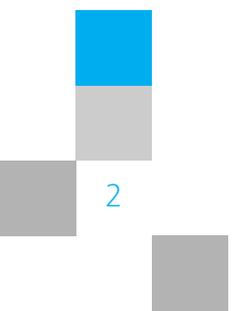




Annual Report 2006

 **METKA**



# Chairman's Statement

Dear Shareholders,

The year 2006 was from every aspect, yet another exceptional year for METKA.

Apart from the very good performance of financial results, the global recognition of METKA's reliability and effectiveness in planning, constructing and operating complex energy projects was a particularly significant achievement.

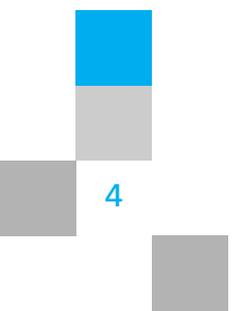
Major European Utilities, such as E.O.N. and Endesa and also top technology companies, such as Alstom, General Electric and Siemens, have included METKA in the list of the few internationally accredited E.P.C. Contractors for complex energy projects.

The appointment of the construction and commissioning study of an electric energy production station, with a capacity of 220MW, in Karachi by the Pakistani Electric company KESC, is a solid attestation of METKA's international recognition.

This international recognition is expected to significantly increase METKA's ability to undertake projects in the near future.

With a concrete knowledge of the increased organizational needs in order to maintain the same level of reliability and effectiveness in carrying out the anticipated stronger volume of activities, we foresee the future with confidence and tenable optimism.

Ioannis G. Mytilineos  
BoD Chairman



# BOARD OF DIRECTORS

**IOANNIS MYTILINEOS**

*Chairman*

**NIKOLAOS BAKIRTZOGLU**

*Vice President (Non-executive Member)*

**GEORGIOS PALLAS**

*Managing Director*

**GEORGIOS IKONOMU**

*Member*

**FILLIPOS ZOTOS**

*Member*

**IOSIF AVAGIANOS**

*Member (Independent Non-Executive)*

**IOANNIS ANTONIADIS**

*Member (Independent Non-executive)*

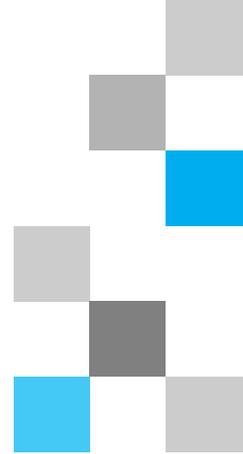


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# 1. SUMMARY OF FINANCIAL FIGURES

## 1.1 Financial Figures of METKA S.A.

I. Summary of Financial Figures (amounts in ths €)

	2004	2005	2006
	IFRS	IFRS	IFRS
TURNOVER (SALES)	140,707	198,865	266,423
GROSS OPERATING SALES	27,739	49,125	56,182
OPERATING EXPENSES	6,019	7,215	8,145
FINANCIAL RESULTS	2	4,014	2,140
EBITDA	25,670	46,324	52,274
NET INCOME	22,145	46,594	50,339
NET INCOME FOR APPROPRIATION	16,372	34,340	38,469
DIVIDENDS	10,390	15,585	20,780
PROFIT CARRIED FORWARD	36,270	56,057	74,161
TOTAL GROSS FIXED CAPITAL	72,052	74,911	76,064
DEPRECIATION	9,409	13,820	19,742
TOTAL NET FIXED CAPITAL	62,643	61,091	56,322
TOTAL CURRENT ASSETS	128,078	147,955	121,276
TOTAL ASSETS	242,288	256,325	215,339
TOTAL EQUITY	137,611	89,676	112,559
TOTAL LIABILITIES	104,677	166,649	102,780

## 1.2 Consolidated Financial Figures of METKA S.A.

### II. Summary of Consolidated Financial Figures (amounts in ths €)

	2004	2005	2006
	IFRS	IFRS	IFRS
TURNOVER (SALES)	173,737	224,956	294,147
GROSS OPERATING SALES	37,625	57,909	68,293
OPERATING EXPENSES	8,790	9,654	12,271
FINANCIAL RESULTS	28	3,719	(1,016)
EBITDA	33,687	53,215	60,806
NET INCOME	29,290	52,679	54,856
NET INCOME FOR APPROPRIATION	21,295	38,706	40,764
PROFIT CARRIED FORWARD	25,304	48,122	68,047
TOTAL GROSS FIXED CAPITAL	93,073	96,993	98,469
DEPRECIATION	12,225	18,027	24,298
TOTAL NET FIXED CAPITAL	80,848	78,966	74,171
TOTAL CURRENT ASSETS	156,026	176,095	146,118
TOTAL ASSETS	253,694	266,628	225,775
TOTAL EQUITY	144,338	100,652	122,723
TOTAL LIABILITIES	109,356	165,976	103,053

## 2. Information about the preparation of the Report and the Auditors of the Company

### 2.1 General

The present Annual Report contains all information and financial data necessary in order the shareholders, investors, and their consultants to be able to correctly assess the company's property, financial situation, the results of fiscal year 2006, and the company's prospects.

### 2.2 Annual Report Editors

The editing and distribution of the Annual Report was effected according to the provisions of the current legislation.

Responsible for the editing and accuracy of its information are:

- Georgios Mammias, Head of Financial and Administrative Services, 11 Marinou Antipa, N. Iraklio, tel. 210-2709200
- Spyridon Petratos, Head Accountant, 11 Marinou Antipa, N. Iraklio, tel. 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 its editors, affirm that:

- All information and data contained are complete and true.
- 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.
- No judicial differences or refereeing are pending against the Company or its subsidiaries which could affect heavily their financial situation, apart from those mentioned in a special paragraph below.

### 2.3 Regular Certified Auditors – Accountants

The Company is being audited by certified auditors. For the fiscal year ending 31/12/2006 the audit was conducted by the certified auditor Mr. George N. Deligiannis, citizen of Athens, reg. nr. SOEL 15791 of Grant Thornton company (44 V. Konstantinou str, 116 35 Athens, tel. 210 – 7280000).

The auditing certificates of the regular certified accountants are included in the Appendix of this Annual Report, under the annual financial statements

## 2.4 Tax Auditing

The fiscal years that have not been inspected by the tax authorities for each of the Group's companies are as follows:

Company	YEARS NOT INSPECTED BY TAX AUTHORITIES
METAL CONSTRUCTIONS OF GREECE S.A.	2005 – 2006
RODAX ATEE	2005 - 2006
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	2003 – 2006
EKME S.A.	2001 – 2006
ELEMKA S.A.	2005 – 2006
Drosco Holdings Limited	2003 – 2006
Bridge Accessories & Construction Systems S.A.	1st year of operation

During the reporting period, tax authorities' inspection assessed tax differences, amounting to € 678 ths. The assessed tax differences are offset against relevant provisions.

For the fiscal years that have not been inspected by the tax authorities (as reported in the above table), there is a possibility of additional tax imposition. Therefore the group assesses, on an annual basis, the contingent liabilities regarding additional taxes from tax inspections in respect of prior years and makes relevant provisions where this is deemed necessary. The management believes that additional taxes that might be imposed from tax inspection in the future, will have no significant impact to the financial statements of the Group of Companies.

## 2.5 Information

The Annual Report is provided for free to the investors, after the publication of the annual financial statements and in no less than ten (10) working days before the Annual General Meeting of the shareholders. A copy of the Annual Report is submitted to the Capital Market Committee and the Athens Stock Exchange.

For more information, the investors may contact the Company's offices (11 Marinou Antipa street, N. Irakleio, +30 210-27 09 200, Mr. Sarantis Hatzakos – Head of the Shareholder's Department) during working days and hours. The Company's site (<http://www.metka.gr>) contains an electronic form of this Annual Report as well as the ones of the previous two fiscal years, and additional important information for the Company.

## 3. Important Information for the Company

---

### 3.1 Public Offers

During the previous and current financial period, no public offering has been submitted by the Company for the purchase or exchange of shares of another company, nor have there been such offers by third parties for the Company's shares.

### 3.2 Acquisitions and Stakes to the Share Capital of Other Companies

The company «TRIA KAPA PI SOCIETE ANONYME TECHNICAL & COMMERCIAL COMPANY», with registered offices in Athens, is included in the Group's consolidated financial statements with the full consolidation method, until 03/05/2006 and with a participation percentage until the aforementioned date of 40.00%. The Company's participation in the aforementioned subsidiary was sold on 03/05/2006, following the BoD decision dated 02/05/2006, for a price of €993,600. The sale of this participation was deemed advantageous despite that all financial periods of «TRIA KAPA PI SA» were profitable, due to the fact that the expected synergies between the companies had not been realized, and were not expected to be realized in the future.

At the same time, it is noted that with this transfer, the Company collected an additional amount of €1,006,400 as return of capital, following the share capital decrease decided by the General Meeting of the aforementioned company.

From the sale of the above subsidiary, a profit amounting to €332,814 emerged for the Group. The activity of this company is presented in the Financial Statements of 31/12/2006 (and also in those of 31/12/2005 for comparability purposes) as a Suspended Activity, in the context of implementing IFRS 5.

Based on the decision of the Board of Directors of ELEMKA SA dated 10/10/2006, the acquisition of the total shares (100%) of the Cypriot company «Drosco Holdings Limited» was decided on, for a total price of €3,000. The latter company was established in Cyprus on 10/01/2003 as a private limited liability company and its basic activity is the holding of investments.

On 12/10/2006, the company «Bridge Accessories & Construction Systems Technical, Construction, Tourism and Commercial SA», in which «Drosco Holdings Limited» participates with a 75% stake, was established with registered offices in the Municipality of Amarousio and a share capital of €60,000.

### 3.3 Disclosures Related to Contingent Assets

The Company's accumulated receivables that were pending from insurance companies for losses that occurred during the implementation of projects during the last three years, amounting to approximately €3.1 million, have been received in whole until 31/12/2006. Apart from the aforementioned collected receivables, new receivables amounting to €1.4 million still stand, and are at the stage of final processing from the insurance companies for the announcement of the result. Additionally, the Company has submitted towards its customers, receivables amounting to approximately €1.5 million for off-contract activities that have been realized in several projects.

### 3.4 Disclosures Related to Contingent Liabilities

There are no litigious or under arbitration differences of judicial or arbitrational bodies that may have a significant effect on the Company's financial status or operation. At the current stage, none of such contingent liabilities/receivables will be further analyzed, for reasons of unbiased conduct on the Group's position in the relevant judicial disagreements.

The Company has legal ownership on the fixed assets and no collateral or other mortgages have been written on such, apart for the collateral assets in favor of the National Bank of Greece amounting to €2,347 on the property located at the position Xirokambos Volos, for a former loan the Company had received and which has fully been repaid.

## 4. Market Overview

### 4.1 General Market Overview

METKA S. A. belongs to the market sector of Metallurgy, and more specifically to the sector of Industrial Manufacturing, Treatment and Transformation of Ferrous Metals.

METKA S.A. also has an activity as a construction company and possesses a 6th class certificate for all project categories. The company 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) as well as on its own high level of technical know-how.

METKA, as a member of the MYTILINEOS Group, 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), harbor 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 Harbor equipment)
- 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.
- The encouragement given by ministries and Public Utility Organizations to compete within the context of international tenders, and in case of being low bidder, to execute major projects in the field of infrastructure, energy and defence has been notably successful over the past years, and represents a challenge for the future.

#### 4.3.1 Energy

The METKA Group was especially active in the construction projects sector during 2006. The unique for Greek standards, experience of METKA and its subsidiaries in the building and construction of Electric Steam Stations (Aliveri, Kardias I & II, Ag. Dimitriou I & II, Ag. Dimitriou III & IV, Ag. Dimitriou V, Lavriou IV & V, Komotini, Florina, Chania and Linoperamaton) and Hydroelectric Stations (Gkionas, Aouu, Thisayrou, Platanovrisis, Mesochoras, Kremaston) positions the Company as a pioneer in building and constructing Electric Energy production stations.

Either as an EPC Contractor or as member of consortia and groups with internationally recognized companies, based on

its excellently trained staff of engineers, METKA is essentially the first and only Greek company that has the ability to implement projects, which recently were only undertaken by large foreign corporations.

The above is evident from the award of projects, such as the Design, Supply, Transfer, Installation and Commissioning of the Unit V combined cycle, with a capacity of 377.66 MW and natural gas fuel unit at SES Lavrio; the installation of new electrostatic filters and the upgrading of existing ones for environmental protection at SES Kardia, Agios Dimitrios and Megalopolis; and the installation of the third Gas Turbine Unit in the island of Rhodes; the Design, Supply, Transfer, Installation and Commissioning of the Co-Generation Station with a capacity of 316MW and 252MWth, with natural gas fuel in Aluminium de Grece (ADG).

The Company's experience in the energy sector, its dynamic development, as well as the Management's efforts to expand activities abroad, resulted in the execution of a strategic cooperation agreement in the sector of energy and environmental projects, with the company ALSTOM, which holds a leading position in the Global energy sector.

The companies agreed on the following:

- To cooperate in new energy and environmental products, in the sectors of marketing, market development, preparation of bids, submission and negotiation of bids and in case of undertaking projects, to cooperate in their implementation.
- To cooperate in the sector of providing support services to energy production stations such as upgrading and reconstruction activities.
- To cooperate in the production of specific segments of equipment incorporated in energy production stations with Natural Gas fuel and lignite, as well as in environmental protection systems.

This Cooperation Agreement covers energy projects that will be implemented in Greece, and following an evaluation on each case, the projects in the broader region of South-Eastern Europe. This region includes countries such as Cyprus, Albania, Bulgaria, FYROM, Serbia-Montenegro, Kosovo, Slovenia and Romania.

The Company has also immense interest for participations in investments, both as regards to renewable energy sources (solar, Aeolian, biomass – waste management) and the sector of electric energy co-generation.

#### **4.3.2 Defence Industry**

The Defence sector became a strategic choice after the Company's management was taken over by the MYTILINEOS Group. 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 equipment 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.

### **4.3.3 Infrastructure Projects**

2006 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 transportation, 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 operates in the metal construction industry and deals mainly with the manufacturing and construction of complex and advanced metal and mechanical structures, as well as with Energy Projects, Infrastructure Projects, Defense projects, etc. 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 2006, 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 S.A. – GROUP OF COMPANIES 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 an 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 € 224.

The Group's total assets stands at € 225.78 million and the total equity € 122.73 million. METKA Group employs a total personnel of 602.

## 5.3 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 –GROUP OF COMPANIES».

## **2006**

- Participation by 12.94% in GREEK VEHICLE INDUSTRY (ELVO) S.A. was sold for the amount of € 5.8 mil. to MYTILINEOS HOLDING S.A.
- Participation by 40% in 3KP S.A. was sold for the amount of € 993 ths. according to the decision of the Board of Directors at 2/5/06.

### **5.4 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 specialized 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.

### **5.5 Main Events for year 2006 – Development of new market sectors**

During 2006, METKA had a considerable activity in the Energy, Defense, and Infrastructure sectors. More specifically, the METKA Group undertook or continued from previous year the following projects:

### 5.5.1 Energy Projects

Energy projects continued from previous year.

#### ■ **SES Lavrio, Attika**

METKA won the relevant tendering process of the Public Electricity Company and undertook as an EPC Contractor the study, supply, transportation, installation and initialization of operation of a combined cycle, single axis, natural gas fired Unit Nr. 5, of 377.66MW power. The contract was signed on 2/1/2004. The total cost of the project is € 194 million and the contractor undertakes also the long-term maintenance of the gas-turbine, initially for 6 years. The value of the maintenance is € 19.8 million, and the Public Electricity Company has the right to extend the maintenance period for 6 more years, with an additional cost 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, study, and construction of the necessary Civil Engineer works and all necessary auxiliary premises, the demolition, dismantling and disposal of old constructions and equipment, connection with the natural gas network of the Public Gas Supply Company, and connection with the 400 kV Substation

This very important project, with high and specialized demands and short deadline, was a challenge which METKA confronted with the know how and experience of an internationally competitive company, and a project contributing to the solution of the energy problem in our country. The first ignition of Unit Nr. 5 was effected in February 2006 and its commercial operation started in April 2006.

Turnover for 2006 reached €12.13 million.

#### ■ **Power and Thermal Co-production Station for ALUMINUM OF GREECE S.A.**

METKA S.A. undertook as an EPC contractor the timely, workmanly, complete, economical, and safe execution of the Co-production Project of Aluminum of Greece (AOG) which includes the Study, Supply, Transportation, Installation, and Initialization of Operation of a Co-production natural gas fired Station of 316MW and 252 MWth power. The contract was signed in July 2005. The Co-production Station will cover the power and thermal (through steam) needs of the Aluminum and Alumina production plant at Agios Nikolaos of Viotia.

More specifically, the above project, which will be executed in 25 months from the contract date and has a budget of € 180 million includes the design, study, manufacture, fabrication, supply, tests, transportation, assembly, supply of any required services (technical or other), the study and construction of appropriate Civil Engineer works, connection to the natural gas network, and to the network of Electric Energy Transfer with a sub-station of 150kv.

The main parts of the project are :

- Two (2) Gas-turbines with their generators and auxiliary installations.
- Two (2) Boilers of emission thermal recovery with 4 funnels (including the detour funnels).
- 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.

Turnover for 2006 reached €138.88 million.

#### ■ **Filter Replacement at SES Megalopoli**

The replacement of the existing electrostatic lignite filters of Unit III at SES Megalopoli, continued during 2006. The value of the contract is € 15.9 million. The project was realized 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 Electricity Company, and was concluded in March 2006 with the commercial operation of the last filter. With the contract supplements nr. 1, 3 & 4 which were signed in February 2004, May 2005, and September 2005, the total contractual value became € 16.4 million.

The project concerns the replacement of the six electrostatic lignite filters at the top of the boiler-room of Unit III at SES Megalopoli, and includes the following: study, 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 supply of all required technical services related to the project.

The project is expected to contribute decisively to a reduction of the pollution emission and improvement of the environment of Central Peloponese.

Turnover for 2006 reached € 1.01 million.

#### ■ **Filters for SES Agios Dimitrios**

Following an international tendering process by the Public Electricity Company, the consortium METKA - ALSTOM POWER SWEDEN A.B., undertook in September 2004 the project «Upgrading the existing electrostatic ash filters and addition of new ones on Units I, II, III, and IV of SES Agios Dimitrios».

The METKA-ALSTOM Group has already executed successfully a similar project, which concerned the supply, installation and operation of Electrostatic Filters on Units III and IV of SES Kardias.

The project - which is of contractual value €130 million, €89 million of which concern METKA - includes the design, study, manufacture, supply, assembly, on-site installation and operation of all equipment (Electrostatic Filters, emission ducts, system for the removal of suspended ash, emission thermal recovery system, electrical equipment, control systems, etc.), as well as the study and construction of the necessary Civil Engineer works. According to the contract, the above contractual value may be revised.

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

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

- representation of the Group in the eyes of the Head of the project – that is, the Public Electricity Company.
- study, design, and construction of the necessary Civil Engineer works.
- study, design, and supply of the biggest part of the mechanical equipment which includes basic elements like the emission suction fans, etc.
- study, design, and supply of the electrical equipment and control systems.
- installation of all equipment and initialization of their operation.

The on-site works started in October 2004, by dismantling the existing equipment and doing the appropriate excavations. Concluded are today the works concerning the filters of Units I and II, and those Units are commercially operative. Electromechanical works are now being effected in Units III and IV. Unit IV is anticipated to be turned-off in August 2007, for the three-month interconnection period, and Unit III in February 2008. Works are expected to be concluded (following the interconnection delay by the Public Electricity Company) in March 2008.

Turnover for 2006 reached €56.5 million.

### ***New Projects in 2006***

#### **■ *TITAN Factory Works – Zlatna Panega Cement, Bulgaria***

METKA undertook in early 2006 the construction and erection of a vertical concrete mill, with a production potential of 80-135 tons of concrete per hour and 2.4MW power, as well as other auxiliary equipment, including bag filters, belt-conveyors, bin transporters, ash silos, cement clinkers, hydraulic networks, etc.

After that, METKA undertook the fabrication and erection of two electrostatic filters and the reconstruction of a clinker cooler, together with their tubes in the plant's furnace exits.

Finally, it undertook the project of converting two electrostatic filters into hybrid ones (half electrostatic and half bag filters) at the pre-heaters of the two furnaces, as well as the tubes of the one unit's pre-heater.

In total, the value of all METKA contracts in 2006 comes up to €4,4 million and includes 1,400 tons of industrialized constructions, and erection of 2,500 tons. After the conclusion of the works, the biggest part of the renovation and expansion of the factory shall have been realized, thus doubling the concrete production

Turnover for 2006 was €2.9 million.

#### **■ *Ilarion Hydroelectric Project (HEP), Small Ilarion HEP and small Papadia HEP***

METKA was the lowest bidder in the relevant EPC tendering process, and undertook as EPC contractor the study, construction, assembly, erection, tests and initialization of operation of the hydroelectric units of the Ilarion HEP (2 units of 77,45 MW each), the small Ilarion HEP (a unit of 4,2 MW), and the small Papadia HEP (a unit of 0,57 MW) – the total power being 159,67 MW. The contract was signed on 31/7/2006 and the total contractual value is €28.1 million.

The contractor's obligation includes the design, study, industrialization, construction, supply, tests in factory, transportation and storage in the area of the project, assembly, installation, on-site tests, and initialization of the operation of the hydro-turbines, the speed regulators, valves, generators, transformers, sub-station equipment of 150 kV, medium voltage boards, portal cranes, gate barriers, and auxiliary electromechanical equipment for the Ilarion HEP, the small Ilarion HEP, and the small Papadia HEP, as well as spare part supply and supply of any required service, technical or other.

This is a demanding project, which confirms the specialized knowledge that METKA has acquired in hydroelectric works during the last 20 years.

The works are expected to be concluded in the middle of 2009, and the commercial operation shall start at the end of 2009. Smaller parts of the project concerning the small hydroelectric units are expected to be concluded up to mid2008.

#### ■ ***Belt-stations for Kardia and Mavropigi Mines***

METKA was the lowest bidder in the relevant EPC tendering process and undertook in October 2006 the project Supply, Installation, and Testing of Belt-stations for the electric movement of belt-conveyors with short-circuited cursors and frequency converters at the mines of Pedia Kardias and Mavropigi Lignite Center of West Macedonia.

The project has a contractual value of €26.4 million and includes the design, study, industrialization, fabrication, supply, tests in the factories, transportation and storage at the project site, assembly, installation, tests on-site, equipment initialization, spare part supply, supply of any needed service, technical or other, of all the necessary equipment of sixty one belt-stations and the relevant belt-conveyor movement engines.

The purpose of the project is to acquire the necessary equipment for the movement of the new belt-conveyors which are being manufactured by the EPC at the Pedia Kardias and Mavropigi mines. Only six belt-stations are going to replace already operative belt-stations.

The studies and needed supplies for this project, as well as the fabrication, tests and initialization of its biggest part shall be effected within 2007. The rest of the project, including the fabrication of the rest of the equipment and the respective tests, is anticipated to be concluded in June 2008.

#### ■ ***Repair of Unit IV at SES Ptolemaida***

METKA undertook from ALSTOM INFRASTRUCTURE HELLAS SA a considerable part of the above project which includes the following:

- a Study – Supply – Erection of the damaged metal constructions, the small tube-supports and valves, the thermal insulation of the high-pressure parts, the boiler plating (roof and walls).
- b Fabrication of all equipment supplied by ALSTOM, including main tubing and suspensions, entrance collector with interconnecting tubes, control and safety valves, gauges and monitors.
- c Controls and thermal processing of the weldings.

The works commenced on December 8 2006 (METKA/ALSTOM contract date) and are expected to be concluded on April 4 2007, with the project's delivery to the Public Electricity Company.

