.588	43.082	39.915	38.357
Short Term Borrowings	-	-	-	-
Other short term Liabilities	152.560	65.224	158.829	65.450
Total Liabilities (a)	**197.148**	**108.306**	**198.744**	**103.807**
Share Capital Attributable To Shareholders	76.412	131.874	80.489	138.481
Minority Interests	14.184	13.560	-	-
Total Shareholders Equity (b)	**90.596**	**145.434**	**80.489**	**138.481**
TOTAL LIABILITIES (a+b)	**287.744**	**253.740**	**279.233**	**242.288**

INCOME STATEMENT

Amounts in 000' s EURO

	The Group				The Company			
	1/1-30/9/2005	1/1-30/9/2004	1/7-30/9/2005	1/7-30/9/2004	1/1-30/9/2005	1/1-30/9/2004	1/7-30/9/2005	1/7-30/9/2004
Sales Turnover	173.668	102.340	48.466	32.786	152.935	75.957	43.473	20.984
Gross profit	42.468	21.842	11.845	8.452	34.673	15.072	10.110	4.630
Profit before tax, borrowings and investments results	36.237	15.483	10.003	6.376	30.150	10.623	8.811	3.125
Profit before tax, borrowings, investments and depreciation results	39.756	18.746	11.177	7.430	32.163	13.216	8.908	3.925
Profit before tax	39.731	15.653	9.991	6.438	34.190	10.732	8.830	3.156
Less Taxes	11.619	4.948	3.197	2.628	9.681	3.081	2.825	1.051
Profit after Tax	**28.112**	**10.705**	**6.794**	**3.810**	**24.509**	**7.651**	**6.005**	**2.105**
Distributed at:								
Shareholders of the Parent	27.039	9.452	6.450	3.147	-	-	-	-
Minority interests	1.073	1.253	344	663	-	-	-	-
Profit after Tax per Share (in euro/share)	0,52	0,18	0,12	0,06	0,47	0,15	0,12	0,04

GENERAL INFORMATION

1. Group Structure - Group Companies that are included in the consolidated financial statements with their respective locations and percentage of ownership by the Company are as follows:

COMPANY	Percentage
METKA S.A., N. Heraklio, Athens	Parent
RODAX A.T.E.E., N. Heraklio, Athens	100,00%[1]
SERVISTEEL, Volos	99,98% [1]
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	40,00% [1]
3.K.P. A.T.E.E., Abelokipoi, Athens	40,00% [1]
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Marousi, Athens	33,00% [2]
MYTILINEOS HELLENIC WIND POWER S.A. , Marousi, Athens	24,00% [2]

Notes:

[1] *Controling Shares - Full Consolidation Method*

[2] *Companies held directly - Equity Consolidation*

2. The financial statements of METKA Group are included in the consolitated financial statements of Mitilineos Group. that is based in Greece and owns 60,61% of METKA Group.
3. The basic accounting principles applied in the consolidated balance sheet of 31/12/04 have not been altered. As of 01/01/05 the Group applies the IFRS STABLE PLATFORM 2005.
4. The company has not been tax audited up for the fiscal years 2001-2004. The non audited fiscal years for the Group, are presented as follows.
   - SERVISTEEL, 2003-2004
   - RODAX ATEE, 2001-2004
   - EKME S.A., 2001-2004
   - 3KP ATEE, 2003-2004
5. There are no encumbrances to the company's and Group's assets.
6. There is no litigation which might have an important impact on company's and Group's financial position.
7. The number of employees at the end of the reporting period are as follows:

	The Group		The Company	
	30/09/2005	30/09/2004	30/09/2005	30/09/2004
FULL TIME EMPLOYEES	293	299	210	221
DAILY - WAGE EMPLOYEES	253	370	91	132
TOTAL	**546**	**669**	**301**	**353**