METKA's payment is €3.8. Turnover for 2006 was €1.1 million.

#### ■ ***Power Station in Pakistan's Karachi***

METKA was the lowest bidder in an international tendering process and undertook from Karachi Electricity Supply Company Ltd (KESC) the project «Design, Study, Industrialization, and Supply of two (2) open-cycle gas-turbines GE LM6000 and two (2) combined-cycle gas-turbines GE LM6000, capable of using two types of fuel (natural gas and petroleum) including a steam-turbine, an exhaust capture boiler, and all the necessary equipment, of a 220MW total

power», at the city Karachi of Pakistan.

The entrusting was effected on 22/12/2006, the contract signed on 23/01/2007, and the contractual value is €110 million.

According to the contract, the four gas-turbine units shall be put to operation on 31/07/2007, 30/08/2007, 30/09/2007, and 30/01/2008 respectively, while the date of operation of the combined-cycle turbine is 22/12/2008.

This project is a first effort for METKA to expand its activities in country with great prospects in the energy market. The successful conclusion of the said project may lead to a series of similar works in Pakistan, a market of 160,000,000 people with many shortages but increasing demand for electric power. Also, this is a challenge for METKA and its personnel which, based on their experience from similar energy projects in Greece, are now responding to the demands of the global energy market.

### **5.5.2 Defense Projects**

#### **■ Neptune Submarine Upgrade**

The production for the upgrade of the Neptune submarines continued in 2006. The contract with the company HDW (HOWALDTSWERKE-DEUTSCHE WERFT) was signed on 26/1/2004.

Turnover for 2006 was €700 th.

#### **■ Co-production of LEOPARD 2-Hel tanks**

- A. Co-operation with KMW (Krauss Maffey Wegman) continued during 2006, for the production of 170 Leopard 2-Hel Armored Vehicles for the Greek Armed Forces. The €125.36 million contract will ensure a long-term production at the Volos Factory. A delivery of 36 tank towers and 36 tank hulls together with the relevant mechanical packages was effected timely during 2006. Turnover for 2006 was €38.8 million.
- B. In the context of the above Program, a contract has also been signed with Rheinmetall Landsysteme company for a co-production of 12 collecting vehicles of the ARV Leopard 2-Hel. The contract value is €9.1 million. Turnover for 2006 is €1.2 million.
- 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 armored firearm stands for the Leopard 2-Hel tank. The value of the contract is €2.63 million and turnover for 2006 reached €1.7 million.

### **5.5.3 Various**

#### **■ Volos Real Estate**

During 2006, the construction of a residential complex in a property on the beach front of Volos continued. Construction began in 2003, after securing the relevant license. METKA purchased the property at € 2.35 million after share capital increase. During 2005, 9 apartments were sold, of a total value €1,732,529.00. During 2006, 4 apartments were sold, of a total value €851,027.64. The construction of the complex was finished in the beginning of 2007.

#### **■ Maintenance Works in the Plant of Aluminum of Greece**

METKA has undertaken by Aluminum of Greece S.A. the annual maintenance of the company's plant and facilities in

Agios Nikolaos of Viotia. Turnover for 2006 was €7.1 million.

### ■ **Various Projects**

Apart from the above mentioned projects, METKA executed during 2006 various other – already contracted - with a total turnover which surpassed €2.1 million.

## 5.6 Human Resources

METKA S.A. personnel and administrative officers and other employees are carefully selected.

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Monthly Waged Employees	307	250	188	194
Daily Waged Employees	199	243	102	91
<b>Total</b>	<b>506</b>	<b>493</b>	<b>290</b>	<b>285</b>

## 5.7 Fixed Assets – Guarantees and Real Securities

### 5.7.1 Land – Building facilities

The Company fully owns the following property:

- Industrial facility in Nea Ionia, Volos, of a total area of 25,766m<sup>2</sup>, as well as an 870m<sup>2</sup> offices building in the same area, located on a 78,521m<sup>2</sup> land plot.
- Land plot in Nea Ionia, Volos, of a total area of 120m<sup>2</sup>.
- Land plot in Nea Ionia, Volos, of a total area of 463m<sup>2</sup>.
- Land plot in Nea Ionia, Volos, of a total area of 213m<sup>2</sup>.
- Land plot in Nea Ionia, Volos, of a total area of 388m<sup>2</sup>.
- Building of a total area of 2,489m<sup>2</sup> on a 1,293m<sup>2</sup> 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<sup>2</sup>.
- Industrial facility in the 1st Industrial Park of Volos, of a total floor area of 13,883m<sup>2</sup>, on a 103,431m<sup>2</sup> 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<sup>2</sup>, with a building of 300 m<sup>2</sup>.

### 5.7.2 Mechanical Equipment – Technical Installations

As of 31.12.200, METKA's plant is situated on a 78,521 m<sup>2</sup> plot, of which 25,000 m<sup>2</sup> 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 m<sup>2</sup> 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***

### **1. FOREST-LINE, Majormill 500G**

5-Axis CNC, Machining Center, Gantry type

### **2. FOREST-LINE, Modumill 300G**

5-axis CNC Machining Center, Gantry type

### **3. MAUTEFER Vertical Lathe with CNCFAGOR 8025T**

With two tool carriages.

Max diameter of machining 13,000 mm

Maximum height 4,500mm.

Maximum weight of work piece 200 tons.

Vertical travelling of 2,500 mm

Capacity 300 HP

Power 240 KW

### **4. 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

### **5. 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

### **6. 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

## **7. 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

## **8. 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.

## **9. 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.

## **10. 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 dyeing 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.

### 5.7.3 Fixed Assets – Guarantees and Real Securities

The land-plots, buildings and machinery were valued as at the transition date to IFRS (01/01/2004) at deemed cost, according to provisions of IFRS 1. «Deemed» cost is considered the fair value of the fixed equipment during the IFRS transition date, defined following a study by independent appraisers.

The Company has legal ownership on fixed assets and there are no real collateral assets or other burdens apart from the collateral on behalf of the National Bank of Greece amounting approximately to €2,347 for the property located at the Xirokampos Position in Volos, for a prior loan received by the Company and which has been fully repaid.

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

#### THE GROUP

Amounts in €	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Gross Book value (or estimated cost of acquisition)							
as at 1st January 2005	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)
<b>Book value as at January 1st 2005</b>	<b>17,299,000</b>	<b>21,362,192</b>	<b>30,067,551</b>	<b>438,784</b>	<b>1,362,506</b>	<b>314,495</b>	<b>70,844,527</b>
Additions	0	471,954	3,076,697	96,696	535,630	155,247	4,336,225
Transfers	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)
Adjustments	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)
<b>Book value as at December 31st 2005</b>	<b>17,299,000</b>	<b>21,109,682</b>	<b>29,365,481</b>	<b>380,207</b>	<b>1,402,777</b>	<b>99,661</b>	<b>69,656,807</b>
Additions	243,254	102,635	2,292,704	135,457	660,523	455,973	3,890,545
Adjustments	0	269,090	12,840	0	0	(281,931)	0
Sales - Reductions	0	0	(865,066)	(89,797)	(81,112)	0	(1,035,975)
Depreciations of year 2006	0	(741,046)	(3,711,181)	(76,153)	(556,989)	0	(5,085,369)
Depreciations of Sold - Reduced Assets	0	0	417,912	87,920	75,840	0	581,671
minus : Gross Book value of Sold Company as of 3rd May 2006	(540,000)	(272,000)	(338,415)	(124,662)	(114,643)	0	(1,389,721)
Accumulated depreciation of 3KP	0	16,320	234,417	98,554	102,076	0	451,367
Gross Book value (or estimated cost of acquisition)							
as at 31st December 2006	17,002,254	23,142,200	40,500,425	1,354,535	6,036,212	273,703	88,309,329
minus : Accumulated depreciation and value impairment	0	(2,657,519)	(13,091,734)	(943,010)	(4,547,740)	0	(21,240,003)
<b>Book value as at December 31st 2006</b>	<b>17,002,254</b>	<b>20,484,681</b>	<b>27,408,691</b>	<b>411,525</b>	<b>1,488,472</b>	<b>273,703</b>	<b>67,069,326</b>

The Company's tangible fixed assets are analyzed in the following table:

**THE COMPANY**

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
<b>Amounts in €</b>						
Gross Book value (or estimated cost of acquisition)						
as at 1st January 2005	11,967,000	13,934,736	31,678,091	865,618	3,557,830	62,003,273
minus : Accumulated depreciation and value impairment	0	(991,110)	(5,361,641)	(529,209)	(2,458,376)	(9,340,336)
<b>Book value as at January 1st 2005</b>	<b>11,967,000</b>	<b>12,943,626</b>	<b>26,316,450</b>	<b>336,409</b>	<b>1,099,453</b>	<b>52,662,938</b>
Additions	0	157,272	2,863,423	96,696	405,085	3,522,476
Transfers	0	(107,844)	(1,527)		0	(109,371)
Sales - Reductions	0	0	(442,280)	(111,286)	(199)	(553,765)
Depreciations of year 2005	0	(455,545)	(3,271,421)	(60,375)	(353,157)	(4,140,498)
Depreciations of Sold - Reduced Assets	0	107,844	248,070	62,687	113	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	64,862,614
minus : Accumulated depreciation and value impairment	0	(1,338,811)	(8,384,991)	(526,896)	(2,811,420)	(13,062,119)
Adjustments	0	0	(663)	(838)	0	(1,501)
<b>Book value as at December 31st 2005</b>	<b>11,967,000</b>	<b>12,645,353</b>	<b>25,712,052</b>	<b>323,293</b>	<b>1,151,296</b>	<b>51,798,994</b>
Additions	0	99,699	1,378,001	73,635	569,950	2,121,285
Adjustments	0	0	0	0	0	0
Sales - Reductions	0	0	(853,018)	(84,460)	(29,252)	(966,730)
Depreciations of year 2006	0	(462,923)	(3,301,894)	(58,053)	(420,833)	(4,243,703)
Depreciations of Sold - Reduced Assets	0	0	416,179	82,583	23,980	522,742
Gross Book value (or estimated cost of acquisition)						
as at 31st December 2006	11,967,000	14,083,863	34,622,688	840,203	4,503,414	66,017,169
minus : Accumulated depreciation and value impairment	0	(1,801,734)	(11,271,369)	(503,205)	(3,208,273)	(16,783,080)
<b>Book value as at December 31st 2006</b>	<b>11,967,000</b>	<b>12,282,129</b>	<b>23,351,319</b>	<b>336,999</b>	<b>1,295,141</b>	<b>49,232,588</b>

**INSURANCE TABLE OF METKA S.A. (amounts in €)**

INSURANCE COMPANIES	COVERED RISKS/COVERED ITEMS	AMOUNT
LOCKTON LTD	Buildings, Machinery, and equipment	120,000,000
LOCKTON LTD	Computers	300,000
METROLIFE	Vehicles-Cranes	3,459,000
AIG GREECE/LOCKTON LTD	Third party Liabilities	11,000,000
	<b>TOTAL</b>	<b>134,759,000</b>

The net book value of fixed assets (buildings, mechanical equipment etc) amounts to €49.23 million. From such, €11.97 million refer to land-plots, which are not insured. Therefore, the current level of insurance coverage is deemed satisfactory.

The aforementioned insurance contracts have a one-year duration, have been legally compiled and include the normal terms according to insurance practices.

# 6. Information concerning Equity, Shareholders, the Administration and the Personnel of the Company

## 6.1 Share Capital Development

The Company's share capital amounts to €16,624,192.00 divided into 51,950,600 registered shares with a nominal value of €0.32 each.

The evolution of the Company's share capital until today, is as follows:

- During the Company's establishment, the Share Capital amounted to GRD 25,000,000 divided into 50,000 shares with a nominal value of GRD500 each.
- According to the decision by the General Shareholders' Meeting on 27/8/1964, it increased by GRD 15,000,000 with the issuance of 30,000 shares, with a nominal value of GRD500 each.
- According to the decision by the General Shareholders' Meeting on 5/2/1966, it increased by GRD 25,000,000 with the issuance of 50,000 shares, with a nominal value of GRD500 each.
- According to the decision by the General Shareholders' Meeting on 27/3/1971-7/4/1971, it decreased by GRD 20,000,000 with the decrease of shares by 40,000, with a nominal value of GRD500 each.
- According to the decision by the General Shareholders' Meeting on 24/2/1972, the share capital increased by GRD 21,400,000 with the issuance of 42,800 shares, with a nominal value of GRD500 each. This amount emerged from the capitalization of the surplus value of land-plots, buildings and other fixed facilities (apart from machinery) under the application of Development Law 148/67. Thus, the total number of shares amounted to 132,800, with a nominal value of GRD500 each.
- According to the decision by the General Shareholders' Meeting on 30/8/1973, on the one hand the share capital increased by GRD 13,280,000 with the issuance of 132,800 bearer preferred shares with no voting rights and a value of GRD100 each, and on the other the Company's common shares of GRD500 each were split each to shares of GRD100. Thus the total number of shares amounted to 664,000 common bearer shares and 132,800 preferred bearer with no voting rights and with a value of GRD100 each.
- According to the decision by the General Shareholders' Meeting on 4/5/1974, it increased by GRD 23,904,000 with the issuance of 199,200 common bearer shares and 39,840 preferred bearer shares with a value of GRD100 each. This increase took place through the capitalization of the reserve «share premium» (GRD 17,364,300) and from the capitalization of part of the existing other reserves (GRD 6,539,700).
- According to the decision by the General Shareholders' Meeting on 25/6/1977, it increased by GRD 22,892,064 with the increase of the nominal value to GRD111 (from GRD100) and with the issuance of 86,320 new common bearer shares and 17,264 preferred bearer shares with a nominal value of GRD111 each. This increase took place through the capitalization of the surplus value of buildings and facilities amounting to GRD 22,747,846 (L.542/77) and by the amount of GRD 144,218 from the distribution of profit from the financial year 1976 (D.L.148/67).
- According to the decision by the General Shareholders' Meeting on 5/11/1977, it increased by GRD 18,978,336 with the issuance of 142,480 common bearer shares and 28,496 preferred bearer shares with a nominal value of GRD111 each.
- According to the decision by the General Shareholders' Meeting on 22/10/1982, it increased by GRD 116,625,600 with the increase of the nominal value from GRD111 to GRD200 each. This increase took place through the

capitalization of the surplus value of buildings and facilities amounting to GRD 105,983,057 (L.1249/82) and by the amount of GRD 10,642,543 from the «share premium» reserve.

- According to the decision by the General Shareholders' Meeting on 16/2/1989, it increased by GRD 183,456,000 with the issuance of 764,400 common bearer shares and 152,800 preferred bearer shares with a nominal value of GRD200 each. This increase took place through the capitalization of the surplus value of land-plots and buildings amounting to GRD 174,636,458 (Decision E. 2665/88 by the Ministers of Finance and National Economy) and by the amount of GRD 8,819,542 from the «share premium» reserve.
- According to the decision by the Extraordinary General Shareholders' Meeting on August 29th 1991, the Company's share capital increased by GRD 163,466,000 with the issuance of 817,330 bearer shares with a nominal value of GRD200 each, from which 772,760 are common voting shares and 44,570 preferred non-voting shares, through payment of cash.
- According to the decision by the General Meetings of Shareholders, owners of common voting and preferred non-voting shares, on July 9th 1992, the Company's share capital increased by GRD 121,800,400 with the increase of the nominal value of the total existing 3,045,010 bearer shares from GRD200 to GRD240. The share capital increase of GRD 121,800,400 consists of the reserve of GRD 108,390,471 from capitalization of surplus value from readjustment of machinery value, according to L.1731/1987, as well as of GRD 13,409,929 from the Balance Sheet reserve «share premium».
- According to the decision by the Repeated Extraordinary General Meetings of Shareholders, owners of common voting and preferred non voting shares, on June 17th 1993, the Share Capital increased by GRD 334,951,100 with the increase of the nominal value of the total existing 3,045,010 bearer shares from GRD240 to GRD350. The share capital increase of GRD 334,951,100 consists of the reserve of GRD 316,465,880 from capitalization of surplus value from readjustment of the value of land-plots and buildings, according to L.2065/92, as well as of GRD 18,485,220 from the Balance Sheet reserve «share premium». Thus, the Company's Share Capital following the aforementioned increase, amounts to GRD 1,065,753,500 fully paid up and divided into 3,045,010 bearer shares with a nominal value of GRD350 each, from which 2,629,160 are common voting shares and 415,850 are preferred non voting shares.
- According to the decision by the Repeated Extraordinary General Meetings of Shareholders, owners of common shares, on June 2nd 1994, the Share Capital increased by GRD 279,121,500 with the issuance of 797,490 new bearer shares with a nominal value of GRD350 each, from which 715,540 are common voting shares and 81,950 are preferred non voting shares, for a price of GRD 319,726,050 that had been decided by the Repeated Extraordinary Meetings on February 22nd 1994. Thus, the Company's Share Capital following the aforementioned increase, amounts to GRD 1,344,875,000 fully paid up and divided into 3,842,500 bearer shares with a nominal value of GRD350 each, from which 3,344,700 are common voting shares and 497,800 are preferred non voting shares.
- According to the decision by the Repeated Extraordinary General Meetings of Shareholders, owners of common voting and preferred non voting shares, on June 8th 1994, the Share Capital increased by GRD 403,462,500 through capitalization of an equal amount from the balance sheet reserve «share premium» with the issuance of 1,152,750 new bearer shares, with a nominal value of GRD350 each, from which 1,003,410 are common voting shares and 149,340 are preferred non voting shares. Thus, the Company's Share Capital following the aforementioned increase, amounts to GRD 1,748,337,500 fully paid up and divided into 4,995,250 bearer shares with a nominal value of GRD350 each, from which 4,348,110 are common voting shares and 647,140 are preferred non voting shares.
- According to the decision by the Repeated Extraordinary General Meetings of Shareholders, owners of common voting and preferred non voting shares, on June 5th 1997, the Share Capital increased by GRD 1,498,575,000 through capitalization of: 1) an amount of GRD 444,051,097 from surplus value from the readjustment of the value of buildings and land-plots according to L.2065/1992 and 2) an amount of GRD 1,054,523,903 from the balance sheet reserve «share premium» through a) the issuance of 1,498,575 new shares from which 1,304,433 are common registered voting shares and 194,142 are preferred registered non voting shares and b) the increase of the nominal value of total shares from GRD350 to GRD500 each. Thus, the Company's Share Capital following the aforementioned increase, amounts to GRD 3,246,912,500 fully paid up and divided into 6,493,825 registered shares

with a nominal value of GRD500 each, from which 5,652,543 are common voting shares and 841,282 are preferred non-voting shares.

- With the decisions dated 1.2.1999 by the Special Meeting of preferred Shareholders and the two Extraordinary General Shareholders Meetings, the decrease of the nominal value of common and preferred shares was decided from GRD500 to GRD100 each and the replacement of shares owned by shareholders during the date of the meeting at a ratio of one (1) existing share, with a nominal value of GRD500 for five (5) new shares with a nominal value of GRD100 each, as well as the suspension of the preference of preferred shares and their conversion from preferred non voting to common voting shares. Thus, the Company's Share Capital amounts to GRD 3,246,912,500 fully paid up and divided into 32,469,125 common voting shares with a nominal value of GRD100 each.
- According to the decisions by the 1st Repeated Ordinary General Meeting of Shareholders on 12.7.1999, the Company's Share Capital increased by GRD 1,948,147,500 through the issuance of 19,481,475 new shares with a nominal value of GRD 100 each, which were offered above par at GRD 1,100 each, with the emerging difference included in the reserve «Share premium». Thus the Company's share capital fully paid up following the aforementioned increase amounts to five billion one hundred and ninety five million and sixty thousand (GRD 5,195,060,000) divided into 51,950,600 common voting shares with a nominal value of GRD100 each.
- With the decision of the Ordinary General Shareholders' Meeting on June 29th 2001, the following were decided:
  - a) The increase of the GRD 5,195,060,000 share capital of the Company by GRD 469,633,424 through capitalization of GRD 400,924,792 from surplus value due to readjustment of the value of buildings and land-plots according to L.2065/1992 and through GRD 68,708,632 from the balance sheet account «share premium» with increase of the nominal value of total shares from GRD 100 to GRD 109.04 or €0.32.
  - b) The conversion of the share capital and the nominal value of shares to euro. Thus, the Company's Share Capital fully paid up, amounts to GRD five billion six hundred and sixty four million six hundred and ninety three thousand and four hundred and twenty four (GRD 5,664,693,424) or euro sixteen million six hundred and twenty four thousand and one hundred and ninety two (€16,624,192) divided into fifty one million nine hundred and fifty thousand and six hundred (51,950,600) common voting shares with a nominal value of one hundred and nine GRD (GRD109.00) or thirty two cents (€0,32).
- During the financial year 2005, the share capital increase by €70,133,310 through capitalization of reserves that consists of: a) an amount of €63,430,696.45 from the reserve account «share premium», b) an amount of €6,291,395.64 from the capitalization of Extraordinary Reserves created from retained and already taxed profit of previous years and c) an amount of €411,217.91 from capitalization of Tax-Exempt Reserves of special law provisions (L.1892/90). This increase took place through the increase of the nominal value of shares by €1.35 each, namely from €0.32 to €1.67 per share. According to the decision of the Extraordinary General Shareholders' Meeting on 20/09/2005, the share capital decreased by €70,133,310 through the decrease of the nominal value per share by €1.35. The aforementioned decision by the Extraordinary General Meeting was approved by the Ministry of Development on 29/09/2005 (Reg. No. K2-12347) and the Board of Directors of the Athens Exchange during its meeting on Tuesday 18/10/2005 was informed on the decrease of the Nominal Value of the Company's shares, as well as on the approval decision by the Ministry of Development. The payment of the share capital decrease commenced on 31/10/2005.

## 6.2 Share Capital

Amounts in €	THE GROUP				
	Legal Reserve	Special Reserve	Contingency reserve	Tax-exempt reserves under special laws	Total
<b>Balance at 1 January 2005</b>	<b>3,391,457</b>	<b>826,575</b>	<b>9,340,385</b>	<b>9,873,873</b>	<b>23,432,290</b>
Adjustements for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	829,281	0	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)
<b>Balance at 31 December 2005</b>	<b>4,220,738</b>	<b>826,575</b>	<b>3,191,145</b>	<b>13,017,113</b>	<b>21,255,571</b>
Adjustements for the period 01/01-31/12/2006					
- Formation of reserves due to profits of year 2006	1,751,548	0	217,045	3,148,870	5,117,462
- Tax paid for Tax-exempt reserves of technical companies	0	0	0	(1,710)	(1,710)
- Transfer to Contingency reserves	0	0	3,176	(3,176)	0
<b>Balance at 31 December 2006</b>	<b>5,972,286</b>	<b>826,575</b>	<b>3,411,366</b>	<b>16,161,096</b>	<b>26,371,323</b>

Amounts in €	THE COMPANY				
	Legal Reserve	Special Reserve	Contingency reserve	Tax-exempt reserves under special laws	Total
<b>Balance at 1 January 2005</b>	<b>2,895,373</b>	<b>826,575</b>	<b>6,254,368</b>	<b>10,038,868</b>	<b>20,015,184</b>
Adjustements for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	661,780	0	37,027	3,176,579	3,875,387
- 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)
<b>Balance at 31 December 2005</b>	<b>3,557,154</b>	<b>826,575</b>	<b>0</b>	<b>12,610,716</b>	<b>16,994,444</b>
Adjustements for the period 01/01-31/12/2006					
- Formation of reserves due to profits of year 2006	1,716,995	0	0	3,062,785	4,779,780
<b>Balance at 31 December 2006</b>	<b>5,274,149</b>	<b>826,575</b>	<b>0</b>	<b>15,673,500</b>	<b>21,774,224</b>

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.

## Consolidated Statement of Changes in Equity

### Share Capital Attributable to Shareholders

Amounts in €	Share Capital Attributable to Shareholders					Total	Minority Interest	Total
	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Retained Earnings			
Balance at 1st January 2005	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	(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 share capital and return to the shareholders (in cash)	(70,133,310)	0	0	0	0	(70,133,310)	0	(70,133,310)
Increase of Minority Rights (Shares issued by subsidiaries)	0	0	0	0	0	0	1,123	1,123
Dividend relating to 2004	0	0	0	0	(10,390,120)	(10,390,120)	(450,246)	(10,840,366)
Net Profit for the year 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	(4,525,894)	0	0	0
Increase of Minority Rights (from acquisition of subsidiaries)	0	0	0	0	0	0	331,456	331,456
<b>Total recognized income and expense for 2005</b>	<b>0</b>	<b>(63,430,696)</b>	<b>(1,271,097)</b>	<b>(2,176,719)</b>	<b>22,001,016</b>	<b>(44,877,496)</b>	<b>1,190,955</b>	<b>(43,686,542)</b>
<b>Equity Balance at 31st December 2005</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>21,255,571</b>	<b>48,121,923</b>	<b>86,001,685</b>	<b>14,650,047</b>	<b>100,651,732</b>
<b>Balance at 1st January 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>21,255,571</b>	<b>48,121,923</b>	<b>86,001,685</b>	<b>14,650,047</b>	<b>100,651,732</b>
Changes in Equity for the period 01/01 - 31/12/2006								
Decrease of Minority Rights (from sale of subsidiaries)	0	0	0	0	0	0	(991,179)	(991,179)
Increase of Minority Rights (from acquisition of subsidiaries)	0	0	0	0	0	0	15,000	15,000
Expenses coming from a subsidiary's share capital increase					(7,235)	(7,235)	(10,852)	(18,087)
Reversion of a subsidiary's (3KP) share capital						0	(1,509,600)	(1,509,600)
Transfer to Reserves	0	0	0	5,117,462	(5,117,462)	0	0	0
Tax paid for tax-exempt reserves of technical companies	0	0	0	(1,710)	0	(1,710)	(2,566)	(4,276)
Dividend relating to 2005	0	0	0	0	(15,585,180)	(15,585,180)	(600,000)	(16,185,180)
Net Profit for the year 2006	0	0	0	0	40,635,408	40,635,408	128,863	40,764,271
<b>Total recognized income and expense for 2006</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,115,752</b>	<b>19,925,531</b>	<b>25,041,283</b>	<b>(2,970,334)</b>	<b>22,070,949</b>
<b>Equity Balance at 31st December 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>26,371,322</b>	<b>68,047,454</b>	<b>111,042,969</b>	<b>11,679,713</b>	<b>122,722,682</b>

## Company Statement of Changes in Equity

### Share Capital Attributable to Shareholders

Amounts in €	Share Capital Attributable to Shareholders				Retained Earnings	Total	
	Share Capital	Share Premium	Fair Value Reserve	Other Reserves			
Balance at 1st January 2005	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			(1,271,097)			(1,271,097)	
Share Capital increase through capitalization of share premium and reserve funds	70,133,310	(63,430,696)		(6,702,614)		0	
Expenses coming from the share capital increase					(480,387)	(480,387)	
Decrease of share capital and return to the shareholders (in cash)	(70,133,310)					(70,133,310)	
Dividend relating to 2004					(10,390,120)	(10,390,120)	
Net Profit for the year 2005					34,339,900	34,339,900	
Transfer to Reserves					3,681,873	(3,681,873)	0
<b>Total recognized income and expense for 2005</b>	<b>0</b>	<b>(63,430,696)</b>	<b>(1,271,097)</b>	<b>(3,020,741)</b>	<b>19,787,520</b>	<b>(47,935,014)</b>	
<b>Equity Balance at 31st December 2005</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>16,994,444</b>	<b>56,057,099</b>	<b>89,675,735</b>	
<b>Balance at 1st January 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>16,994,444</b>	<b>56,057,099</b>	<b>89,675,735</b>	
Changes in Equity for the period 01/01 - 31/12/2006							
Transfer to Reserves					4,779,780	(4,779,780)	0
Dividend relating to 2005					(15,585,180)	(15,585,180)	
Net Profit for the year 2006					38,468,526	38,468,526	
<b>Total recognized income and expense for 2006</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,779,780</b>	<b>18,103,566</b>	<b>22,883,346</b>	
<b>Equity Balance at 31st December 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>21,774,224</b>	<b>74,160,665</b>	<b>112,559,081</b>	

### 6.3 Share Book Value

According to the financial statements of 31/12/2006, which conform to the International Financial Reporting Standards, the parent company's own capital was € 112,559,081 and the Group's € 111,042,969. Based on the total share number (51,950,600 on 31/12/2006), the book value per share came up to € 2.17 for the parent company and € 2.14 for the Group.

### 6.4 Shareholders

Based on data of 31.12.2006, the main shareholders of METKA are:

SHAREHOLDERS	NUMBER OF SHARES	(%)
MYTILINEOS HOLDINGS S.A.	27,488,515	52.91
ING BELGIUM SA/NV	2,520,841	4.85
FOREIGN INSTITUTIONAL INVESTORS	4,893,700	9.42
DOMESTIC INSTITUTIONAL INVESTORS	4,044,233	7.78
RETAIL	13,003,311	25.04
<b>TOTAL</b>	<b>51,950,600</b>	<b>100</b>

The Company's shares are nominal and have a large spread of 47.09%. None of the shareholders not shown in the above table hold an interest of over 1.5%.

#### SHARE DISTRIBUTION

Shareholders with less than 100 shares	2,313
Shareholders with 100 up to 500 shares	7,052
Shareholders with 500 up to 1,000 shares	2,246
Shareholders with 1,000 up to 2,000 shares	1,695
Shareholders with 2,000 up to 5,000 shares	973
Shareholders with more than 5,000 shares	503
<b>Total</b>	<b>14,782</b>

### 6.5 Shareholder Rights

Each share of the Company has all the rights and obligations determined by Law and the Company's statutes. However, the statutes cannot contain more limitations than those anticipated by the Law. The possession of shares means, ipso facto, that the owners accept the Company's statutes and all legal decisions of the Board of Directors and the General Assembly, even if they did not participate.

The Company's statutes do not contain special rights in favor of specific shareholders.

- The Company's shares are freely negotiable.
- Based on the provisions of articles 39 and after of law 2396/96 as modified by laws 2533/97 and 2651/1998, the Company's shares were made intangible and registered to the electronic records of the Joint-Stock Company named «Central Depository of Securities» The activation of the above provisions for making the stocks intangible resulted from the decision 2.3.1999 of the Capital Market Committee.
- The shareholder's responsibility is limited to the face value of the shares he possesses. Shareholders participate to the administration and profits of the Company according to the law and the provisions of the statutes. The rights and obligations resulting from the possession of shares are transferred to any general or specific successor of the

shareholder.

- Shareholders exert their rights pertaining to the administration of the Company only through the General assemblies.
- Shareholders have a preference right in any future increase of the Company's share capital, in proportion to their stake, as determined in article 13, paragraph 5 of Coded Law 2190/1920.
- The shareholder's creditors and their successors in no way can they initiate a confiscation of any Company's property or sealing of its accounting books, neither ask for its allotment or liquidation or mingle in any way to its administration or management.
- Each shareholder, irrespective of where he lives, he is supposed to have as a permanent address the Company's headquarters as regards to his relations with it, and is subjected to the Greek legislation. For any dispute among the Company and the shareholders or any third party one should exclusively address the regular courts, and action can be brought against the Company only in front of the Courts of its headquarters.
- Each share provides the right of one vote. Share co-possessors can vote in the General Assembly only if they designate a representative for the shares they have in common. Until they do so, their rights are suspended.
- Each shareholder may participate in the Company's General Assembly either in person or through a plenipotentiary. In order to participate, a shareholder must submit a relevant certificate by the Central Depository of Securities (C.D.S), according to the provisions of law 2396/96, at least five (5) days before the date of the General Assembly. Within the same period he should also submit the receipt(s) of the share deposit and the documents of representation, and the shareholder should be given a receipt for his entrance to the General Assembly. Shareholders not following the above conditions, shall participate in the General Assembly only through a special permit from it.
- Shareholders representing a 5% of the paid share capital:
  - 1 Have the right to ask for an audit from the Court of First Instance of the Company's headquarters, according to articles 40 , 40e of law 2190/1920 and,
  - 2 May ask for a Special General Assembly of the shareholders. The Board of Directors is obliged to summon an Assembly in a period not exceeding thirty (30) days from the date of submission of the request to the President of the Board. In their request, the shareholder(s) should mention the matters for which the General Assembly is called to decide upon.
- Each shareholder may ask ten (10) days before the Regular General Assembly for the Company's annual financial statements and the relevant reports of the Board of Directors and the Auditors.
- Each share's dividend is paid within two months from the date of the General Assembly, which approved the annual financial statements. The way and place of the payment shall be made known through the Press.
- Shareholders who neglect to ask the payment of their dividends, have no interest rights. Dividends not asked to be paid within five years from the claimable period, are annulled.

## 6.6 Board of Directors and Management Executives' Remuneration

### **Board of Directors**

Chairman	€ 1,677,530
Managing Director	€ 500,000
Representation fees of BoD	€ 51,011
Non Executive, Independent Members	€ 62,069

**Management Executives**

Total wages of the managers, excluding BOD members, for 2006 was € 1,176,308.

**6.7 Participation of the BOD Members and Main Shareholders to the Share Structure and the BOD of Other Companies****PARTICIPATIONS OF BOD MEMBERS AND COMPANY'S MAIN SHAREHOLDERS**

<b>BOD MEMBERS</b>	<b>COMPANY</b>	<b>BOD POSITION</b>	<b>STAKE</b>
MYTILINEOS IOANNIS	MYTILINEOS S.A.	VICE PRESIDENT	-
	THORIKI S.A.	VICE PRESIDENT &MANAGING DIRECTOR	-
	DEFENCE MATERIAL INDUSTRY	VICE PRESIDENT	50
	ALUMINIUM OF GREECE S.A.	VICE PRESIDENT	-
BAKIRTZOGLU NIKOLAOS	ELEMKA	VICE PRESIDENT	-
	MYTILINEOS ENERGY S.A.	MEMBER	-
PALLAS GEORGIOS	RODAX	VICE PRESIDENT	-
	ELEMKA	CHAIRMAN	-
IKONOMU GEORGIOS	SERVISTEEL	VICE PRESIDENT	-
	STALCO S.A.	VICE PRESIDENT	-
	TECHNOLOGICAL PARK THESSALIAS	MEMBER	-
AVAGIANOS IOSIF	ALUMINIUM OF GREECE S.A.	INDEPENDENT -NON EXECUTIVE MEMBER	-

The members of the BOD and the Company's shareholders with a percentage at least 10%, declare that they do not participate to the BOD or share capital of other companies with a percentage over 10%, neither have administrative influence or any relation with other companies except the above and those mentioned in Chapter 7 concerning the Affiliated Companies.

Also, there is no business relation among the Company and the ones in which the BOD members and the Company's main shareholders participate, except those mentioned in Chapter 7 concerning the Affiliated Companies.

## 6.8 Insiders

The company is fully governed by the provisions of the Hellenic Capital Market Commission concerning Manipulating the market and access on privileged information, as such is defined by Decision No: 347/12.07.2005 and Law 3340/2005, and has disclosed to the Investment community the list of liable individuals, namely individuals who have access on privileged information. The list of insiders of METKA S.A. are:

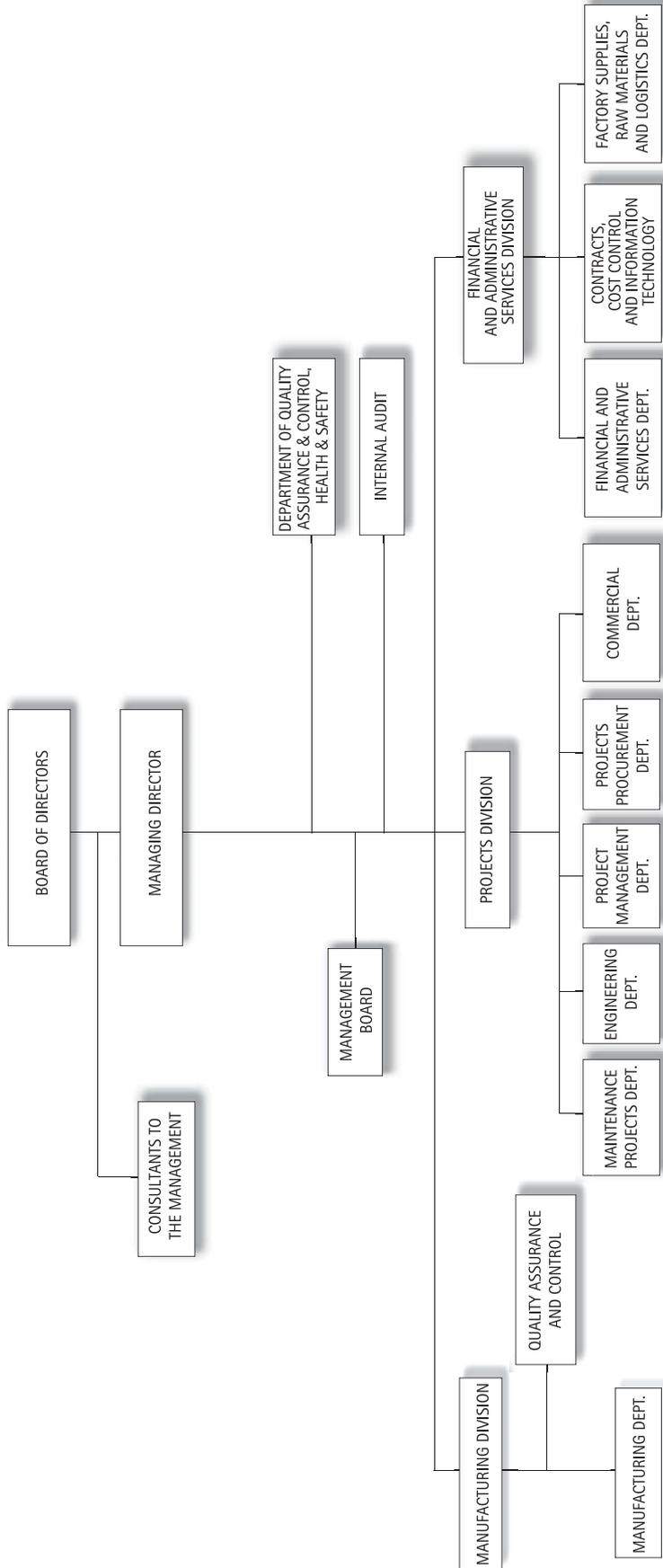
<b>Board of Directors</b>		<b>Shares</b>
Ioannis Mytilineos	Chairman	241,968
Nikolaos Bakirtzoglou	Vice President (Non executive Member)	7,000
Georgio Pallas	Managing Director	144,000
Georgios Ikonomou	Member	3,850
Filippos Zotos	Member	-
Iosif Avagianos	Member (Non Executive Independent)	20,000
Ioannis Antoniadis	Member (Non Executive Independent)	-

<b>Administration</b>		<b>Shares</b>
Panagiotis Gardelinos	General Manager Projects	-
Georgios Mammias	Financial and Administrative Director	-
Sotirios Spyropoulos	Projects Director	-
Ekaterini Donta	Purchasing Manager, factories's raw materials and logistics Manager	45,500
Christos Pantzikas	Director of Engineering Department	-
Dimitrios Poulakis	Quality Assurance Manager	-
Emma Benai	Commercial Director	-
Alexandros Rigas	Contracts Manager	-
Alexandra Tsiomi	Project Purchasing Manager	-
Georgios Ioannidis	Management Advisor	-
Emilios Filippidis	Management Advisor	-
Dimitrios Karvounis	Production Manager	-
Spridon Petratos	Head of Accounting Department	-
Charalampos Chasapopoulos	Maintenance Project Manager	-
Chatzigrigoriou Theoharis	Internal Audit Manager	-

<b>Auditors</b>		<b>Shares</b>
Deligiannis George		-
Kazas Vassilios		-

The company informs, based on the law, The Capital Market and the Investment Community for possible changes.

### 6.9 Corporate Organization Chart



## 6.10 Human Resources

METKA S.A. comprises carefully selected administrative personnel.

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

The number of employees is analyzed in the following table:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Full Time Employees	307	250	188	194
Daily Waged Personnel	199	243	102	91
<b>Total</b>	<b>506</b>	<b>493</b>	<b>290</b>	<b>285</b>

EDUCATIONAL LEVEL	2006	2005
Higher Education-University	127	125
Higher Education-Technology Institutes	66	62
Secondary Education	237	231
Compulsory Education	76	75
<b>TOTAL</b>	<b>506</b>	<b>493</b>

METKA S.A. supports continuous personnel training, while provides 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 employees a total staff of 602.

## 7. 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 shareholder's interest.

### 7.1 Board of Directors

The Company's Board of Directors consists of seven members, according to the Ordinary General Shareholders' Meeting dated 28.06.02 and the Extraordinary General Meeting dated 15.11.02. It was formed to a body with the decision No. 707/15.11.02 and has a 5-year term until 30.06.2007. Following the resignation letter by the Chairman and BoD member Mr. Evangelos Mytilineos, in order to focus entirely on the Group's central management, the BoD convened according to the Law and article 9 of the Company's Articles of Association on 15.05.2006. After taking into account the reasons and the content of the resignation letter of Mr. Evangelos Mytilineos, the BoD decided to accept his resignation and unanimously and collectively selected Mr. Ioannis Mytilineos as Chairman in replacement of the resigned, until the end of the latter's term and Mr. Philippos Zotos as Executive Member. The Ordinary General Meeting on 16.05.2006 ratified the aforementioned changes of the BoD members. The composition of the BoD is as follows:

Ioannis Mytilineos: Chairman

Civil Engineer Graduate of the Aristoteleio University of Thessalonica. Member of the Technical Chamber of Greece. He undertook METKA's management following the acquisition of the majority stake of its shares from the MYTILINEOS GROUP in 1999.

Nikolaos Bakirtzoglou: Vice-Chairman (Non-Executive Member)

Mechanical – Electrical Engineer Graduate from the National Technical University of Athens. He has been with the Company from 1972.

Georgios Pallas: Chief Executive Officer

Mechanical – Electrical Engineer Graduate from the National Technical University of Athens. Member of the Technical Chamber of Greece. He has been with the Company from 2000.

Georgios Oikonomou: Member

Mechanical Engineer Graduate from the National Technical University of Athens. He has been with the Company from 1977 and is Deputy General Manager of Plants and Director of the Company's Plant in VOLOS.

Philippos Zotos: Member

Civil Engineer Graduate from the National Technical University of Athens. He has been with the Company from 1982 and is General Manager of Financial and Administrative Services.

Iosif Avagianos: Member (Independent Non-Executive)

He holds an MSc degree in Metallurgy Engineering and is a graduate of the National Technical University of Athens. He served for 30 years as a Senior Executive in the Industry being Responsible for the Planning, Installation & Operation of Industrial Units' Production.

Ioannis Antoniadis: Member (Independent Non-Executive)

An Associate Professor of the National Technical University of Athens, Mechanical Engineering Department. He is Director of the Dynamics and Constructions Laboratory.

## 7.2 Administration

### **ATHENS OFFICES**

- Filippos Zotos: General Manager of Financial and Administrative Services. Civil Engineer Graduate of the National Technical University of Athens and Economist Engineer. He has been with the Company from 1982.
- Panagiotis Gardelinos: General Manager of projects. Mechanical Engineer Graduate of the National Technical University of Athens. He has been with the Company from 2006.
- Georgios Mammias: Director of Financial and Administrative Services. He is an Economist Graduate from the Athens University. He has been with the Company from 1968.
- Sotiris Spyropoulos: Director - Projects Management Division. Mechanical Engineer Graduate of the National Technical University of Athens. He has been with the Company from 2000.
- Christos Pantzikas: Director - Head of Studies Division. Mechanical Engineer Graduate of the National Technical University of Athens. He has been with the Company from 1999.
- Aikaterini Donta: Director – Logistics Division. She has been with the Company from 1999.
- Dimitrios Poulakis: Director - Quality Assurance Division. Mechanical Engineer Graduate of the National Technical University of Athens. He has been with the Company from 2003.
- Alexandros Rigas: Director – Contracts, Cost, IT & Reporting Division. Mechanical Engineer Graduate of Aristoteleio University of Thessalonica. He has been with the Company from 1996.
- Alexandra Tsiomi: Director of Projects' Supply Division. Mechanical Engineer Graduate of the National Technical University of Athens. She has been with the Company from 1999.
- Emma Benai: Director of Commercial Division. Mechanical Engineer Graduate of Aristoteleio University of Thessalonica. She has been with the Company from 2000.
- Haralambos Hasapopoulos: Head of Projects' Maintenance Division. Mechanical Engineer Graduate of the National Technical University of Athens. He has been with the Company from 2002.
- Spyridon Petratos: Chief Accountant. Economist Graduate of the University of Thessaloniki. He has been with the Company from 2004.
- Theocharis Hadjigrigoriou: Head of Internal Audit. Economist Graduate of the University of Athens. He has been with the Company from 2006.
- Aimilios Philippidis: Management Advisor. Mechanical Engineer. He has been with the Company from 1976.
- Georgios Ioannidis: Management Advisor. Civil Engineer Graduate with 32 years of experience as an independent

professional. He has been with the Company from January 1999.

### **PLANT**

- Georgios Oikonomou: Director of Plant and BoD member. Mechanical Engineer Graduate of the National Technical University of Athens. He has been with the Company from 1977.
- Dimitrios Karvounis: Deputy Plant Director. Mechanical Engineer Graduate of the Technical University of Stockholm, Sweden. He has been with the Company from 1984.
- Nikolaos Harisis: Head of Technical Office. Mechanical Engineer. He has been with the Company from 1978.
- Antonios Tsourapas: Naval Architect Graduate, Head of Quality Assurance. He has been with the Company from 1976.
- Antonios Hadjidimitriou: Head of Machines Department. Engineer Graduate from the University of Munich with a Post Graduate Engineer Degree in conglutination and with 11 years of experience in ELVO as head of armored production. He has been with the Company from 1994.

There is no relation between the members of the Company's BoD.

It is noted that no member of the BoD and the Company's senior executives, have been convicted for indecent actions, financial crimes or are involved in judicial pendings that concern bankruptcy, criminal acts and prohibition to perform:

- business activities
- stock exchange transactions and
- the profession of business advisors, senior executives of banks and insurance companies, underwriters, executives of brokerage firms etc.

All the BoD members, as well as all senior executives are of Greek nationality and citizenship.

### **7.3 Internal Audit**

The Internal Audit is a basic and essential element of Corporate Governance. The Internal Audit Division of Mytilineos 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 division also verifies compliance with legislated policies and with procedures set by the Company's Internal Regulation of Operations, the current legislation and the regulative provisions.

The internal audit division is part of the overall internal audit system, which is assigned to deal with the audit of operational and business risks, the prevention, improvement of operations and performance and the proper corporate governance.

The internal audit contributes to the company's members, including to the senior executives and the audit committee, for the effective exercise of their responsibilities.

Specifically, the internal audit division is responsible for the following:

- The verification of the adherence to the operational regulations of the Company, the procedures, the current legislation and regulative provisions.
- The reassurance of the lawful presentation of the Company's transactions.

- The reassurance of the reliability and thoroughness of the financial and operational information produced and the means used.
- The estimation of the adequacy and effectiveness, as well as the promotion of the qualitative and continuous improvement of audit procedures and risk management.
- The submission of reports towards the board of directors and audit committee, regarding the auditing procedures on the company's activities, including the potential for improvement in such procedures, as well as information on the satisfactory or not resolving of such issues.
- The coordination and monitoring of other auditing, supervisory, controlling activities (risk management, compliance, security, legality, ethics, environment, external audit).
- The submission of brief periodical reports on the division's activities towards management and the audit committee.
- The preparation and maintenance of the division's budget.