8. Company' s transactions with related parties (according to IAS 24) as of 30/9/05 are as follows: Purchases: € 30.613 thousand – Sales: € 334 thousand. The balance of the company's receivables and payables with its related parties (according to IAS 24) is respectively € 173 thousand and € 23.135 thousand. Group's transactions with relates parties (according to IAS 24) as of 30/9/05 are as follows: Purchases: € 581 thousand Sales: € 1.378 thousand Receivables: € 11.897 thousand Payables: € 27.168 thousand.
9. Earnings per share have been calculated on the basis of net profits distribution over the number of shares.
10. For the first nine months of 2005 Group's and Company's Financial statements approved by entity's Board of Directors on 21st of November 2005. The members of Board are as follows: Evangelos Mytilineos, Ioannis Mytilineos, Georgios Pallas, Nikolaos Bakirtzoglou, Georgios Ikonomu, Iosif Avagianos, Ioannis Antoniadis.
11. For the first nine months of 2005 investment are: Group's € 3.093 thousand and Company's € 2.716 thousand.

CASH FLOW STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-30/9/2005	1/1-30/9/2004	1/1-30/9/2005	1/1-30/9/2004
Operating Activities				
Profit Before Tax	39.731	15.653	34.190	10.732
Plus (Less) Adjustments for:				
Depreciations	3.769	3.536	3.124	2.866
Provisions	2.850	(1.059)	2.240	(1.151)
Exchange differences	-	-	-	-
Results (revenues, expenses, profit, loss) from Investment Activities	(4.201)	(820)	(4.696)	(698)
Debit Interest and similar expenses	522	555	465	497
Plus (Less) Adjustments for working capital accounts or generated from operations:				
Decrease / (Increase) in Inventories	(2.390)	(879)	(2.422)	(1.008)
Decrease / (Increase) in Trade and Other Receivables	24.865	(28.183)	18.904	(23.051)
Increase / (Decrease) in Trade and Other Payables (except Banks)	5.754	15.074	13.242	15.036
Increase / (Decrease) in other current assets	7.550	114	7.530	84
Less:				
Debit Interest and similar expenses Paid	(522)	(555)	(465)	(497)
Taxes Paid	(7.734)	(5.585)	(5.304)	(3.231)
Net cash flow from Operating activities (A)	**70.194**	**(2.149)**	**66.808**	**(421)**
Investing Activities				
Acquisition of subsidiary, associates and other investments	(1.272)	(62)	(823)	(26)
Purchase of intangible assets, property and equipment	(3.096)	(4.959)	(2.716)	(4.585)
Purchase of financial assets available for sale	352	137	343	133
Sales of financial assets available for sale	8.547	993	8.547	6
Sales of financial assets at fair value through profit and loss	-	-	-	-
Interest received	463	570	432	512
Proceeds from borrowing of affiliated parties	70	150	70	150
Proceeds from dividends	289	93	619	93
Net cash from investing activities (B)	**5.353**	**(3.078)**	**6.472**	**(3.717)**
Financing Activities				
Proceeds from Share Capital Increase	1	-	-	-
Proceeds from Borrowings	-	27	-	27
Payments of finance lease Liabilities (capital)	(23)	(16)	(23)	(16)
Dividends paid	(10.531)	(8.362)	(10.171)	(8.298)
Net cash from financing activities (C)	**(10.553)**	**(8.351)**	**(10.194)**	**(8.287)**
Net increase / (decrease) in cash and cash equivalent (A)+(B)+(C)	**64.994**	**(13.578)**	**63.086**	**(12.425)**
Cash and cash equivalent at the beginning of the period	**9.157**	**36.355**	**4.417**	**30.385**
Cash and cash equivalent at the end of the period	**74.151**	**22.777**	**67.503**	**17.960**

STATEMENTS OF CHANGES IN EQUITY

Amounts in 000' s EURO

	The Group		The Company	
	1/1-30/9/2005	1/1-30/9/2004	1/1-30/9/2005	1/1-30/9/2004
Equity at the beginning of the period (1/1/05 and 1/1/04)	145.434	130.278	138.480	128.395
Increase / (Decrease) in Share Capital	(70.839)	-	(70.839)	-
Distributed dividend	(10.840)	(8.512)	(10.390)	(8.312)
Income charged directly to equity	(1.271)	(729)	(1.271)	(729)
Profit / (Loss) after Taxes	28.112	10.705	24.509	7.651
Purchase (Sale) of Share Equities	-	-	-	-
Total Equity at the end of the period (30/9/2005 and 30/9/2004)	90.596	131.742	80.489	127.005