METKA S.A. has an Internal Audit Division since 26/11/2001. Currently the Head of the division is Mr. Hadjigrigoriou Theocharis, a Graduate from the Economic Department of the Athens University, with great experience as an Internal Auditor. The head of the Internal Audit Service is employed at our Company through a full time and exclusive employment relationship.

#### 7.4 Audit Committee

The Audit Committee is comprised by three (3) non-executive members of the Board of Directors and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board of Directors. Its responsibilities include the reassurance of the Company's compliance with the rules of Corporate Governance, as well as the guarantee of a proper operation of the Internal Audit System and the supervision of activities of the Company's Internal Audit Division.

#### 7.5 Investor Relations

The Athens Stock Exchange's announcements, the Quality Criteria of Publicity of the stock Exchange Companies, and the existing legislation-in particular the Code of Ethics of the Stock Exchange Companies-as well as the need to create a two-way communication among the Stock Market Company and the Investors, the Supervising Authorities and all other interested and involved parties, lead to the creation of the Investor Relations Department.

The main goal of the Investor Relations Department is to program and realize all necessary actions for informing the structural investors, domestic or foreign, and to take care for a timely and proper information and servicing of the shareholders of all the Group's companies, according to the clauses of the regulating organizations (Athens Stock Exchange, Capital Market Committee, etc) assuring their proper, immediate and equal information, in line with a proper and lawful operation of the Group.

#### 7.6 Corporate Announcements Service

The corporate announcements service is responsible for monitoring the company's obligations towards the Capital Market Committee and the Athens Stock Market. More specifically, it is responsible for the company's conformity with the following obligations (article 14 of Behavior Regulation):

## 7.7 Risk management objectives and policies

### 7.7.1 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 from 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.

### 7.7.2 Market 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.

### 7.7.3 Credit Risk

The credit risk of the Group mainly consists of the customer's inability to pay in time partially or in total his liabilities. 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. According to the above the Credit risk of the Group is estimated to be minimum.

Given that 42% of the company's turnover comes from one client (PPC), and 32% comes from an associate company, Aluminum of Greece (a subsidiary of MYTILINEOS S.A.). The high credit rating of PPC and Aluminum of Greece, 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.

#### **7.7.4 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.

#### **7.7.5 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.

## 8. Share Price Movement

### 8.1 Earnings per Share

The following table shows the earnings per share for the period 2005-2006

(amounts in €)	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit Attributable to Equity Holders of the Parent Company	40,764,271	38,706,038	38,468,526	34,339,900
Weighted Average Number of Shares	51,950,600	51,950,600	51,950,600	51,950,600
Earnings per Share (€/share)	0.78	0.72	0.74	0.66

### 8.2 Stock Price Movement

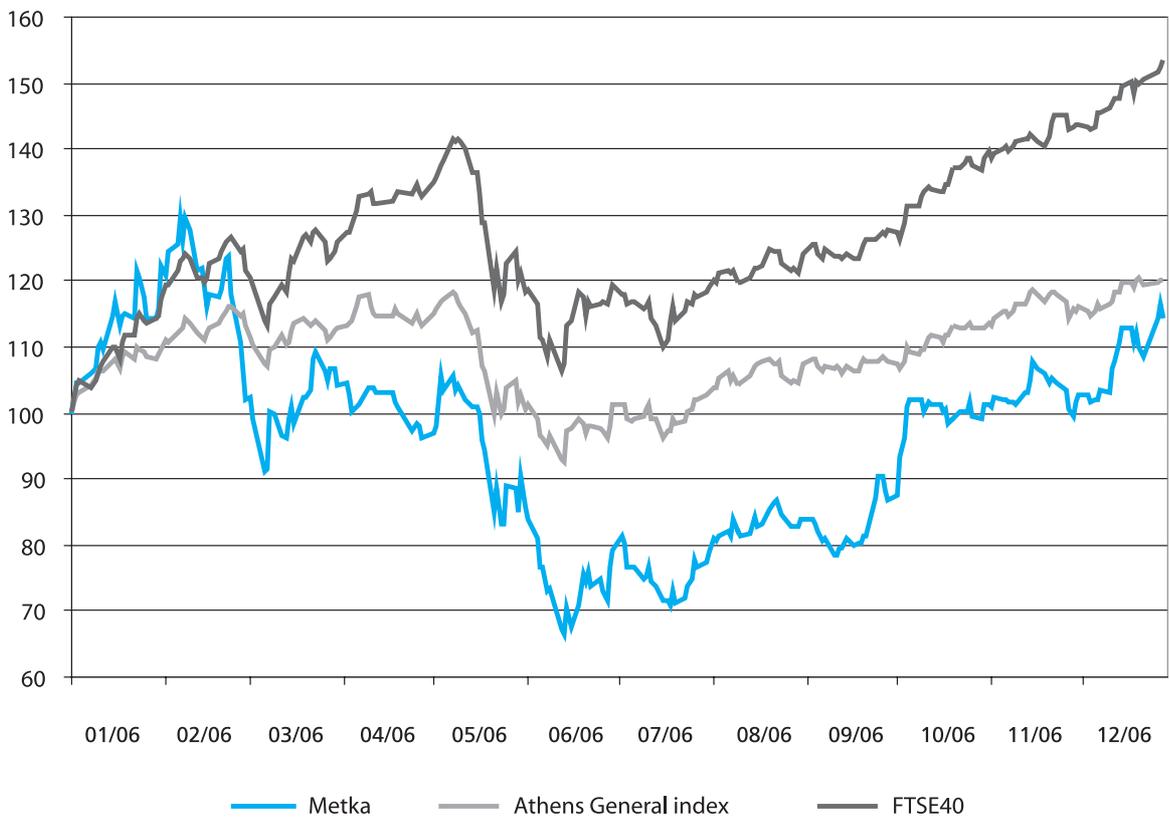
The summarized statistical data regarding the share price movement during 01.01.2006 – 31.12.2006 are shown in the following table and charts.

#### **STOCK MARKET DATA FOR 2006**

Average Price	€ 8.55
Minimum Price	€ 5.94
Maximum Price	€ 11.59
Average Daily Trading Volume	172,845 shares
Net Dividend per Share for 2006	€ 0.40



**METKA's Share price in Comparison with the General Index and FTSE/ASE Mid Cap 40 (01.01.2006 – 31.12.2006)**



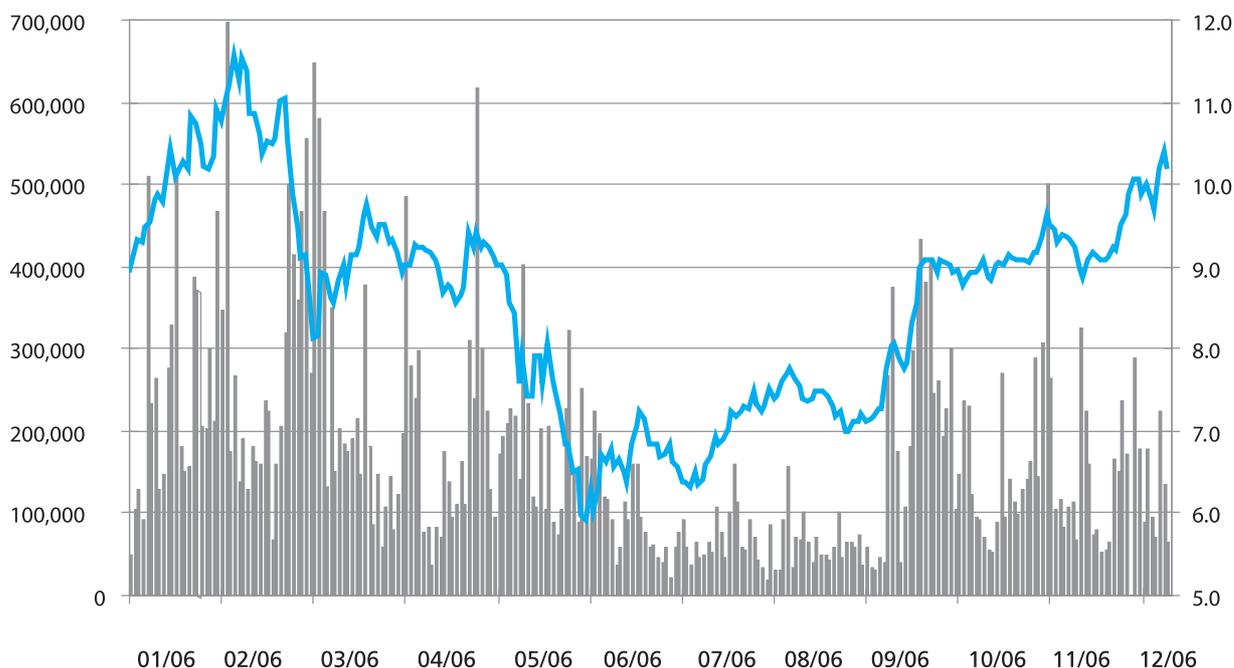
### 8.3 Presentations to Institutional Investors

METKA S.A. meets the conditions for the qualitative criteria of the Athens Stock Exchange, implemented a series of presentations both to the domestic and to the international investment community during 2006.

DATE	TYPE OF EVENT	COUNTRY	ORGANIZATION
12/01/2006	Roadshow	France	Eurocorp
30/01/2006	Roadshow	G. Britain	UBS
23/02/2006	Conference Call	Greece	Mytilineos S.A.
20/03/2006	Presentation	Greece	DOMESTIC INSTITUTIONAL INVESTORS
24/03/2006	Roadshow	G. Britain	UBS
29/03/2006	Roadshow	G. Britain	Deutsche
30/03/2006	Roadshow	France	P&K
05/04/2006	Roadshow	U.S.A	HSBC
04/05/2006	Roadshow	Greece	UBS
11/05/2006	Conference Call	Greece	METKA S.A.
03/08/2006	Conference Call	Greece	METKA S.A.
10/08/2006	Roadshow	Italy	UBS
08/10/2006	Roadshow	France – Belgium - Germany	HSBC
13/10/2006	Roadshow	Cyprus	ALPHA FINANCE
23/11/2006	Conference Call	Greece	METKA S.A.
4/12/2006	Roadshow	Netherlands - Sweden	ALPHA FINANCE

### 8.4 Graphs

#### Share Price Movement and Trading Volume Development (01.01.2006 - 31.12.2006)



## 8.5 Corporate Actions Calendar 2007

METKA S.A. presents in the following table the Schedule of Intended Corporate Actions and 2007 Financial Calendar:

Release of Fiscal Year 2006 Results: Tuesday, February 27th 2007.

Annual Briefing of Analysts and Institutional Investors – Association of Greek Institutional Investors: Wednesday, March 14th 2007.

Annual General Shareholder Meeting: Monday, May 14th 2007.

Ex-dividend date: Wednesday, May 16th 2007.

Dividend payout: Thursday, May 24th 2007.

Release of First Quarter 2007 Results: Thursday, May 10th 2007 (postponed to May 24th 2007).

Release of Six Month 2007 Results: Thursday, August 2nd 2007.

Release of Nine Month 2007 Results: Thursday, November 8th 2007.

## 8.6 Dividend Policy

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

(in ths €)	2004	2005	2006
Profit After Taxes	16,371.85	34,339.90	38,468.53
Total Dividend	10,390.12	15,585.18	20,780.24
% on Profit	63.4%	45.4%	54.0%

For the fiscal year 2006 the company proposes the distribution of €0.40 per share as opposed to €0.30 per share in 2005. This proposed dividend is subject to the approval of the General Assembly. The Company's policy is to pay dividend that corresponds to at least 35% of the profits of distribution.

## 9. Affiliated Companies

### 9.1 Affiliated Companies

The following table shows METKA's participation in the share capital of the affiliated companies, as well as the acquisition value and the net position on 31.12.2006.

	TOTAL SHARES	METKA'S SHARES	PARTICIPATION PERCENTAGE	ACQUISITION VALUE IN €	PARTICIPATION VALUE ON 31.12.2006 IN €
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	591,894	591,784	99.98%	3,036,030	9,827,617.22
EKME S.A.	6,637,500	2,655,000	40%	9,509,186	7,652,015.18
RODAX A.T.E.E.	34,293	34,293	100%	19,097,918	13,367,577.52
ELEMKA S.A.	3,600	3,006	83.5%	3,507,000.00	966,132.93

#### **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<sup>2</sup>, 9,500m<sup>2</sup> of which is a fully covered production-office area and 35,000m<sup>2</sup> 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:

<b>SERVISTEEL (Amounts in €)</b>	<b>2005</b>	<b>2006</b>
Receivables	2,276,221.72	2,721,436.55
Current Assets	2,575,741.91	3,080,588.94
Share Capital	2,367,560.00	2,367,560.00
Shareholders Equity	9,354,478.43	9,829,443.96
Short-term liabilities	370,476.95	427,852.64
Turnover	2,010,931.71	2,337,240.22
Gross profits	185,896.88	474,387.15
Profits before taxes	63,705.49	353,548.20
Profits after taxes & BOD fees	224,373.30	474,548.53

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.

### **EKME S.A.**

Participation: 40%.

Based in Thessaloniki, Municipality of Ehedoron, 6 Sofias Vembo street.

Following a study of EKME's data by METKA's financial department, the Company proceeded to a 40% share acquisition valued at €9.51 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.

The Shareholders and Management are as follows:

<b>Capital Shareholders</b>	<b>Nr of shares</b>	<b>Share value (€)</b>	<b>Percentage</b>
VASSILEIOS KARIOTIS	3,900,560	1.20	53.65%
GEORGE VRYZAS	145,400	1,20	2.0%
IOANNIS KARIOTIS	171,140	1.20	2.35%
DEMETRIOS GERODIMOU	145,400	1.20	2.0%
METKA S. A.	2,908,000	1.20	40.0%
<b>TOTAL</b>	<b>7,270,500</b>		<b>100%</b>

### **BOARD OF DIRECTORS**

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

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

<b>EKME (amounts in €)</b>	<b>2005</b>	<b>2006</b>
Receivables	7,781,456.00	9,846,385.22
Current Assets	16,934,643.63	16,822,508.54
Share Capital	8,724,000.00	8,724,000.00
Shareholders Equity	19,699,084.43	19,130,037.94
Short-term liabilities	2.888.525,31	4,618,145.41
Turnover	14.445.623,92	15,843,553.62
Gross profits	2.950.273,30	868,844.06
Profits before taxes	2.350.980,67	307,551.39
Profits after taxes & BOD fees	1.727.643,22	435,229.38

### **RODAX A.T.E.E.**

100% Participation Percentage

The company's domicile is located in Athens, 62-66 Marinou Antypa Str., N. Iraklio.

RODAX is a technical company operating in the area of electromechanical projects. In the context of such projects, the company has cooperated with all major companies of the sector, in Greece and abroad, such as METKA S.A., UCC FLACT, CLYDE BERGEMANN (UK and Germany), 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 undertaking the execution of integrated electrical projects (design, construction, erection and commissioning) either on its own or jointly or as METKA's sub-contractor.

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

During 2006, RODAX completed the execution of the following projects:

- Design, supply and commissioning of the Sootblower control and supervisory system for the New Filters in Units I, II, III and IV of the SES of Agios Dimitrios on behalf of the company CLYDE BERGEMANN (Germany).
- Design, supply, erection and commissioning of the electrical equipment, as well as the erection of electrical equipment and the execution of civil engineer projects at SES Chania and SES Linoperamata, for the PPC project «Supply and Installation of two New Self-owned Gas Turbine Units with a capacity of 27.95 Mwe each (ISO – Operation Conditions), for the temporary coverage of increased demands in electricity during peak times for the period 2003-2005».
- 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 Agios Nikolaos area».
- Design, supply, erection and commissioning of electrical equipment for the PPC project «Upgrading of the Existing Electrostatic Ash Filters in Units III and IV of SES Kardias and the Addition of new Electrostatic Ash Filters in the same Units.»
- Study, supply and design of the electrical equipment in the PPC project «Supply and Installation of a new Gas Turbine Unit, with a capacity of 27.95 MWe (ISO – Operation Conditions), in the SES Rhodes for the temporary coverage of increased demands in electricity during peak times for the period 2003-2005».

RODAX continued, during 2006, the execution of the following projects:

- a) erection and commissioning of mechanical equipment, b) design supply and commissioning of electrical and control equipment, c) execution of civil engineer projects of the Co-Generation Units «A», «B», «C» in the , erection and putting into operation of electrical and I & C equipment, as well as the erection of the ADG project «Construction of Power and Thermal Co-Generation station in the facilities of Aluminium de Grece S.A. (ADG) in Agios Nikolaos Paralia Distomou, Viotia».
- Design, supply, erection and commissioning of electrical equipment as well as execution of civil engineer projects an the PPC project «Upgrading of Existing Electrostatic Ash Filters and Addition of New ones in Units I, II, III and IV of SES Ag. Dimitrios».
- Design, supply, erection and commissioning of electrical and I & C equipment, as well as the erection of mechanical equipment and the execution of civil engineer projects, for the PPC project «Design, Supply, Transfer, Installation and Commissioning of the Unit V, Combined cycle, single axis, with a capacity of 377.6MW with Natural Gas fuel of SES Lavrio.
- Design, supply and commissioning of the control system for the Fly Ash Handling System of the New Filters of Units I, II, III & IV of the Agios Dimitrios SES, on behalf of the company CLYDE BERGEMANN (UK).
- Design, supply, erection and commissioning of electrical equipment for the PPC project «Replacement of Existing Electrostatic Lignite Filters for Unit III of SES Megalopolis».

During 2006, RODAX initiated the execution of the following projects:

- PPC Project «Restoration Activities of malfunction in Unit IV of SES PTOLEMAIDA».
- Supply, erection and commissioning of electrical equipment in the PPC project «Supply, installation and trials of conveyer stations for electrical conveyer feeding with short-circuit router and frequency modifiers in the mine field Kardia and the main field Mavropigi Lignite Center of Western Macedonia».

There are no receivables and debt of the Company against the aforementioned company.

### **COMPOSITION OF BOARD OF DIRECTORS**

CHAIRMAN & CEO	PALLA DIONYSIA
VICE-CHAIRMAN	PALLAS GEORGIOS
MEMBERS	MAMMAS GEORGIOS

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

<b>RODAX (amounts in €)</b>	<b>2005</b>	<b>2006</b>
Receivables	21,386,388.60	22,684,909.77
Current Assets	21,857,136.40	22,917,950.50
Share Capital	1,028,790.00	1,028,790.00
Shareholders Equity	12,593,314.43	13,367,577.52
Short-term liabilities	10,278,204.55	10,842,796.63
Turnover	41,549,467.06	45,828,660.91
Gross profits	4,478,548.81	9,251,926.26
Profits before taxes	3,025,593.05	7,935,972.41
Profits after taxes & BOD fees	1,928,619.56	5,075,593.99

**ELEMKA S.A.**

Participation: 83.5%

METKA acquired 83.5% of the non listed ELEMKA S.A. from «MYTILINEOS – GROUP OF COMPANIES» 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.

The Company's domicile is located in Athens, 41-45 Marinou Antypa str., N. Iraklio.

ELEMKA S.A. was founded in 1990 and specializes in:

- 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 35 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:

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

***BOARD OF DIRECTORS***

PRESIDENT:	GEORGIOS PALLAS
VICE-PRESIDENT:	NIKOLAOS BAKIRTZOGLU
MANAGING DIRECTOR:	PANAGIOTIS CHRISTOFILAKOS
MEMBERS:	SOTIRIS RAPTOPOULOS
	GEORGE MAMMAS
	IOANNIS MYTILINEOS (SON OF ANDREW)
	ANESTIS HATZIPANAGIOTIS

# 10. Financial Results of METKA S.A.

## 10.1 Basis for preparation of the financial statements

The consolidated financial statements of METKA S.A. for the year ended December 31, 2006 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 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.

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:

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.

### Basic accounting principles

The accounting policies adopted are consistent with those of the previous financial year except as follows:

### Amendments to published standards effective in 2006

#### ■ **IAS 19 (Amendment), Employee Benefits**

This amendment is mandatory for the Group's accounting periods beginning on or after 1 January 2006. It introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses and does not participate in any multi-employer plans, adoption of this amendment only impacts the format and extent of disclosures presented in the accounts.

#### ■ **IFRIC 10 Interim Financial Reporting and Impairment**

The Interpretation addresses the apparent conflict between the requirements of IAS 34 Interim Financial Reporting and those in other standards on the recognition and reversal in financial statements of impairment losses on goodwill and certain financial assets. IFRIC 10 states that such impairment losses recognized in an interim financial statement must not be reversed in subsequent interim or annual financial statements. IFRIC 10 is used for the annual fiscal years that begin on or after 1st November 2006. The group has not been affected by the adoption of this Interpretation, since it has not made any reversion of impairment losses.

■ **IAS 39 (Amendment), The fair value option**

This amendment restricts the classification of the financial assets as a financial asset at fair value through profit and loss. The company is not expected to be affected, by the adoption of this amendment, since all the financial assets that are classified at fair value in the income statement, are held for commercial purposes.

■ **IFRIC 4, Determining whether an arrangement contains a Lease**

IFRIC 4 gives guidance on determining whether arrangements that do not take the legal form of a lease (eg some take-or-pay contracts) should, nonetheless, be accounted for in accordance with IAS 17 Leases. It specifies that an arrangement contains a lease if it depends on the use of a specific asset and conveys a right to control the use of that asset. The application of IFRIC 4 is not expected to change the accounting handling of any of the current arrangements of the Group.

**Standards, amendments and interpretations effective in 2006 but not relevant to the Group's operations**

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

- IAS 21 (Amendment), Net Investment in a Foreign Operation;
- IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts;
- IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards
- IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;
- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment;
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies;
- IFRIC 8, Scope of IFRS 2;
- IFRIC 9, Reassessment of Embedded Derivatives

The above policies, amendments and interpretations are not expected to have any impact to the financial statements.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted.**

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2006 or later periods but that the Group has not early adopted:

■ **IAS 1 Presentation of Financial Statements**

Due to the issuance of IFRS 7 some amendments to IAS 1 Presentation of Financial Statements were necessary. Requirements were added to IAS 1 that an entity shall disclose information that enables users of its financial statements to evaluate the goals, policies and management of the Group's capital.

### ■ **IFRS 7 Financial Instruments: Disclosures**

IFRS 7 applies to all risks arising from all financial instruments, except those instruments specifically excluded (e.g. interests in subsidiaries, associates and joint ventures, etc.). The objective of the disclosures is to provide an overview of the entity's use of financial instruments and the exposure to risks they create. The IFRS is effective for annual periods beginning on or after 1 January 2007. The extent of the disclosure required depends on the extent of the entity's use of financial instruments and of its exposure to risk. IFRS 7 supersedes IAS 30 and the disclosure requirements of IAS 32 but the presentation requirements of IAS 32 remain unchanged. The Group and Company will apply the IFRS as of 1 January 2007.

### ■ **IFRS 8 Operating Segments**

IFRS 8 retains the general scope of IAS 14. It requires entities whose equity or debt securities are publicly traded and entities that are in the process of issuing equity or debt securities in public securities markets to disclose segment information. If a financial report contains both the consolidated financial statements of a parent that is within the scope of IFRS 8 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. IFRS 8 applies for annual periods beginning on or after 1 January 2009.

### ■ **IFRIC 11 IFRS 2- Group and Treasury Share Transactions**

IFRIC 11 provides guidance on whether specific share-based payment arrangements should be accounted for as equity-settled or cash-settled schemes in accordance with IFRS 2. This is an important distinction because there are significant differences in the required accounting treatment. For example, obligations under cash-settled schemes are re-measured to fair value at each reporting date. By contrast, in an equity-settled scheme the fair value of the award is determined at the grant date and recognized over the period in which the related services are provided.

### ■ **IFRIC 12 Service Concession Arrangements**

This interpretation is mandatory for the accounting periods beginning on or after 1 January 2008. IFRIC 12 provides guidance on accounting for some arrangements in which (i) a public sector body ("the grantor") engages a private sector entity ("the operator") to provide services to the public; and (ii) those services involve the use of infrastructure by the operator ("public to private service concessions").

## Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

### Judgments

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the management that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

#### ■ **Classification of investments**

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through income statement, or available for sale. For those deemed to be held to maturity

management ensures that the requirements of IAS 39 are met and in particular the Group has the intention and ability to hold these to maturity. The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit. Classification of investments as fair value through income statement depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through income statement. All other investments are classified as available for sale.

- **recoverability of accounts receivable**
- **obsolescence in inventory**
- **whether a lease entered into with an external lessor is a financial lease or an operational lease.**

### Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A "critical accounting estimate" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.

#### ■ ***Estimated impairment of goodwill***

The Group test goodwill for impairment annually and whenever events or circumstances make it more likely that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill's impairment, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 4. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

#### ■ ***Budget of construction contracts***

The handling of the earnings and the expenses of a construction contract, depends whether the final result, at the completion of contractual project can be estimated with credibility (and is expected to bring gain or loss). When the result of a contractual project can be estimated with credibility, then the earnings and the expenses of the contract are

recognised, through the duration of the project, correspondingly as earning and expense. The Group uses the method of percentage of completion, to determine the appropriate amount of income and expense that will be recognised in a specific period. The percentage of completion is measured, according to the contractual expenses that have been realised until the date of the financial statements of the total expected contractual cost of every project.

As a result, the management is required to estimate the gross profit of every construction contract (estimated cost of completion).

#### ■ **Income taxes**

The Group and the Company are subjects to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### ■ **Provisions**

Doubtful accounts are reported at the amounts likely to be recoverable based on historical experience of customer default. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible. Accumulated write-downs of receivables amounted to €2,457 thous. as of December 31, 2006 (2005: €2,308 thous.).

#### ■ **Contingencies**

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2006. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

## 10.2 Board of Directors Management Report

### **General Overview**

The project mix of the Group during the year, in all areas of activity (Energy, Defense, Infrastructure), ensured high levels of profitability. The Group has continued its growth and during the fiscal year of 2006 has done a new record in every aspect since its commendation.

Our positive course and the success of our strategic planning were clearly reflected in our financial results of 2006. This fiscal year was an excellent one for the Group that increased its turnover by 31%, its EBITDA by 14% and its profit after Tax and minorities by 8.7% compared to 2005.

### **PROSPECTS FOR THE FORTHCOMING YEAR**

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

More specifically, in 2007 we expect momentous development in all areas of our activity:

- **In energy:** METKA undertook a project of constructing a Power Station of total power 220 MW, at Karatsi of Pakistan in favor of «THE KARACHI ELECTRIC SUPPLY CORPORATION Ltd (KESC)», the contract was signed at 23 January 2007. Also, the construction of the «Co-generation Plant» for «Aluminum of Greece», the continuation of the project in SES Agios 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. Furthermore, according to the decision of MYTILINEOS GROUP the company will undertake the construction of a Power Station of total power 412 MW, at Agio Nikolao, Viotias
- **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 2006 METKA has increased 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 2006 and the positive prospects for the forthcoming year of 2007 were reflected also in the share price that increased by 33.39% during the year (2006 average price: € 8.55 versus € 6.41 for 2005)

#### **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.

KPI	2006	2005	2004
ROCE	39%	42%	18%
ROE	33%	38%	15%
EVA (in '000€)	42,679	37,938	8,640

A small decrease in ratios ROCE & ROE for the fiscal year 2006 versus 2005, is a result of returning € 70,133 th. (€1.35/share) to the shareholders of METKA S.A. in 2005. The mentioned return to the shareholders decreased the employed equity of the company and consequently improved the above ratios in the previous fiscal year. In case of not having the return on share capital to the shareholders the above ratios for the year 2005 would be as follows: ROCE 26% - ROE 23% - EVA €31,295 thous.

## **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 is Mr. Theoharis Hatzigrigoriou, Graduate of Athens University of Economics, Business Department of Economics with a substantial experience as an Internal Auditor. The Head of Internal Audit has a full time employment relationship to our company.

### **10.3 Information regarding the issues of paragraph 1 of article 11α L.3371/2005 of METKA S.A.**

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 1 of article 11α L.3371/2005.

#### ***I. Company's Share Capital Structure***

The share capital of METKA S.A amounts to 16,624,192 euro, divided into 51,950,600 common registered shares with voting right and a par value of 0.32 euro each. Each share provides one voting right. The shares of METKA S.A are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net

profits following deduction only of the statutory reserves or 6% of the paid in capital (and in particular the larger of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions. The payment date and the payment method of the dividend are available through the Athens Exchange's website, the Company's official website and is also released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,
- The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.
- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.
- Shareholders participate in the Company's General Meeting which constitute the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
- The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 4 of article 38 of the Articles of Association).

The shareholders' responsibility is limited to the nominal value of the shares held.

## ***II. Restrictions for transferring Company shares***

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

## ***III. Important Indirect/Direct participations according to Presidential Decree (PD) 51/1992***

The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's Shares are presented in the following table.

Name	Percentage
Mytilineos Holding S.A.	52.91

## ***IV. Shares with special control rights***

There are no Company shares that provide special control rights to their holders.

## ***V. Restrictions on voting rights***

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

## **VI. Agreements between Company shareholders**

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

## **VII. Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association**

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920.

## **VIII. Responsibility of the BoD for the issuance of new shares or acquisition of own shares**

A) According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, this number cannot extravagate the 1/10 of the existed shares.

The BoD regulates by resolution any other detail not otherwise regulated, by the General Meeting, issues stock options certificates and shares for the entitled persons, who exercise their options, increasing the share capital accordingly and certifying such increase in December of every year.

According to the decision of the A' Repeated of General Meeting of the Shareholder at 1.6.2006 was established a plan for the acquisition of shares by the members of BoD and employees, which are going to last from three to five years, in form of options for the acquisition of shares (stock option), on the basis of which, a maximum of 1.558.518 options may be granted for the acquisition of shares at a price equivalent with the 80% of the antedate six month average stock exchange price of the approval. With the above decision the BoD is entitled to specify, according to the decision of the General Assembly, the details for the execution of the program along with the prerequisites for the stock options release and the beneficiaries. As of today no decision has been taken by the Board of Directors of the company.

C) As of today no decision has been taken by the General Meeting of Shareholders of the company for acquiring own shares according to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920.

## **IX. Important agreement which is amended / terminated in case a change arises in the company's control following a public offer**

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

### ***X. Agreement between the Company and BoD members or employees regarding the termination of their terms / employment***

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer

The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to 1,242,146 € on 31.12.2006. From the above amount, 67,486 € concerns the members of the Board of Directors.

For the BoD  
The President of the Board  
Ioannis Mytilineos

### **10.4 Independent Auditor's Report**

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

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of «METAL CONSTRUCTIONS OF GREECE AE» ("the Company") as well as the consolidated financial statements of the Company ("the Group"), which comprise (for both the Company and the Group), the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### ***Management's Responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### ***Auditor's Responsibility***

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

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

the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

### **Report on other Legal and Regulatory Requirements**

The Board of Directors Report is consistent with the abovementioned financial statements.

Athens, 26 February 2007  
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

## 10.5 Annual Financial Statements at the Consolidated and Parent Basis

### 10.5.1 Income Statement

Amounts in €	THE GROUP		THE COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
<b>Continuing Operations</b>				
<b>Sales Turnover</b>	<b>294,146,698</b>	<b>212,800,527</b>	<b>266,422,849</b>	<b>198,865,281</b>
Cost of Sales	(225,854,035)	(156,061,058)	(210,240,631)	(149,740,531)
<b>Gross profit (loss)</b>	<b>68,292,664</b>	<b>56,739,469</b>	<b>56,182,219</b>	<b>49,124,750</b>
Other Operating Income	785,002	1,164,049	703,091	1,077,458
Selling & Distribution costs	(1,456,751)	(627,918)	(314,701)	(404,316)
General & Administrative expenses	(10,814,261)	(8,528,602)	(7,830,439)	(6,810,967)
Other Operating Expenses	(934,809)	(762,937)	(541,544)	(406,604)
<b>Profit before interest and income tax</b>	<b>55,871,844</b>	<b>47,984,061</b>	<b>48,198,626</b>	<b>42,580,320</b>
Financial income	325,450	702,668	136,807	660,090
Financial Expenses	(351,257)	(159,301)	(184,736)	(138,584)
Other financial results	(989,845)	3,176,980	2,188,211	3,492,053
Share of profit of Subsidiaries	0	(279,259)	0	0
Share of profit of Associates	0	641,186	0	0
<b>Profit before income tax</b>	<b>54,856,192</b>	<b>52,066,335</b>	<b>50,338,909</b>	<b>46,593,879</b>
Income Tax Expense	(14,448,346)	(13,813,622)	(11,870,383)	(12,253,979)
<b>Profit after tax from continued operations</b>	<b>40,407,846</b>	<b>38,252,713</b>	<b>38,468,526</b>	<b>34,339,900</b>
Discontinued operations				
Profit for the Period from discontinued operations	356,425	453,325		
<b>Profit after tax for the current period</b>	<b>40,764,271</b>	<b>38,706,038</b>		
Attributable to:				
Equity holders of the parent	40,635,408	37,397,417		
Minority Interests	128,863	1,308,621		
<b>Basic earnings per Share (in euro /share)</b>	<b>0.78</b>	<b>0.72</b>	<b>0.74</b>	<b>0.66</b>
<b>Earnings before Income Tax, Financial Results,</b>				
<b>Depreciation and Amortization</b>	<b>60,805,481</b>	<b>52,546,411</b>	<b>52,273,677</b>	<b>46,324,060</b>
<b>Earnings before Income Tax and Financial Results</b>	<b>55,871,844</b>	<b>47,984,061</b>	<b>48,198,626</b>	<b>42,580,320</b>
<b>Earnings before Income Tax</b>	<b>54,856,192</b>	<b>52,066,335</b>	<b>50,338,909</b>	<b>46,593,879</b>
<b>Earnings for the Period</b>	<b>40,407,846</b>	<b>38,252,713</b>	<b>38,468,526</b>	<b>34,339,900</b>

## 10.5.2 Balance sheet

Amounts in €	THE GROUP		THE COMPANY	
ASSETS	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Non Current Assets</b>				
Property, plant and equipment	67,069,326	69,656,807	49,232,588	51,798,994
Goodwill	1,831,406	1,829,630	0	0
Intangible assets	7,101,687	9,309,316	7,088,786	9,291,770
Investments in Subsidiaries	0	0	35,150,134	38,671,777
Deffered Tax Asset	1,256,345	1,391,383	560,537	624,366
Available for sale financial assets	364,951	6,159,684	123,201	5,917,934
Other non-current assets	2,034,068	2,185,738	1,907,510	2,065,409
	<b>79,657,783</b>	<b>90,532,558</b>	<b>94,062,754</b>	<b>108,370,250</b>
<b>Current Assets</b>				
Inventories	23,107,257	30,314,526	21,728,857	28,696,653
Trade and other reveivables	111,785,940	113,474,949	96,916,494	100,222,944
Other Receivables	1,952,960	8,743,680	801,779	7,114,742
Other Current Assets	568,610	1,712,778	531,252	1,666,499
Financial Assets at fair value through profit or loss	3,743,846	2,027,729	0	1,994,390
Cash and cash equivalent	4,958,940	19,821,624	1,298,030	8,259,394
	<b>146,117,553</b>	<b>176,095,287</b>	<b>121,276,412</b>	<b>147,954,621</b>
<b>Total Assets</b>	<b>225,775,336</b>	<b>266,627,845</b>	<b>215,339,166</b>	<b>256,324,871</b>
<b>SHAREHOLDERS' EQUITY</b>				
<b>Equity</b>				
Share Capital	16,624,192	16,624,192	16,624,192	16,624,192
Other reserves	26,371,322	21,255,571	21,774,224	16,994,444
Retained Earnings	68,047,454	48,121,923	74,160,665	56,057,099
<b>Total equity attributable to equity holders of the parent</b>	<b>111,042,969</b>	<b>86,001,685</b>	<b>112,559,081</b>	<b>89,675,735</b>
Minority Interests	11,679,713	14,650,047	0	0
<b>Total Equity</b>	<b>122,722,682</b>	<b>100,651,732</b>	<b>112,559,081</b>	<b>89,675,735</b>
<b>LIABILITIES</b>				
<b>Non - current Liabilities</b>				
Deffered Tax Liabilities	15,465,413	13,889,089	12,199,219	9,822,692
Accrued pension and retirement obligations	1,866,198	1,836,607	1,242,146	1,152,985
Other long term liabilities	10,292,289	20,147,223	11,317,668	20,506,963
<b>Total Non-Current Liabilities</b>	<b>27,623,901</b>	<b>35,872,918</b>	<b>24,759,033</b>	<b>31,482,641</b>
<b>Current Liabilities</b>				
Trade and other payables	58,923,199	102,516,547	67,312,445	111,131,206
Income tax payable	6,370,339	13,058,957	3,810,190	12,434,813
Short-term borrowings	2,208,168	769,522	2,592	12,605
Other current liabilities	7,693,451	13,573,328	6,845,771	11,587,872
Current provisions	233,596	184,841	50,055	0
<b>Total Current Liabilities</b>	<b>75,428,754</b>	<b>130,103,194</b>	<b>78,021,053</b>	<b>135,166,496</b>
<b>Total Liabilities</b>	<b>103,052,654</b>	<b>165,976,113</b>	<b>102,780,085</b>	<b>166,649,136</b>
<b>Total Equity and Total Liabilities</b>	<b>225,775,336</b>	<b>266,627,845</b>	<b>215,339,166</b>	<b>256,324,871</b>

### 10.5.3 Consolidated Statement of Changes in Equity

#### THE GROUP

#### Share Capital Attributable to Shareholders

Amounts in €	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Total
<b>Balance at 1st January 2005</b>	<b>16.624.192</b>	<b>63.430.696</b>	<b>1.271.097</b>	<b>23.432.290</b>	<b>26.120.907</b>	<b>130.879.182</b>	<b>13.459.092</b>	<b>144.338.274</b>
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	(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 share capital and return to the shareholders (in cash)	(70,133,310)	0	0	0	0	(70,133,310)	0	(70,133,310)
Increase of Minority Rights (Shares issued by subsidiaries)	0	0	0	0	0	0	1,123	1,123
Dividend relating to 2004	0	0	0	0	(10,390,120)	(10,390,120)	(450,246)	(10,840,366)
Net Profit for the year 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	(4,525,894)	0	0	0
Increase of Minority Rights (from acquisition of subsidiaries)	0	0	0	0	0	0	331,456	331,456
<b>Total recognized income and expense for 2005</b>	<b>0</b>	<b>(63,430,696)</b>	<b>(1,271,097)</b>	<b>(2,176,719)</b>	<b>22,001,016</b>	<b>(44,877,496)</b>	<b>1,190,955</b>	<b>(43,686,542)</b>
<b>Equity Balance at 31st December 2005</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>21,255,571</b>	<b>48,121,923</b>	<b>86,001,685</b>	<b>14,650,047</b>	<b>100,651,732</b>
<b>Balance at 1st January 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>21,255,571</b>	<b>48,121,923</b>	<b>86,001,685</b>	<b>14,650,047</b>	<b>100,651,732</b>
Changes in Equity for the period 01/01 - 31/12/2006								
Decrease of Minority Rights (from sale of subsidiaries)								
	0	0	0	0	0	0	(991,179)	(991,179)
Increase of Minority Rights (from acquisition of subsidiaries)								
	0	0	0	0	0	0	15,000	15,000
Expenses coming from a subsidiary's share capital increase								
					(7,235)	(7,235)	(10,852)	(18,087)
Reversion of a subsidiary's (3KP) share capital								
						0	(1,509,600)	(1,509,600)
Transfer to Reserves								
	0	0	0	5,117,462	(5,117,462)	0	0	0
Tax paid for tax-exempt reserves of technical companies								
	0	0	0	(1,710)	0	(1,710)	(2,566)	(4,276)
Dividend relating to 2005								
	0	0	0	0	(15,585,180)	(15,585,180)	(600,000)	(16,185,180)
Net Profit for the year 2006								
	0	0	0	0	40,635,408	40,635,408	128,863	40,764,271
<b>Total recognized income and expense for 2006</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,115,752</b>	<b>19,925,531</b>	<b>25,041,283</b>	<b>(2,970,334)</b>	<b>22,070,949</b>
<b>Equity Balance at 31st December 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>26,371,322</b>	<b>68,047,454</b>	<b>111,042,969</b>	<b>11,679,713</b>	<b>122,722,682</b>

**THE COMPANY****Share Capital Attributable to Shareholders**

Amounts in €	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Retained Earnings	Total
<b>Balance at 1st January 2005</b>	<b>16,624,192</b>	<b>63,430,696</b>	<b>1,271,097</b>	<b>20,015,184</b>	<b>36,269,578</b>	<b>137,610,748</b>
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			(1,271,097)			(1,271,097)
Share Capital increase through capitalization of share premium and reserve funds	70,133,310	(63,430,696)		(6,702,614)		0
Expenses coming from the share capital increase					(480,387)	(480,387)
Decrease of share capital and return to the shareholders (in cash)	(70,133,310)					(70,133,310)
Dividend relating to 2004					(10,390,120)	(10,390,120)
Net Profit for the year 2005					34,339,900	34,339,900
Transfer to Reserves				3,681,873	(3,681,873)	0
<b>Total recognized income and expense for 2005</b>	<b>0</b>	<b>(63,430,696)</b>	<b>(1,271,097)</b>	<b>(3,020,741)</b>	<b>19,787,520</b>	<b>(47,935,014)</b>
<b>Equity Balance at 31st December 2005</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>16,994,444</b>	<b>56,057,099</b>	<b>89,675,735</b>
<b>Balance at 1st January 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>16,994,444</b>	<b>56,057,099</b>	<b>89,675,735</b>
Changes in Equity for the period 01/01 - 31/12/2006						
Transfer to Reserves				4,779,780	(4,779,780)	0
Dividend relating to 2005					(15,585,180)	(15,585,180)
Net Profit for the year 2006					38,468,526	38,468,526
<b>Total recognized income and expense for 2006</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,779,780</b>	<b>18,103,566</b>	<b>22,883,346</b>
<b>Equity Balance at 31st December 2006</b>	<b>16,624,192</b>	<b>0</b>	<b>0</b>	<b>21,774,224</b>	<b>74,160,665</b>	<b>112,559,081</b>

### 10.5.4 Cash Flow Statement

Amounts in €	THE GROUP		THE COMPANY	
Amounts in €	12 months until 31 December 2006	12 months until 31 December 2005	12 months until 31 December 2006	12 months until 31 December 2005
<b>Cash flow from Operating Activities</b>				
Less: Debit interest and similar expenses Paid	(148,547)	(81,709)	(28,912)	(9,355)
Less: Income Taxes Paid	(21,027,779)	(10,883,679)	(18,563,706)	(8,411,408)
<b>Net cash flow from Operating Activities</b>	<b>108,898</b>	<b>77,727,283</b>	<b>(4,585,599)</b>	<b>74,202,728</b>
<b>Investing Activities</b>				
Purchases of tangible assets	(3,759,116)	(3,606,323)	(1,989,570)	(3,162,655)
Purchases of intangible assets	(14,779)	(3,976)	0	0
Disposals from sale of tangible assets	424,981	373,755	262,846	364,565
Proceeds from dividends	297,848	10,591	4,990,681	411,843
Purchase of financial assets at fair value through profit and loss	(3,703,000)	(2,444,390)	0	(1,994,390)
Acquisition of associates and other investments	0	(817,080)	0	(817,080)
Acquisition of subsidiaries (less the cash & cash equivalent of the Subsidiary)	(3,000)	(3,351,661)	0	(3,507,000)
Sales of subsidiaries (less the cash & cash equivalent of the Subsidiary)	(2,448,287)	0	993,600	0
Sales of Investments to associates	0	1,322,220	0	1,322,220
Sales of financial assets available for sale	5,794,733	8,546,581	5,794,733	8,546,581
Sales of financial assets at fair value through profit and loss	1,994,390	4,813,512	1,994,390	0
Interest received	340,481	725,346	136,807	660,090
Proceeds from borrowing of affiliated parties	0	8,300,000	0	8,300,000
Proceeds from returning of share capital of the subsidiaries	1,006,400	0	1,006,400	0
Other	0	(6,595)	0	(6,595)
<b>Net cash flow from Investing Activities</b>	<b>(69,350)</b>	<b>13,861,979</b>	<b>13,189,887</b>	<b>10,117,578</b>
<b>Financing Activities</b>				
Subsidiary's increase of the Share capital	15,000	1,123	0,00	(748)
Dividends Paid	(16,355,879)	(10,763,052)	(15,555,639)	(10,313,051)
Return of the Share Capital to the Share holders	0	(70,133,310)	0	(70,133,310)
Proceeds from Borrowings	33,804,983	5,000,000	22,243,752	5,000,000
Borrowings Paid	(32,298,533)	(5,000,000)	(22,243,752)	(5,000,000)
Payments of finance lease liabilities (capital)	(67,803)	(30,177)	(10,013)	(30,177)
<b>Net cash flow from Financing Activities</b>	<b>(14,902,232)</b>	<b>(80,925,416)</b>	<b>(15,565,652)</b>	<b>(80,477,286)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>(14,862,684)</b>	<b>10,663,846</b>	<b>(6,961,364)</b>	<b>3,843,019</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>19,821,624</b>	<b>9,157,778</b>	<b>8,259,394</b>	<b>4,416,374</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,958,940</b>	<b>19,821,624</b>	<b>1,298,030</b>	<b>8,259,394</b>

## 10.6 Brief Financial Information

### 10.6.1. Goodwill

Amounts in €	ELEMKA S.A.	DROSCO HOLDINGS LTD	Total
Gross carrying amount at 1st January 2005	0	0	0
Accumulated Impairment losses	0	0	0
<b>Net Book Value at 1st January 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>
Goodwill from acquisitions in year 2005	1,829,630	0	1,829,630
Gross carrying amount at 31st December 2005	1,829,630	0	1,829,630
Accumulated Impairment losses	0	0	0
<b>Net Book Value at 31st December 2005</b>	<b>1,829,630</b>	<b>0</b>	<b>1,829,630</b>
Goodwill from acquisitions in year 2006		1,776	1,776
Gross carrying amount at 31st December 2006	1,829,630	1,776	1,831,406
Accumulated Impairment losses	0	0	0
<b>Net Book Value at 31st December 2006</b>	<b>1,829,630</b>	<b>1,776</b>	<b>1,831,406</b>

The amount of goodwill recognized during financial year 2006, concerns the acquisition of «Drosco Holdings Limited». Specifically, on 10/10/2006, the subsidiary company «ELEMKA Technical, Construction, Tourism & Commercial Company SA» acquired 100% of the aforementioned company. The Group acquired 83.50% of «Drosco Holdings Limited» (indirect participation). «Drosco Holdings Limited» was established in Cyprus on 10/01/2003 as a private limited liability company according to Corporate Law, Chapter 113. The basic activity of the latter company is holding of investments.

The amount of goodwill recognized during financial year 2005, concerns the acquisition of «ELEMKA Technical, Construction, Tourism & Commercial Company SA». Specifically, on 30/12/2005, the Group acquired 83.50% of the share capital of the aforementioned company. ELEMKA's activities pertain to the provision of specialized know-how on technical works, such as the construction of lake reservoirs, as well as the trade of advanced materials needed for the construction of technical works, such as bearings and bridge expansion joints. It should be noted that ELEMKA is part of the MYTILINEOS Group from 1996. In the context of the Group's reorganization, the company was transferred from MYTILINEOS S.A. to the METKA group. This transfer will create synergies, which will allow the two companies to achieve stronger growth and increase their operating income.

#### **Impairment tests for goodwill**

For purposes of examining the value of goodwill for possible impairment during 2006, each of the above subsidiaries consists an integrated cash flow generation unit. Regarding the goodwill recognized from the acquisition of ELEMKA, the recoverable amount of such was calculated based on the «value in use», discounting its future cash flows.

The definition of the subsidiary's future cash flows took place after well-founded estimations from management on the level of the subsidiary's future profitability as well as the evaluation of existing conditions in the market. The basic assumptions regarding the evaluation of the subsidiary's value are as follows:

Discount rate	8.21%
Average rate of growth for the next five years	5.80%
Rate of growth after the next five years	0.50%

### 10.6.2 Intangible assets:

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

Amounts in €	THE GROUP		
	Licences and franchises	Software	Total
Gross Book value as at January 1st 2005	9,980,000	154,580	10,134,580
Accumulated amortization & value impairment	0	(130,714)	(130,714)
<b>Book value as at January 1st 2005</b>	<b>9,980,000</b>	<b>23,867</b>	<b>10,003,867</b>
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	10,138,556
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)
<b>Book value as at December 31st 2005</b>	<b>9,291,770</b>	<b>17,546</b>	<b>9,309,316</b>
Additions	0	14,779	14,779
Sales - Reductions	0	0	0
Depreciations of year 2006	(2,202,985)	(18,558)	(2,221,543)
Depreciations of Sold - Reduced Assets	0	0	0
minus : Gross Book value of Sold Company as of 3rd May 2006	0	(3,864)	(3,864)
Accumulated depreciation of 3KP	0	2,998	2,998
Gross Book value as at 31st December 2006	9,980,000	179,703	10,159,703
minus : Accumulated depreciation	(2,891,214)	(166,801)	(3,058,016)
<b>Book value as at December 31st 2006</b>	<b>7,088,786</b>	<b>12,902</b>	<b>7,101,687</b>

Amounts in €	THE COMPANY		
	Licences and franchises	Software	Total
Gross Book value as at January 1st 2005	9,980,000	68,300	10,048,300
Accumulated amortization & value impairment	0	(68,300)	(68,300)
<b>Book value as at January 1st 2005</b>	<b>9,980,000</b>	<b>0</b>	<b>9,980,000</b>
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)
<b>Book value as at December 31st 2005</b>	<b>9,291,770</b>	<b>0</b>	<b>9,291,770</b>
Additions	0	0	0
Depreciations of year 2006	(2,202,985)	0	(2,202,985)
Gross Book value as at 31st December 2006	9,980,000	68,300	10,048,300
minus : Accumulated depreciation	(2,891,214)	(68,300)	(2,959,515)
<b>Book value as at December 31st 2006</b>	<b>7,088,786</b>	<b>0</b>	<b>7,088,786</b>

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.

### 10.6.3 Investment in subsidiaries

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

Amounts in €	31/12/2006	31/12/2005
<b>Opening carrying amount</b>	<b>38,671,777</b>	<b>35,164,028</b>
Acquisition of Companies	0	3,507,000
Increase of share capital	0	749
Sale of companies	(3,521,643)	0
Decrease of Share Capital	0	0
Inpairment losses	0	0
<b>Closing carrying amount</b>	<b>35,150,134</b>	<b>38,671,777</b>

There are no constrains in the ability of the above companies to transfer in capital by receiving dividends, payments from borrowings and down payments.

#### **10.6.4 Changes in year 2006**

The amount of Goodwill that was recognized in year 2006 concerns the acquisition of Drosco Holding Limited. Specifically, subsidiary ELEMKA S.A. acquired 100% of the forementioned Company, as a result the GROUP acquired 83,5% of the company's share capital as of 10/10/2006. The fair value of the company, the day of the acquisition, is as follows:

#### **Acquisition of DROSCO HOLDINGS**

Amounts in €	10/10/2006
Commercial & other Receivable amounts	1,740
Commercial & other Payable amounts	(516)
<b>Total</b>	<b>1,224</b>
Percentage of buy out from the Group	100.00%
Fair value of net assets acquired from the Group	1,224
Plus: Goodwill	1,776
<b>Cost of Acquisition</b>	<b>3,000</b>
Minus: the cash & cash equivalent of the Subsidiary	0
<b>Net Cash outflow for the acquisition of the Subsidiary</b>	<b>3,000</b>

The above values don't differ from the IFRS values of Assets and Liabilities right before the acquisition. The acquired company had zero earnings and net losses (€ 435). The goodwill concerns the synergies that are expected to be made in the future.

At 03/05/2006 the subsidiary company, 3KP, was sold therefore the results of the discontinued operations comes to € 356.425. The above value is analyzed as follows: € 23.611 is the profit after tax and € 332.814 is the profit from the sale of the subsidiary.

### 10.6.5 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:

Amounts in €	THE GROUP				THE COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Assets	Liability	Assets	Liability	Assets	Liability	Assets	Liability
<b>Non Current Assets</b>								
Intangible Assets	6,157	0	2,664	0	0	0	0	0
Tangible Assets	14,046	(9,582,824)	18,472	(11,675,632)	0	(7,391,853)	0	(8,986,106)
<b>Current Assets</b>								
Construction contracts	7,891,431	(11,645,536)	7,847,596	(7,443,174)	7,635,317	(11,641,198)	6,950,936	(6,998,178)
Other Receivables	457,097	(179,469)	0	(1,048)	0	0		
<b>Reserves</b>								
De-taxation of reserves	0	(1,270,383)	0	(1,655,195)	0	(502,133)	0	(642,730)
<b>Long-term Liabilities</b>								
Employee Benefits	763,984	0	918,585	(4,074)	560,537	0	624,366	0
Other Long-term Liabilities	0	(703,000)	0	(509,283)	0	(300,000)		(150,000)
<b>Short-term Liabilities</b>								
Provisions	499	1,473	0	(269)	0	0	0	(269)
Liabilities from financing leases	648	36,811	3,655	0	648	0	3,655	0
<b>Total</b>	<b>9,133,862</b>	<b>(23,342,929)</b>	<b>8,790,971</b>	<b>(21,288,676)</b>	<b>8,196,501</b>	<b>(19,835,183)</b>	<b>7,578,957</b>	<b>(16,777,283)</b>
<b>Compensation</b>	<b>(7,877,516)</b>	<b>7,877,516</b>	<b>(7,399,587)</b>	<b>7,399,587</b>	<b>(7,635,965)</b>	<b>7,635,965</b>	<b>(6,954,591)</b>	<b>6,954,591</b>
<b>Total</b>	<b>1,256,345</b>	<b>(15,465,413)</b>	<b>1,391,383</b>	<b>(13,889,089)</b>	<b>560,537</b>	<b>(12,199,219)</b>	<b>624,366</b>	<b>(9,822,692)</b>

According to the tax legislation, some kind of income is not taxed when recognized 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 recognized 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 2005 is 29%, while for 2006 is 25%.

The Group in the current year has tax losses in which corresponds a demand of deferred tax amounted to € 190,947.

### 10.6.6 Financial assets available for sale

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Opening carrying amount</b>	<b>6,159,684</b>	<b>12,477,783</b>	<b>5,917,934</b>	<b>12,236,033</b>
Sales/write-offs	(5,794,733)	(6,318,099)	(5,794,733)	(6,318,099)
<b>Adaptation at fair value</b>	<b>364,951</b>	<b>6,159,684</b>	<b>123,201</b>	<b>5,917,934</b>

Throughout the period 01/01-31/12/2006, the Company made a sale of «financial assets available for sale» to MYTILINEOS S.A. that concerned its share of participation in ELVO S.A. (Subsidiary of MYTILINEOS S.A.). The sale price was at the cost of acquisition (€ 5,792,803) therefore the sale had zero profit. The sale's tax was € 395,805 and transferred to the financial results.

In addition the company sold its share of the company «Defense Industries – Mytilineos» to MYTILINEOS S.A. The sale price was at the cost of acquisition (€ 1,931) therefore the sale had zero profit.

### 10.6.7 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers- Over 12 months retained receivable guarantees	1,819,689	1,982,000	1,819,689	1,982,000
Given Guarantees	210,534	199,893	87,821	83,409
Other	3,845	3,845	0	0
<b>Total other non-current assets</b>	<b>2,034,068</b>	<b>2,185,738</b>	<b>1,907,510</b>	<b>2,065,409</b>

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

### 10.6.8 Inventories

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw materials	17,356,219	24,737,657	17,157,980	24,355,939
Work in Progress	4,242,426	4,185,501	4,146,899	4,088,602
Merchandise	1,048,340	0	2,985	0
Spare parts & consumables	1,028,976	888,474	951,170	819,826
Packing materials	492,364	459,981	436,037	398,075
Other goods & inventories	67,227	1,171,208	33,785	34,212
<b>Total</b>	<b>24,235,551</b>	<b>31,442,821</b>	<b>22,728,857</b>	<b>29,696,653</b>
Minus:Provisions for useless and destroyed inventories	(1,128,294)	(1,128,294)	(1,000,000)	(1,000,000)
<b>Net book value</b>	<b>23,107,257</b>	<b>30,314,526</b>	<b>21,728,857</b>	<b>28,696,653</b>

The value of the Inventories that were consumed to the Group's and Company's cost of goods sold is € 141,198,812 and € 112,219,307 respectively (2005: Group € 83,242,02 and Company € 69,515,028).

### 10.6.9 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	52,762,607	40,958,225	41,835,517	32,413,697
Withholding money for fine completion of contracts	7,042,922	13,695,006	6,515,377	11,733,532
Receivables in customers from the implementation of work	48,000,778	43,393,018	46,831,806	41,687,136
Bills receivable	3,815	3,815	0	0
Checks receivable	2,962,815	2,494,775	0	0
Less: Provisions fall	(1,508,596)	(1,591,917)	0	0
<b>Net trade &amp; other receivables</b>	<b>109,264,342</b>	<b>98,952,923</b>	<b>95,182,700</b>	<b>85,834,365</b>
Advances for purchases and subcontractors	4,341,288	16,504,026	3,553,483	16,370,579
<b>Total</b>	<b>113,605,629</b>	<b>115,456,949</b>	<b>98,736,183</b>	<b>102,204,944</b>
Non-current assets	1,819,689	1,982,000	1,819,689	1,982,000
Current assets	111,785,940	113,474,949	96,916,494	100,222,944
	<b>113,605,629</b>	<b>115,456,949</b>	<b>98,736,183</b>	<b>102,204,944</b>

### 10.6.10 Other receivables – other current assets

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
State Taxes	1,224,918	5,945,777	417,900	5,068,302
Advances to employees and others	58,267	493,303	34,112	263,944
Dividends	21,382	297,848	4,387	289,350
Receivables under sub judice	127,051	287,051	0	0
Other receivables	1,469,716	2,435,878	345,381	1,493,146
Less: Provisions for impairment of other receivables	(948,375)	(716,178)		
<b>Total or Other Receivables</b>	<b>1,952,960</b>	<b>8,743,680</b>	<b>801,779</b>	<b>7,114,742</b>
<b>Other current assets</b>				
Prepayment expenses	568,610	1,712,778	531,252	1,666,499

### 10.6.11 Financial assets at fair value through profit and loss.

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Bank bonds	3,709,800	1,994,390	0	1,994,390
Mutual funds	34,046	33,340	0	0
<b>Total Financial assets</b>	<b>3,743,846</b>	<b>2,027,729</b>	<b>0</b>	<b>1,994,390</b>

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

### 10.6.12 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash at bank and on hand	4,958,940	14,655,173	1,298,030	3,308,666
Short-term bank deposits	0	5,166,451	0	4,950,728
<b>Total</b>	<b>4,958,940</b>	<b>19,821,624</b>	<b>1,298,030</b>	<b>8,259,394</b>

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

The effective interest rate of short term investments is 3.4% (2005: 3%).

### 10.6.13 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	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Sales turnover due to project execution of the period	278,948,199	207,393,494	263,151,494	195,516,987
Total cost that have been occurred from the beginning of the projects	467,441,431	549,109,212	444,857,681	518,662,084

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customer Advance payments	(13,865,795)	(37,244,011)	(13,383,165)	(37,009,935)
Customer Withholding of good performance	7,042,922	13,695,006	6,515,377	11,733,532
Customer receivables from the implementation of work	48,000,778	43,393,018	46,831,806	41,687,136
Customer liabilities from the implementation of work	(700,758)	(17,726,899)	(267,015)	(17,555,488)

### 10.6.14. 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.

Amounts in €	Number of shares	Ordinary Shares	Share Premium	Treasury Shares	Total
<b>Balance at 1/1/2005</b>	<b>51,950,600</b>	<b>51,950,600</b>	<b>16,624,192</b>	<b>63,430,696</b>	<b>80,054,888</b>
Proceeds from shares issued	0	0	70,133,310	(63,430,696)	6,702,614
Return of the Share Capital to the Share holders	0	0	(70,133,310)		(70,133,310)
<b>Balance at 31/12/2005</b>	<b>51,950,600</b>	<b>51,950,600</b>	<b>16,624,192</b>	<b>0</b>	<b>16,624,192</b>
Increase of Share Capital					0
<b>Balance at 31/12/2006</b>	<b>51,950,600</b>	<b>51,950,600</b>	<b>16,624,192</b>	<b>0</b>	<b>16,624,192</b>

#### II. Other Reserves

Other reserves for the Company / Group are as follows:

Amounts in €	THE GROUP				
	Legal Reserve	Special Reserve	Contingency reserve	Tax-exempt reserves under special laws	Total
<b>Balance at 1 January 2005</b>	<b>3,391,457</b>	<b>826,575</b>	<b>9,340,385</b>	<b>9,873,873</b>	<b>23,432,290</b>
Adjustments for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	829,281	0	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)
<b>Balance at 31 December 2005</b>	<b>4,220,738</b>	<b>826,575</b>	<b>3,191,145</b>	<b>13,017,113</b>	<b>21,255,571</b>
Adjustments for the period 01/01-31/12/2006					
- Formation of reserves due to profits of year 2006	1,751,548	0	217,045	3,148,870	5,117,462
- Tax paid for Tax-exempt reserves of technical companies	0	0	0	(1,710)	(1,710)
- Transfer to Contingency reserves	0	0	3,176	(3,176)	0
<b>Balance at 31 December 2006</b>	<b>5,972,286</b>	<b>826,575</b>	<b>3,411,366</b>	<b>16,161,096</b>	<b>26,371,323</b>

Amounts in €	THE COMPANY				
	Legal Reserve	Special Reserve	Contingency reserve	Tax-exempt reserves under special laws	Total
<b>Balance at 1 January 2005</b>	<b>2,895,373</b>	<b>826,575</b>	<b>6,254,368</b>	<b>10,038,868</b>	<b>20,015,184</b>
Adjustments for the period 01/01-31/12/2005					
- Formation of reserves due to profits of year 2004	661,780	0	37,027	3,176,579	3,875,387
- 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)
<b>Balance at 31 December 2005</b>	<b>3,557,154</b>	<b>826,575</b>	<b>0</b>	<b>12,610,716</b>	<b>16,994,444</b>
Adjustments for the period 01/01-31/12/2006					
- Formation of reserves due to profits of year 2006	1,716,995	0	0	3,062,785	4,779,780
<b>Balance at 31 December 2006</b>	<b>5,274,149</b>	<b>826,575</b>	<b>0</b>	<b>15,673,500</b>	<b>21,774,224</b>

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

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

### III. Retained earnings

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Intended Divident	20,780,240	15,585,180	20,780,240	15,585,180
Remaining Earnings	47,267,214	32,536,743	53,380,425	40,471,919
<b>Total</b>	<b>68,047,454</b>	<b>48,121,923</b>	<b>74,160,665</b>	<b>56,057,099</b>

The General Shareholders Meeting unanimously approved at 16/05/2006 the appropriation account for the fiscal year 2005 and the distribution of €15,585,180 out of the profit for the year 2005, which represents a dividend of €0.30 per share.

Management suggested to form «Legal Reserve» amounting to € 267,851 and also to distribute € 20,780,240 as a dividend (€0.40 per share), out of the net profit of the year 2006 amounting to €38,468,526. The distribution of dividend has to be approved by the General Shareholders Meeting therefore no obligation has been recognized in the financial statements of 2006.

#### 10.6.15 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Opening carrying amount	1,836,607	1,936,085	1,152,985	1,343,978
Pension benefits	236,027	170,360	153,557	121,837
Pension benefits of the acquired Subsidiary company	0	49,914	0	0
Period payments	(87,750)	(319,753)	(64,396)	(312,829)
Minus: reduction of liability due to the selling of a subsidiary	(118,686)	0	0	0
<b>Balance at 31/12/2006</b>	<b>1,866,198</b>	<b>1,836,607</b>	<b>1,242,146</b>	<b>1,152,985</b>

The amounts concerning pension benefits are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Analysis of Pension benefits</b>				
Cost of current period employment	145,445	100,584	72,933	61,358
Interest cost	76,208	69,776	66,250	60,479
(Profit)/loss from the Pension plan	14,374	0	14,374	0
<b>Total cost of pension benefits</b>	<b>236,027</b>	<b>170,360</b>	<b>153,557</b>	<b>121,837</b>

The main actuarial assumptions used for the above mentioned purpose are as follows:

	31/12/2006	31/12/2005
Discount Rate	4.5%	4.5%
Future wage increases	3.5%	3.5%
Percentage of retirement	0.5%	0.5%
Inflation	2.5%	2.5%

### 10.6.16 Other long-term liabilities

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

Amounts in €	THE GROUP					
	Received Grants	Rights of use free of charge granted constant	Tax Liabilities & fees of previous years	Other Provisions	Customer Downpayments	Total
<b>Balance at 1 January 2005</b>	<b>141,147</b>	<b>9,980,000</b>	<b>0</b>	<b>8,191</b>	<b>16,524,000</b>	<b>26,653,338</b>
Additions	0	0	450,368	0	36,410,000	36,860,368
Period Amortization to Gains	0	(688,230)	0	0	(2,760,736)	(3,448,966)
Transfer to Short-Term Liabilities	(73,873)	(2,986,958)	0	0	(36,856,686)	(39,917,518)
<b>Balance at 31 December 2005</b>	<b>67,273</b>	<b>6,304,812</b>	<b>450,368</b>	<b>8,191</b>	<b>13,316,578</b>	<b>20,147,222</b>
Additions	0	0	0	0	0	0
Period Amortization to Gains	0	(2,202,985)	0	0	(6,886,700)	(9,089,684)
Taxes paid	0	0	0	0	0	0
Transfer to Short-Term Liabilities	(33,445)	(315,801)	(416,003)	0	0	(765,249)
<b>Balance at 31 December 2006</b>	<b>33,828</b>	<b>3,786,027</b>	<b>34,365</b>	<b>8,191</b>	<b>6,429,878</b>	<b>10,292,289</b>

Amounts in €	THE COMPANY					
	Received Grants	Rights of use free of charge granted constant	Tax Liabilities & fees of previous years	Withholding money for fine completion of contracts	Customer Downpayments	Total
<b>Balance at 1 January 2005</b>	<b>111,838</b>	<b>9,980,000</b>	<b>0</b>	<b>0</b>	<b>16,524,000</b>	<b>26,615,838</b>
Additions	0	0	450,368	397,241	36,410,000	37,257,609
Period Amortization to Gains	0	(688,230)	0	0	(2,760,736)	(3,448,966)
Transfer to Short-Term Liabilities	(73,874)	(2,986,958)	0	0	(36,856,686)	(39,917,518)
<b>Balance at 31 December 2005</b>	<b>37,964</b>	<b>6,304,812</b>	<b>450,368</b>	<b>397,241</b>	<b>13,316,578</b>	<b>20,506,963</b>
Additions	0	0	0	663,999	0	663,999
Period Amortization to Gains	0	(2,202,985)	0	0	(6,886,700)	(9,089,684)
Taxes paid	0	0	0	0	0	0
Transfer to Short-Term Liabilities	(31,806)	(315,801)	(416,003)	0	0	(763,610)
<b>Balance at 31 December 2006</b>	<b>6,158</b>	<b>3,786,027</b>	<b>34,365</b>	<b>1,061,240</b>	<b>6,429,878</b>	<b>11,317,668</b>

The variation in the account «Rights of use free of charge granted constant» during 2006, amounting to €2,202,985 concerns depreciation effected on these rights. The income taxes concerns long term liabilities coming from previous years.

### 10.6.17 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	43,792,526	47,545,637	53,098,145	56,565,783
Customers' Advances	13,865,795	37,244,011	13,383,165	37,009,935
Liabilities due to the implementation of work	700,758	17,726,899	267,015	17,555,488
Checks payable	564,120	0	564,120	0
<b>Total</b>	<b>58,923,199</b>	<b>102,516,547</b>	<b>67,312,445</b>	<b>111,131,206</b>

All the trade transactions have no interest and they are settled regularly.

### 10.6.18 Tax Payable

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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current period tax liabilities	5,469,411	12,623,957	3,394,187	11,999,813
Tax liabilities coming from previous years	900,929	435,000	416,003	435,000
<b>Total</b>	<b>6,370,339</b>	<b>13,058,957</b>	<b>3,810,190</b>	<b>12,434,813</b>

During the current year, the subsidiary company RODAX was tax-audited for the fiscal years 2001-2004. The tax audit was concluded within 2006, while the final sheets for the tax imposed were issued at 20/9/2006. The total tax imposed amounted to € 477,343 (included in the consolidated financial statements), from which € 323,791 will be paid within the next year.

In addition during the current year, the subsidiary company ELEMKA was tax-audited for the fiscal years 2000-2004. The tax audit was concluded within 2006, while the final sheets for the tax imposed were issued at 7/12/2006. The total tax imposed amounted to € 201,430 (included in the consolidated financial statements), from which € 161,135 will be paid within the next year.

For the unaudited fiscal years of the companies of the Group, please revert to para. 2.4 «Tax Auditing».

**110.6.19 Short-term debt**

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Short-term Borrowing</b>				
Bank Debt	2,058,334	756,917	0	0
Other (Leasing)	149,834	12,605	2,592	12,605
<b>Total short term debt</b>	<b>2,208,168</b>	<b>769,522</b>	<b>2,592</b>	<b>12,605</b>

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 in 2006 amounts to 5,08% (2005: 4.54%).

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

**10.6.20. Other short-term liabilities**

The other short-term liabilities are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Social security insurance	783,023	742,259	482,364	434,685
Other tax liabilities	0	2,485,287	0	1,439,165
Dividends payable	620,696	791,394	620,539	590,998
Accrued income	3,334,565	3,023,894	3,334,565	3,023,894
Accrued expenses	193,785	112,627	98,984	94,627
Others Liabilities	2,761,382	6,417,867	2,309,319	6,004,503
<b>Total</b>	<b>7,693,451</b>	<b>13,573,328</b>	<b>6,845,771</b>	<b>11,587,872</b>

**10.6.21. 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		
	Provisions for losses of Construction Contracts	Provisions for employee lay-offs	Total
<b>Balance at 1 January 2005</b>	<b>50,610</b>	<b>0</b>	<b>50,610</b>
Additional provisions of the year 2005	177,069	0	177,069
Unused provisions that have been reversed	0	0	0
Provisions used during the year	(42,838)	0	(42,838)
<b>Balance at 31 December 2005</b>	<b>184,841</b>	<b>0</b>	<b>184,841</b>
Additional provisions of the year 2006	4,478	50,055	54,533
Unused provisions that have been reversed	0	0	0
Provisions used during the year	(5,777)	0	(5,777)
<b>Balance at 31 December 2006</b>	<b>183,541</b>	<b>50,055</b>	<b>233,596</b>

Amounts in €	THE COMPANY		
	Provisions for losses of Construction Contracts	Provisions for employee lay-offs	Total
<b>Balance at 1 January 2005</b>	<b>18,426</b>	<b>0</b>	<b>18,426</b>
Additional provisions of the year 2005	0	0	0
Unused provisions that have been reversed	0	0	0
Provisions used during the year	(18,426)	0	(18,426)
<b>Balance at 31 December 2006</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additional provisions of the year 2005	0	50,055	50,055
Unused provisions that have been reversed	0	0	0
Provisions used during the year	0	0	0
<b>Balance at 31 December 2006</b>	<b>0</b>	<b>50,055</b>	<b>50,055</b>

### 10.6.22 Sales turnover

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from the execution of construction contracts	278,948,199	207,393,494	263,151,494	195,516,987
Sales of apartments	851,028	1,732,529	851,028	1,732,529
Income from trading	8,699,978	0	3,658	0
Sales of Products	0	1,833,349	0	0
Income from maintenance and other services	4,045,114	181,483	923,684	0
Sales of scrap	1,602,380	1,659,672	1,492,985	1,615,765
<b>Total</b>	<b>294,146,698</b>	<b>212,800,527</b>	<b>266,422,849</b>	<b>198,865,281</b>

### 10.6.23. Analysis of expenses by their nature

The expenses analysis by the nature of expense of the year 2006 is as follows:

Amounts in €	THE GROUP				THE COMPANY			
	Cost of sales	Distribution Expenses	Administrative Expenses	Total	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension benefits	262,782	0	171,800	434,582	262,782	0	171,800	434,582
Wages & other benefits of the employees	13,896,890	552,748	2,648,545	17,098,182	8,447,146	184,827	1,778,733	10,410,705
Cost of reserves recognized as expense	141,197,769	674	369	141,198,812	112,218,264	674	369	112,219,307
Depreciation of Tangible Assets	4,504,779	23,123	557,467	5,085,369	3,795,113	1,493	447,097	4,243,702
Amortization of Intangible Assets	0	0	18,558	18,558	0	0	0	0
Wage and expenses of Subcontractors	56,813,424	0	115,997	56,929,421	80,619,098	0	108,458	80,727,555
Third person expenses & benefits	6,010,023	229,181	3,830,998	10,070,202	3,178,040	32,310	2,890,143	6,100,493
Insurance expenses	2,035,938	7,914	27,385	2,071,237	1,975,418	0	2,302	1,977,721
Rents of operating leases	615,607	117,579	548,574	1,281,760	523,290	13,851	255,093	792,233
Expenses of fixing and maintainance	535,209	84,647	422,261	1,042,117	364,149	1,195	403,508	768,852
Other third person expenses	793,297	60,093	482,078	1,335,467	485,986	7,696	340,057	833,739
Taxes & Duties Payable	195,860	7,725	112,887	316,472	143,064	727	51,158	194,949
Publicity	36,512	4,391	286,534	327,437	36,512	4,391	286,534	327,437
Reversal of Provisions	(5,777)	0	(64,396)	(70,173)	0	0	(64,396)	(64,396)
Other expenses	3,208,691	367,254	1,566,592	5,142,537	2,451,649	67,538	1,090,678	3,609,866
Other Provisions	4,478	0	50,055	54,533	0	0	50,055	50,055
Provisions for liabilities of settled benefits	105,465	1,422	38,558	145,445	54,082	0	18,851	72,933
Compensation for damages	(3,197,092)	0	0	(3,197,092)	(3,197,092)	0	0	(3,197,092)
<b>Total</b>	<b>227,013,855</b>	<b>1,456,751</b>	<b>10,814,261</b>	<b>239,284,867</b>	<b>211,357,500</b>	<b>314,701</b>	<b>7,830,439</b>	<b>219,502,640</b>
Less Tangible assets under construction	(1,159,820)	0	0	(1,159,820)	(1,116,869)	0	0	(1,116,869)
<b>TOTAL</b>	<b>225,854,035</b>	<b>1,456,751</b>	<b>10,814,261</b>	<b>238,125,047</b>	<b>210,240,631</b>	<b>314,701</b>	<b>7,830,439</b>	<b>218,385,771</b>

The expenses analysis by the nature of expense of the year 2005 is as follows:

Amounts in €	THE GROUP				THE COMPANY			
	Cost of sales	Distribution Expenses	Administrative Expenses	Total	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension benefits	329,983	0	337,063	667,046	320,460		337,063	657,522
Wages & other benefits of the employees	11,965,612	375,165	2,198,832	14,539,609	7,524,032	302,228	1,637,127	9,463,387
Cost of reserves recognized as expense	83,239,785	1,658	577	83,242,020	69,512,792	1,658	577	69,515,028
Depreciation of Tangible Assets	4,442,213	19,991	482,262	4,944,466	3,735,758	11,287	393,454	4,140,498
Amortization of Intangible Assets	0	0	14,642	14,642	0	0	0	0
Wage and expenses of Subcontractors	44,805,984	0	282,190	45,088,174	61,123,644		282,190	61,405,834
Third person expenses & benefits	5,074,452	80,047	3,117,527	8,272,027	2,393,302	29,164	2,761,040	5,183,505
Insurance expenses	1,585,600	0	21,669	1,607,269	1,531,860	0	2,998	1,534,858
Rents of operating leases	265,808	22,230	524,385	812,423	211,485	22,230	235,947	469,662
Expenses of fixing and maintainance	632,413	11,111	265,300	908,823	498,338	9,266	249,523	757,127
Other third person expenses	551,193	17,720	341,858	910,771	366,860	11,584	263,452	641,895
Taxes & Duties Payable	189,196	2,293	186,955	378,443	147,551	727	121,855	270,133
Publicity	44,495	1,083	100,679	146,257	44,495	1,083	100,679	146,257
Reversal of Provisions	(42,838)	0	(312,830)	(355,668)	(18,426)		(312,830)	(331,256)
Other expenses	4,639,806	94,234	946,849	5,680,889	4,131,912	13,267	723,829	4,869,008
Other Provisions	177,069	0	5,266	182,335		0		0
Provisions for liabilities of settled benefits	77,555	2,386	15,377	95,318	45,472	1,823	14,063	61,358
Compensation for damages	0	0	0	0	0	0	0	0
<b>Total</b>	<b>157,978,326</b>	<b>627,918</b>	<b>8,528,602</b>	<b>167,134,845</b>	<b>151,569,534</b>	<b>404,316</b>	<b>6,810,967</b>	<b>158,784,818</b>
Less Tangible assets under construction	(1,917,267)	0	0	(1,917,267)	(1,829,003)	0	0	(1,829,003)
<b>TOTAL</b>	<b>156,061,058</b>	<b>627,918</b>	<b>8,528,602</b>	<b>165,217,578</b>	<b>149,740,531</b>	<b>404,316</b>	<b>6,810,967</b>	<b>156,955,815</b>

### 10.6.24 Employee benefits

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employee wages	13,146,634	11,228,982	8,115,353	7,432,986
Social Security Expenses	3,450,078	2,870,648	2,033,840	1,828,329
Retirement Benefits	520,606	689,381	434,582	657,522
Pension benefits	145,445	95,318	72,933	61,358
Other benefits	415,446	417,645	261,511	202,073
<b>Total</b>	<b>17,678,210</b>	<b>15,301,973</b>	<b>10,918,220</b>	<b>10,182,268</b>
Amount that was used to the Income statement	17,163,286	14,174,534	10,403,297	9,128,405
Amount that was used for the under construction tangible assets	514,923	1,127,440	514,923	1,053,862
<b>Total</b>	<b>17,678,210</b>	<b>15,301,973</b>	<b>10,918,220</b>	<b>10,182,268</b>

The number of employees is analyzed in the following table:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Monthly Wage employees	307	250	188	194
Daily Wage employees	199	243	102,000	91,000
<b>Σύνολο</b>	<b>506</b>	<b>493</b>	<b>290</b>	<b>285</b>

### 10.6.25 Other ordinary income and expense

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

Amounts in €	THE GROUP		THE COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
<b>Other operating income</b>				
Depreciation of received grants	38,576	36,937	36,937	36,937
Grants and sundry sales income	63,103	77,158	58,426	71,728
Profit from foreign exchange differences	271,003	459,772	271,003	458,569
Income from Rents	75,554	88,121	73,441	83,158
Income from previous years	2,117	52,000	2,117	52,000
Other	314,977	309,499	241,496	235,345
Profit from sale of tangible assets	19,672	140,562	19,672	139,722
<b>Total</b>	<b>785,002</b>	<b>1,164,049</b>	<b>703,091</b>	<b>1,077,458</b>
<b>Other operating expenses</b>				
Losses from foreign exchange differences	33,106	232,596	31,967	229,198
Uncertain receivables	343,360	304,754	0	0
Loss from sale of fixed assets	211,130	38,434	200,814	21,080
Other	313,322	83,600	292,867	81,395
Other taxes	21,641	54,019	3,646	25,399
Compensations	12,250	49,533	12,250	49,533
<b>Total</b>	<b>934,809</b>	<b>762,937</b>	<b>541,544</b>	<b>406,604</b>

### 10.6.26 Financial income / expenses

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Interest income from:</b>				
Banks	323,912	390,252	136,009	348,226
Granted Loans	0	311,416	0	311,416
Tax discount for the entire payment of the taxes in once	1,538	1,000	799	448
	<b>325,450</b>	<b>702,668</b>	<b>136,807</b>	<b>660,090</b>
<b>Interest expenses from:</b>				
Discount of Liabilities coming from personnel pension benefits	76,208	69,776	66,250	60,479
Bank Loans	140,246	9,355	28,461	9,355
Financing Leases	8,308	1,170	459	1,170
Other Banking Expenses	126,494	79,000	89,566	67,580
	<b>351,257</b>	<b>159,301</b>	<b>184,736</b>	<b>138,584</b>

### 10.6.27 Other financial results

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit / (loss) from the sale of financial assets available for sale	0	3,475,701	0	3,432,812
Profit / (loss) from valuation of financial assets at fair value through profit or loss	7,506	549	0	0
Income from dividends	21,382	300,041	4,705,718	621,293
Losses from sales of subsidiaries	0	0	(1,521,643)	0
Commissions of letter of guarantees	(573,249)	(599,312)	(550,379)	(562,052)
Expenses from the sale of financial assets available for sale	(395,805)	0	(395,805)	0
Expenses from the sale of subsidiaries	(49,680)	0	(49,680)	0
<b>Total</b>	<b>(989,845)</b>	<b>3,176,980</b>	<b>2,188,211</b>	<b>3,492,053</b>

### 10.6.28 Income tax expense

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current tax	11,864,942	15,561,795	9,430,027	13,584,169
Deferred tax (Note 11)	1,904,631	(1,974,780)	2,440,356	(1,556,797)
Tax differences from previous year	678,773	226,606	0	226,606
<b>Total Income tax</b>	<b>14,448,346</b>	<b>13,813,622</b>	<b>11,870,383</b>	<b>12,253,979</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies. The relationship between the expected tax expense based on the effective tax rate of the Group and the tax expense actually recognised in the income statement can be reconciled as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit before income tax as Income Statement	54,856,192	52,066,335	50,338,909	46,593,879
<b>Applicatory Income Tax rate</b>	<b>29%</b>	<b>32%</b>	<b>29%</b>	<b>32%</b>
Income Tax according to the applicable Income tax rate	15,908,296	16,661,227	14,598,283	14,910,041
<b>Tax that corresponds to tax-exempt income</b>				
- Profit from the sale of associates	0	(205,179)		
- Dividends	(6,201)	(96,659)	(1,364,658)	(198,814)
- Profit from financial assets at fair value through profit or loss	(39,351)	(1,146,352)	0	(1,133,097)
- Other tax-free income	(214)	(177)		
<b>Tax that corresponds to expenditures not recognized from the Tax authority</b>				
- Losses from equity participations in associates	0	89,363		
- Tax & fees	15,902	66,010	10,631	56,614
- Other tax-exempt expenditures	660,601	379,339	964,239	238,192
Tax Reduction through the formation of tax				
-exempt discounts and reserves under special law provisions	(504,663)	(986,384)	(468,037)	(980,091)
Adjustment of deferred tax according				
to the change of the Income tax rate	(2,269,228)	(1,178,451)	(1,874,445)	(869,544)
Supplementary Income tax from land - plot & buildings	4,433	4,278	4,370	4,072
Correspondent tax to the capitalization of reserves	0	193,514	0	193,514
Income tax coming from previous years	678,773	33,092	0	33,092
<b>Tax expense in the profit &amp; loss statement</b>	<b>14,448,346</b>	<b>13,813,622</b>	<b>11,870,383</b>	<b>12,253,979</b>

### 10.6.29 Discontinued Operations

For purposes of better and thorough information and the deduction of presented comparative information and data on a common and thus real comparative basis, the Group's suspended activities, either through the sale of activity sectors or through the sale of shares of subsidiaries, or by other means, are defined and the participation of the suspended activity in the Group's financial status and results in the past is quantified and presented in the financial statements.

As analyzed above, in Note 5 «Group Structure and consolidation method of companies», on 03/05/2006, the Company sold its participation in the subsidiary «TRIA KAPA PI TECHNICAL & COMMERCIAL COMPANY SA». The period's results from Suspended Activities amounts to €356,425 and is analyzed as €23,611, which concerns the operating results after taxes from suspended activities and as €332,814, which concerns the profit that emerged from the sale of the aforementioned subsidiary.

The following table presents the analysis of the period's Results from Suspended Activities.

The analysis of income statement from discontinued operations is as follows:

Amounts in €	THE GROUP	
	01/01 - 31/12/2006	01/01 - 31/12/2005
<b>Discontinued Operations</b>		
Sales Turnover	460,715	12,155,238
Cost of Sales	(366,926)	(10,985,307)
<b>Gross Profit</b>	<b>93,790</b>	<b>1,169,931</b>
Other Operating Income	73,321	10,463
Distribution Expenses	0	0
Administration Expenses	(135,824)	(497,505)
Other Operating Expenses	(3,252)	(69,472)
<b>Profit before interest and income tax</b>	<b>28,035</b>	<b>613,417</b>
Financial income	15,031	22,677
Financial Expenses	(5,909)	(23,676)
<b>Profit before income tax</b>	<b>37,157</b>	<b>612,418</b>
Income Tax Expense	(13,546)	(159,093)
<b>Profit after tax from discontinued operations</b>	<b>23,611</b>	<b>453,325</b>
Profit from the sale of the discontinued operation	332,814	0
<b>Profit for the Period from discontinued operations</b>	<b>356,425</b>	<b>453,325</b>

The analysis of changes of cash from discontinued operations is as follows.

#### **Cash Flow Statement from Discontinued Operations**

Amounts in €	THE GROUP	
	12 months until 31 December 2006	12 months until 31 December 2005
Net cash flow from Operating Activities	(459,348)	161,002
Net cash flow from Investing Activities	(2,271,407)	14,272
Net cash flow from Financing Activities	(200,240)	(350,160)
Net increase / decrease in cash and cash equivalents	(2,930,995)	(174,885)

Τα κέρδη ανά μετοχή από τις Διακοπείσες Δραστηριότητες αναλύονται ως εξής:

Amounts in €	2006	2005
Basic earnings per Share (in cent /share) from Discontinued Operations	0.01	0.00

### 10.6.30. Earnings per share

The basic earnings per share (in euro / share) of the Group/Company are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Profit before income tax	55,226,163	52,678,753	50,338,909	46,593,879
Income Tax Expense	(14,461,892)	(13,972,715)	(11,870,383)	(12,253,979)
<b>Profit after income tax (1)</b>	<b>40,764,271</b>	<b>38,706,038</b>	<b>38,468,526</b>	<b>34,339,900</b>
<b>Attributable to:</b>				
Equity holders of the parent (2)	40,635,408	37,397,417		
Minority Interests	128,863	1,308,621		
	<b>40,764,271</b>	<b>38,706,038</b>		
<b>Weighted average number of shares (3)</b>	<b>51,950,600</b>	<b>51,950,600</b>		
Basic earnings per Share (in Euro /share) (2)/(3)	0.78	0.72	0.74	0.66

The basic earnings per share (in euro / share ) of the Group/Company for the continued operations are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Profit before income tax from continued operations	54,856,192	52,066,335	50,338,909	46,593,879
Income Tax Expense	(14,448,346)	(13,813,622)	(11,870,383)	(12,253,979)
<b>Profit after income tax from continued operations (4)</b>	<b>40,407,846</b>	<b>38,252,713</b>	<b>38,468,526</b>	<b>34,339,900</b>
<b>Attributable to:</b>				
Equity holders of the parent (5)	40,293,150	37,216,087		
Minority Interests	114,696	1,036,626		
	<b>40,407,846</b>	<b>38,252,713</b>		
<b>Weighted average number of shares (6)</b>	<b>51,950,600</b>	<b>51,950,600</b>		
Basic earnings per Share (in Euro /share) (5)/(6)	0.78	0.72	0.74	0.66

The basic earnings per share (in euro / share) of the Group/Company for the discontinued operations are as follows:

Amounts in €	THE GROUP	
	01/01-31/12/06	01/01-31/12/05
<b>Discontinued operations</b>		
Profit from discontinued operations attributed to the shareholders of the parent company	342,259	181,330
Weighted average number of shares	51,950,600	51,950,600
Basic earnings from discontinued operations per Share (in Euro /share)	0.01	0.00

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

### 10.6.31 Analysis of Cash Flow Adjustments

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

Amounts in €	THE GROUP		THE COMPANY	
	12 months until 31 December 2006	12 months until 31 December 2005	12 months until 31 December 2006	12 months until 31 December 2005
<b>Adjustments to Profit after Tax for:</b>				
Income Tax	14,461,892	13,972,715	11,870,383	12,253,979
Depreciation of tangible assets	4,970,765	4,639,481	4,111,988	3,780,677
Depreciation of intangible assets	18,763	15,263	0	0
Provisions	691,274	1,712,960	189,238	1,121,837
Income from reverse of provisions	(70,173)	(362,591)	(64,396)	(331,256)
Profit / Loss from the Disposal of tangible assets	118,137	(105,582)	181,142	(118,642)
Losses from the fair value recognition of financial assets through profit and loss	(7,506)	(549)	0	0
Losses from sale of subsidiaries	0	0	1,521,643	0
Gains from sale of financial assets available for sale	0	(3,542,468)	0	(3,499,579)
Εσοδα τόκων	(340,481)	(725,346)	(136,807)	(660,090)
Credit interest and similar income	148,547	81,709	28,912	9,355
Debit interest and similar expenses	(21,382)	(300,041)	(4,705,718)	(289,350)
Proceeds from dividends	(38,576)	(36,937)	(36,937)	(36,937)
Changes in pension obligations	(8,980)	0	14,374	0
Gains from sale of subsidiaries	(332,814)	0	0	0
Share in net (profit) loss of subsidiaries	0	279,259	0	0
Share in net (profit) loss of associates	0	(641,186)	0	0
Unrealised foreign currency gains / (losses)	19,256	0	19,256	0
<b>Total Adjustments to Profit after Tax</b>	<b>19,608,720</b>	<b>14,986,687</b>	<b>12,993,078</b>	<b>12,229,993</b>

### 10.6.32 Commitments

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

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Commitments from construction contracts</b>				
Value of unexecutable construction contracts	223,710,867	445,822,976	197,186,443	384,814,468
Granted guarantees of good performance	111,744,450	77,166,752	105,502,642	75,785,583

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Commitments from Financing Leases</b>				
Until 1 year	11,431	10,013	2,592	10,013
From 1-5 years	138,403	2,592	0	2,592
	<b>149,834</b>	<b>12,605</b>	<b>2,592</b>	<b>12,605</b>

### **10.6.33 Post Balance Sheet Events**

Based on an agreement signed on January 23rd 2007, the Company undertook the construction of an Energy Production station with a total capacity of 220MW, in Karachi Pakistan and on behalf of the company «THE KARACHI ELECTRIC SUPPLY CORPORATION Ltd (KESC)». The contractual price of this project amounts to €111 million.

Apart from those aforementioned, there are no events after the balance sheet date, which concern either the Group or the Company, and whose disclosure is required according to the International Accounting Standards (IAS).

## **10.7 Dividend Policy**

As regards to the dividend distribution, the Company's management taking into account amongst others, the Group's effectiveness, its prospects and investment plans, proposes a dividend distribution of €0.40 per share, compared to €0.30 per share in 2005. The proposed dividend is subject to approval by the Ordinary General Shareholders' Meeting.

### **10.7.1 Taxation on Dividends**

According to the current legislation (L.2338/94), the companies listed on the Stock Exchange are charged with a 29% tax on taxable earnings prior to any distribution.

Thus, dividends are distributed out of the already taxed earnings of the legal entity, and, therefore, shareholders incur no tax liability on the amount of dividends collected.

The date that the Balance Sheet is approved by the Company's General Shareholders' Meeting, is considered as the date the income from dividends is gained.

According to the provisions of the Law, from the earnings gained during each fiscal year by subsidiaries and which are distributed as dividends, the portion of the dividends that are distributed to the parent company is paid in the next fiscal year (unless an interim dividend is paid within the same fiscal year), and therefore, is included in the earnings of the parent company for the next fiscal year. Also, the dividends from the earnings of the parent company, which are partly formed by the distribution of the earnings of the companies in which it participates, are paid, if distributed, in the year following their appropriation.

Moreover, it is noted that for the portion of the parent company's earnings that emerge from dividends, a taxable amount of 5% is defined, which following is taxed with a 29% tax rate, as such has already been taxed at their source.

## 10.8 Related party transactions

## Purchases - Sales 31/12/2006

Amounts in €	BUYING COMPANY										TOTAL	
	METKA S.A. (Trade)	MYTILINEOS S.A.	RODAX A.T.E.E.	EKME S.A.	SERVICESTEEL S.A.	DELTA PROJECT S.A.	ELVO S.A.	STALCO	ELEMKA	EUROPEAN METAL AGENCIES		ALUMINIUM DE GRECE
SELLING COMPANY												
METKA S.A. (Trade)	-	250,400	200	100,000	1,362	4,050	438,320	856	3,230	2,400	122,029,098	122,829,916
MYTILINEOS S.A. Parent Company	601,644											601,644
RODAX A.E. Subsidiary	45,394,600											45,394,600
EKME S.A. Subsidiary	406,768									1,215,871		1,622,638
SERVICE STEEL S.A. Subsidiary	2,221,460					522	1,847				16,695	2,240,524
DELTA PROJECT S.A. Company of Mytilineos Group of Company	67,083											67,083
ELVO S.A. Company of Mytilineos Group of Company	271,672											271,672
STALCO Company of Mytilineos Group of Company	15,897											15,897
ELEMKA Subsidiary		29,756										29,756
ALUMINIUM DE GRECE Company of Mytilineos Group of Company	41,694											41,694
<b>TOTAL</b>	<b>49,020,817</b>	<b>280,156</b>	<b>200</b>	<b>100,000</b>	<b>1,362</b>	<b>4,050</b>	<b>438,842</b>	<b>2,703</b>	<b>3,230</b>	<b>2,400</b>	<b>123,244,969</b>	<b>16,695</b>

## Receivables - Payables 31/12/2006

Amounts in €	PAYABLES											TOTAL
	METKA S.A. A.T.E.E.	RODAX	EKMES.A.	SERVICE STEELS.A.	DELTA PROJECT S.A.	ELVO S.A.	STALCO	ELEMKA	EUROPEAN METAL	ALUMINIUM DE GRECE AGENCIES	MYTILINEOS ENERGY	
METKA S.A. (Trade)	-	95,732	119,000	4,044	4,820	208,640	4,387	3,844	75,529	6,877,315		<b>7,388,923</b>
METKA S.A. (Dividend)	-											<b>4,387</b>
MYTILINEOS S.A. Parent Company	640						9,480					<b>10,119</b>
RODAX A.T.E.E. Subsidiary	22,587,432											<b>22,587,432</b>
EKME S.A. Subsidiary	116,268									521,801		<b>638,069</b>
SERVICE STEEL S.A. Subsidiary	2,423,843						18			61,173		<b>2,485,033</b>
DELTA PROJECT S.A. Company of Mytilineos Group of Company	62,568											<b>62,568</b>
ELVO S.A. Company of Mytilineos Group of Company	75,483											<b>75,483</b>
ELEMKA Subsidiary	-157											<b>-157</b>
ALUMINIUM DE GRECE Company of Mytilineos Group of Company	13,851											<b>13,851</b>
<b>TOTAL</b>	<b>25,279,927</b>	<b>95,732</b>	<b>119,000</b>	<b>4,044</b>	<b>4,820</b>	<b>208,640</b>	<b>4,405</b>	<b>13,323</b>	<b>75,529</b>	<b>7,399,115</b>	<b>61,173</b>	<b>13,851</b>

**RELATED PARTY TRANSACTIONS**

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Income from execution of projects and other income</b>				
Parent company	250,400	21,068	250,400	0
Subsidiaries	0	0	4,792	6,966
Other Parent company's subsidiaries	148,816,528	5,735,730	147,321,111	5,726,263
<b>Total</b>	<b>149,066,928</b>	<b>5,756,798</b>	<b>147,576,303</b>	<b>5,733,230</b>
<b>Income from sales of tangible assets</b>				
Parent company	5,794,733	1,322,220	5,794,733	1,322,220
Subsidiaries	0	0	100,000	0
<b>Total</b>	<b>5,794,733</b>	<b>1,322,220</b>	<b>5,894,733</b>	<b>1,322,220</b>
<b>Other income</b>				
Parent company				
Subsidiaries	0	0	4,705,718	329,749
Other Parent company's subsidiaries	40,477	681,993	2,400	653,727
Directors and key management of the Company	0	0	0	0
<b>Total</b>	<b>40,477</b>	<b>681,993</b>	<b>4,708,118</b>	<b>983,476</b>
<b>Purchases and compensations from the supply of services</b>				
Parent company	631,399	1,453,735	601,644	1,243,794
Subsidiaries	0	0	48,022,828	42,638,698
Other Parent company's subsidiaries	396,346	183,662	396,346	183,662
Directors and key management of the Company	3,252,589	2,747,103	2,558,531	2,449,303
<b>Total</b>	<b>4,280,334</b>	<b>4,384,500</b>	<b>51,579,348</b>	<b>46,515,457</b>
<b>Purchases of assets</b>				
Parent company	0	3,507,000		3,507,000
<b>Total</b>	<b>0</b>	<b>3,507,000</b>	<b>0</b>	<b>3,507,000</b>
<b>Demands from customers and project under progress</b>				
Parent company	0	0	0	0
Subsidiaries	0	727,328	103,619	5,666
Associates	0	41,631		
Other Parent company's subsidiaries	23,083,178	134,217	22,561,360	132,285
Directors and key management of the Company				
<b>Total</b>	<b>23,083,178</b>	<b>903,176</b>	<b>22,664,979</b>	<b>137,951</b>
<b>Demands from the sale of tangible assets</b>				
Parent company	0	1,322,220	0	1,322,220
Subsidiaries	0	0	119,000	
Other Parent company's subsidiaries				
Directors and key management of the Company				
<b>Total</b>	<b>0</b>	<b>1,322,220</b>	<b>119,000</b>	<b>1,322,220</b>

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Other Demands</b>				
Parent company				
Other Parent company's subsidiaries	141,089	375,290	79,916	333,659
<b>Total</b>	<b>141,089</b>	<b>375,290</b>	<b>79,916</b>	<b>333,659</b>
<b>Obligation to suppliers and other liabilities</b>				
Parent company	10,119	536,560	640	536,560
Subsidiaries	0	0	25,127,382	22,694,563
Associates				
Other Parent company's subsidiaries	151,901	88,583	151,901	88,583
Directors and key management of the Company	1,448,924	1,272,655	1,448,924	1,272,655
<b>Total</b>	<b>1,610,945</b>	<b>1,897,799</b>	<b>26,728,848</b>	<b>24,592,361</b>
<b>Obligation to customers and project under progress</b>				
Other Parent company's subsidiaries	0	38,541,413	0	38,541,413
<b>Total</b>	<b>0</b>	<b>38,541,413</b>	<b>0</b>	<b>38,541,413</b>
<b>Obligation from the purchase of tangible assets</b>				
Parent company		3,507,000		3,507,000
Other Parent company's subsidiaries				
Directors and key management of the Company				
<b>Total</b>	<b>0</b>	<b>3,507,000</b>	<b>0</b>	<b>3,507,000</b>
<b>Commitments among the related parties</b>				
Parent company	0	0	0	0
Subsidiaries	733,675		733,675	
Associates	0	2,500,000	0	2,500,000
Other Parent company's subsidiaries		0		
Directors and key management of the Company				
<b>Total</b>	<b>733,675</b>	<b>2,500,000</b>	<b>733,675</b>	<b>2,500,000</b>
<b>Balance of Commitments among the related parties</b>				
Parent company	26,284,688	54,237,288	26,284,688	54,237,288
Subsidiaries	733,675		733,675	
Associates	2,949,010	4,540,000	2,949,010	4,540,000
<b>Other Parent company's subsidiaries</b>				
<b>Directors and key management of the Company</b>				
<b>Total</b>	<b>29,967,373</b>	<b>58,777,288</b>	<b>29,967,373</b>	<b>58,777,288</b>

## **APPENDICES**

### ***APPENDIX A'***

Clarifications on the Compilation of Financial Statements According to I.F.R.S

### ***APPENDIX B'***

Corporate Actions

### ***APPENDIX C'***

- Financial Statements of METKA SA and Group for 1st Quarter 2006.
- Financial Statements of METKA SA and Group for 1st Half 2006 and Certified Auditor's Accountant's Certification.
- Financial Statements of METKA SA and Group for 1st Nine-Months of 2006.
- Annual Financial Statements of METKA SA and Group for 2006 and Certified Auditor's Accountant's Certification.

## Clarifications on the Compilation of Financial Statements According to I.F.R.S

### Basic accounting principles

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

#### **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.

### ***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.

## Group Structure and consolidation method

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

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
METAL CONSTRUCTIONS OF GREECE S.A.	N.IRAKLION, ATTIKIS	Mother Company		
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99.98%	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40.00%	Direct	Control over the entity
RODAX ATEE	N.IRAKLION, ATTIKIS	100.00%	Direct	The participation percentage
ELEMKA	N.IRAKLION, ATTIKIS	83.50%	Direct	The participation percentage
Drosco Holdings Limited	CYPROUS	83.5%	Indirect	The participation percentage
Bridge Accessories & Construction Systems	MAROUSI, ATTIKIS	62.63	Indirect	The participation percentage

The associate companies that are consolidated until the 30/12/2005 in the financial statements with the equity method are:

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

The above mentioned investments in associate companies as of 30/12/2005 were conveyed to MYTLINEOS – 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 52.913% of METKA Group.

### 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.

### ***Goodwill***

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer test goodwill for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

### ***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 authorizations 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.

### ***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.

## **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.

### **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.

### **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.

#### **i) 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

#### **ii) 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.

### ***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.

### ***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.

### ***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.

### ***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.

### ***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.

### ***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.

**Benefits for Employment Termination:** Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed formal plan for which there is no withdrawal possibility, or when it provides such benefits as an incentive for voluntary redundancy. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted based on the yields of investment grade corporate or government bonds.

In the case of an offer that is made to encourage voluntary redundancy, the valuation of benefits for employment termination must be based on the number of employees that are expected to accept the offer.

In case of an employment termination where there is inability to assess the number of employees to use such benefits, a disclosure for a contingent liability is made but no accounting treatment is followed.

#### **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.

### **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.

### **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.
- **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.

### **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 lessees) is recognized using the constant method during the period of the lease.

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

### ***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 be reliably valued, 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 valued 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».

***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.

***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.

## Appendix B'

DATE	SUBJECT	SITE
9/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/1/2006	Notification of decisions for participation in Mergers, Splits, Takeovers, Acquisitions, Transfer of Shares	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/1/2006	Notification of decisions for participation in Mergers, Splits, Takeovers, Acquisitions, Transfer of Shares	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
11/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
12/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
13/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
19/1/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
20/1/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
20/1/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
20/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
26/1/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/2/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/2/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/2/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/2/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
16/2/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
20/2/2006	Confirmation - Press clarification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
20/2/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/2/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/2/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/2/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
1/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
2/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
3/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
7/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
8/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
8/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
13/3/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/3/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
16/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
16/3/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
20/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/3/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/3/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
29/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
30/3/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
3/4/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>

6/4/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/4/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
19/4/2006	Pre-announcement of General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
2/5/2006	Pre-announcement of General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
4/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
4/5/2006	Notification of decisions for participation in Mergers, Splits, Takeovers, Acquisitions, Transfer of Shares	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
4/5/2006	Notification of decisions for participation in Mergers, Splits, Takeovers, Acquisitions, Transfer of Shares	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
4/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/5/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/5/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
10/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
11/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
11/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
12/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
12/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/5/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
16/5/2006	Dividend Issue / Payment Notification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/5/2006	Change of BOD composition or High Managerial Executives	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/5/2006	Decisions of Regular General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/5/2006	Dividend Issue / Payment Notification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/5/2006	Dividend Issue / Payment Notification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/5/2006	Change of BOD composition or High Managerial Executives	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/5/2006	Dividend Issue / Payment Notification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/5/2006	Dividend Issue / Payment Notification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/5/2006	Decisions of Regular General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
19/5/2006	Pre-announcement of General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
19/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/5/2006	Pre-announcement of General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
24/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
25/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
25/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
29/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
31/5/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
2/6/2006	Decisions of Regular General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
5/6/2006	Decisions of Regular General Assembly	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
6/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
6/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
7/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
7/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
8/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
8/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
9/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>

15/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/6/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/6/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/6/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/6/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/6/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/6/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/6/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
23/6/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
29/6/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
29/6/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/7/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/7/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
19/7/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
2/8/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
2/8/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
11/8/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
17/8/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
31/8/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
1/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
5/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
8/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
13/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/9/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/9/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
6/10/2006	Confirmation - Press clarification	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
6/10/2006	Announcement of other important events	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
30/10/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
2/11/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
6/11/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
14/11/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
16/11/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
16/11/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/11/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/11/2006	Financial Results data based on IFRS	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
27/11/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
5/12/2006	Announcement concerning comments on Financial / Accounting Statements	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
12/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
13/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
15/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
18/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
22/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>
29/12/2006	Notification of Transactions	<a href="http://www.metka.gr/www.ase.gr">www.metka.gr/www.ase.gr</a>

# 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 1st January 2006 until 31st March 2006 (In compliance with the stipulations of decision 17/336/21.04.2005 & P.D. 360/1985)  
(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.

BALANCE SHEET					INCOME STATEMENT				
Amounts in 000's EURO					Amounts in 000's EURO				
	The Group		The Company			The Group		The Company	
	31/03/2006	31/12/2005	31/03/2006	31/12/2005		1/1-31/3/2006	1/1-31/3/2005	1/1-31/3/2006	1/1-31/3/2005
<b>ASSETS</b>					Sales Turnover	63.232	61.066	56.755	54.337
Fixed Assets	90.783	90.533	108.559	108.370	Gross profit	11.738	12.301	10.621	10.673
Inventories	27.892	30.315	26.506	28.697	Profit before tax, borrowings and investments results	10.440	10.614	10.311	9.586
Trade and other receivables	125.040	113.475	114.192	100.223	Profit before tax, borrowings investments and depreciation results	11.640	11.887	11.293	10.624
Other	27.239	32.305	9.120	19.035	Profit before tax	9.599	11.835	9.532	10.842
<b>TOTAL ASSETS</b>	<b>270.954</b>	<b>266.628</b>	<b>258.377</b>	<b>256.325</b>	Less Taxes	2.868	3.389	2.883	3.065
<b>LIABILITIES</b>					Profit after tax	6.731	8.446	6.649	7.777
Long Term Liabilities	35.851	35.873	31.663	31.483	<b>Distributed at:</b>				
Short Term Borrowings	2.076	770	10	13	Shareholders of the Parent	6.837	8.257		
Other short term Liabilities	125.645	129.333	130.380	135.153	Minority interests	(106)	189		
Total Liabilities (a)	183.572	185.976	182.053	186.649	Profit after Tax per Share (in Euro/share)	0.13	0.16	0.13	0.15
Share Capital	15.624	15.624	15.624	15.624					
Other reserves & retained earnings	75.214	69.378	79.700	73.052					
Total Shareholders Equity (b)	92.838	86.002	96.324	89.676					
Minority Interests (c)	14.544	14.650	-	-					
<b>Total Equity (d)</b>	<b>107.382</b>	<b>100.652</b>	<b>96.324</b>	<b>89.676</b>					
<b>TOTAL LIABILITIES (a) + (d)</b>	<b>270.954</b>	<b>266.628</b>	<b>258.377</b>	<b>256.325</b>					

STATEMENTS OF CHANGES IN EQUITY					CASH FLOW STATEMENT				
Amounts in 000's EURO					Amounts in 000's EURO				
	The Group		The Company			The Group		The Company	
	1/1-31/3/2006	1/1-31/3/2005	1/1-31/3/2006	1/1-31/3/2005		1/1-31/3/2006	1/1-31/3/2005	1/1-31/3/2006	1/1-31/3/2005
Equity at the beginning of the period (01/01/2006 and 01/01/2005)	100.652	144.338	89.676	137.611	<b>Operating Activities</b>				
Profit / (Loss) after Taxes	6.730	8.446	6.649	7.776	Profit before Tax	9.599	11.835	9.532	10.842
Income charged directly to equity	0	(10)	0	(10)	Plus (Less) Adjustments for:				
<b>Total Equity at the end of the period (31.03.2006 and 31.03.2005)</b>	<b>107.382</b>	<b>152.774</b>	<b>96.325</b>	<b>145.377</b>	Depreciations	1.274	1.354	1.057	1.142
					Provisions	510	158	272	12
					Results (revenues, expenses, profit, loss) from Investment Activities	(95)	(1.533)	(47)	(1.541)
					Debit Interest and similar expenses	10	208	0	181
					Plus (Less) Adjustments for Working Capital accounts or generated from operations:				
					Decrease / (increase) in Inventories	2.423	(2.078)	2.190	(1.973)
					Decrease / (increase) in Trade and Other Receivables	(12.574)	(922)	(14.994)	(1.566)
					Increase / (Decrease) in Liabilities (except Banks)	(9.203)	(12.168)	(9.805)	(9.752)
					(Increase) / Decrease in other current assets	(1.395)	5.572	307	5.574
					Less:				
					Debit Interest and similar expenses Paid	(10)	(208)	0	(181)
					Taxes Paid	(2.035)	(1.458)	(1.690)	(1.259)
					<b>Net Cash Flow from Operating Activities (A)</b>	<b>(11.497)</b>	<b>760</b>	<b>(13.178)</b>	<b>1.479</b>
					<b>Investing Activities</b>				
					Acquisition of subsidiary, associates and other investments	0	(784)	0	(784)
					Purchase of intangible assets, property and equipment	(854)	(904)	(803)	(701)
					Purchase of financial assets at fair value through profit and loss	(2.525)	(350)	1	0
					Sales of intangible assets, property and equipment	31	0	1	0
					Sales of financial assets available for sale	5.793	3.299	5.793	3.299
					Sales of financial assets at fair value through profit and loss	1.994	0	1.994	0
					Interest received	73	129	39	119
					Proceeds from borrowing of affiliated parties	0	50	0	50
					<b>Net cash from investing activities (B)</b>	<b>4.512</b>	<b>1.440</b>	<b>7.024</b>	<b>1.983</b>
					<b>Financing Activities</b>				
					Proceeds from Borrowings	1.310	0	0	0
					Payments of finance lease Liabilities (capital)	(3)	(5)	(2)	(4)
					Dividends paid	(204)	(2)	(18)	(2)
					<b>Net cash from financing activities (C)</b>	<b>1.103</b>	<b>(7)</b>	<b>(20)</b>	<b>(6)</b>
					<b>Net Increase / (Decrease) in cash and cash equivalent (A) + (B) + (C)</b>	<b>(5.882)</b>	<b>2.193</b>	<b>(6.174)</b>	<b>3.456</b>
					<b>Cash and cash equivalent at the beginning of the period</b>	<b>19.822</b>	<b>9.158</b>	<b>8.269</b>	<b>4.416</b>
					<b>Cash and cash equivalent at the end of the period</b>	<b>13.940</b>	<b>11.351</b>	<b>2.085</b>	<b>7.872</b>

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	TAX UNAUDITED FISCAL YEARS	Percentage		
METKA S.A., N. Iraklio, Athens	2005	Parent		
RODAX A.T.E.E., N. Iraklio, Athens	2001-2005	100,00% (1)		
SERVISTEEL, Volos	2003-2005	99,98% (1)		
E.K.M.E. S.A. Municipality of Eghorou, Thessaloniki	2001-2005	40,00% (1)		
3.K.P. A.T.E.E., Abolokipoti, Athens	2003-2005	40,00% (1)		
ELEMKA S.A., N. Iraklio, Athens	1999-2005	83,50% (1)		
Notes: (1) Controlling 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 associates were sold at 31/12/2005				
• The holding of the parent company METKA S.A. in the company 3KP S.A. (40%) was sold on the 3rd. of May 2006. The above transaction's output will be depicted in the company and the Group's financial statements of the period 01/01-30/06/2006.				
2. The financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 52,25% of METKA Group.				
3. The basic accounting principles applied in the consolidated Balance Sheet of 31/12/05 have not been altered.				
4. There are no encumbrances to the company's and Group's assets.				
5. There is no litigation which might have an important impact on the company's and the Group's assets.				
6. The number of employees at the end of the reporting period are as follows:				
	The Group		The Company	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
FULL TIME EMPLOYEES	291	287	198	204
DAILY - WAGE EMPLOYEES	244	240	96	97
<b>TOTAL</b>	<b>535</b>	<b>527</b>	<b>294</b>	<b>301</b>
7. Company's transactions with its subsidiaries as of 31/03/2006 are as follows: Purchases: € 9.801 thousand-Sales: € 0.17 thousand. The balance of the company's receivables and payables with its subsidiaries is € 2.79 thousand and € 20.392 thousand respectively.				
8. Earnings per share have been calculated on the basis of net profits distribution over the numbers of shares.				
9. Capital Expenditure for the first quarter 2006: Group: € 854 thousand, Company: € 803 thousand				
10. Auditors Report is not required.				
11. Board of Directors Composition: Evangelos Mytilineos, Ioannis Mytilineos, Georgios Pallas, Nikolaos Bakirtzoglou, Georgios Bonomou, Ioannis Avagianos, Ioannis Antoniadis				
12. Date of Approval of financial Statements: 09/05/2006				

# 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 2006 until 30 June 2006 (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. The Chartered accountant: Deligiannis George, Audit firm: Grant Thornton, Review Report: Unqualified Opinion.

BALANCE SHEET					INCOME STATEMENT							
Amounts in 000' s EURO					Amounts in 000' s EURO							
					The Group				The Company			
					1/1-30/6/2006	1/1-30/6/2005	1/4-30/6/2006	1/4-30/6/2005	1/1-30/6/2006	1/1-30/6/2005	1/4-30/6/2006	1/4-30/6/2005
<b>ASSETS</b>												
Fixed Assets	84.376	90.533	98.696	108.370	Sales Turnover	139.115	125.202	75.883	64.137	128.483	105.462	71.708
Inventories	24.792	30.315	23.357	28.697	Gross profit	34.566	30.623	22.848	18.322	30.306	24.563	19.685
Trade and other receivables	123.570	113.475	110.058	100.223	Profit before tax, borrowings and investments results	29.365	26.234	18.925	15.620	26.998	21.339	16.687
Other	24.082	32.305	15.495	19.035	Profit before tax, borrowings investments and depreciation results	31.800	28.579	20.160	16.692	29.008	23.255	17.715
<b>TOTAL ASSETS</b>	<b>256.820</b>	<b>286.628</b>	<b>247.606</b>	<b>256.325</b>	Profit before tax	28.769	29.740	19.170	17.905	29.289	25.360	19.757
					Less Taxes	8.333	8.422	5.465	5.033	7.833	6.856	4.950
<b>LIABILITIES</b>					Profit after tax	<b>20.436</b>	<b>21.318</b>	<b>13.705</b>	<b>12.872</b>	<b>21.456</b>	<b>18.504</b>	<b>14.807</b>
Long Term Liabilities	32.735	35.873	28.886	31.483	Distributed at:							
Short Term Borrowings	2.142	770	8	13	Shareholders of the Parent	20.378	20.139	13.541	11.882			
Other short term Liabilities	119.559	129.333	123.166	135.153	Minority interests	58	1.179	164	990			
<b>Total Liabilities (a)</b>	<b>154.436</b>	<b>165.976</b>	<b>152.060</b>	<b>166.649</b>	Profit after Tax per Share (in Euro/Share)	0,39	0,39	0,26	0,23	0,41	0,36	0,29
Share Capital	16.624	16.624	16.624	16.624								
Other reserves & retained earnings	74.163	69.378	78.922	73.052								
<b>Total Shareholders Equity (b)</b>	<b>90.787</b>	<b>86.002</b>	<b>95.546</b>	<b>89.676</b>								
Minority Interests (c)	11.597	14.650	-	-								
<b>Total Equity (d)</b>	<b>102.384</b>	<b>100.652</b>	<b>95.546</b>	<b>89.676</b>								
<b>TOTAL LIABILITIES (a) + (d)</b>	<b>256.820</b>	<b>286.628</b>	<b>247.606</b>	<b>256.325</b>								

### GENERAL INFORMATION

1. Group Structure - Group companies that are included in the consolidated financial statements with their respective domicile and percentage

COMPANY	TAX UNAUDITED FISCAL YEARS		Percentage %
	2005	2006	
METKA S.A. N. Iraklio, Athens	2001-2005	2005	Parent
RODAX A.T.E.E., N. Iraklio, Athens	2001-2005	2005	100.00% <sup>(1)</sup>
SERVISTEEL, Volos	2003-2005	2005	99.98% <sup>(2)</sup>
E.K.M.E. S.A. Municipality of Echorou, Thessaloniki	2001-2005	2005	40.00% <sup>(3)</sup>
ELEMKA S.A., N. Iraklio, Athens	1999-2005	2005	83.50% <sup>(4)</sup>

Notes: (1) Controlling Shares - Full Consolidation Method

• Up to 03/05/2006 the subsidiary company S.K.P. A.T.E.E., Ateikiopoi, Athens has been incorporated, with full consolidation method to the consolidated statements. The investment of the above subsidiary (equivalent participation 40%) was sold at 03/05/2006. The operation of the above subsidiary, presented in the interim consolidated financial statements of 30/06/2006, as "Discontinued Operations", according to I.F.R.S. 5. Up to 30/12/2005 they have been incorporated, with equity method to the consolidated statements the following companies: MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens, Held directly with equivalent % participation 33.00%. MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens, Held directly with equivalent % participation 24.00%. The investments in the above associates were sold at 31/12/2005.

2. The financial statements of METKA Group are incorporated in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 53.10% of METKA Group.

3. The basic accounting principles applied in the consolidated Balance Sheet of 31/12/05 have not been altered.

4. There are no encumbrances to the company's and Group's assets.

5. There is no litigation which might have an important impact on the company's and the Group's assets.

6. The number of employees at the end of the reporting period are as follows:

	The Group		The Company	
	30/06/2005	30/06/2006	30/06/2006	30/06/2005
FULL TIME EMPLOYEES	185	287	107	206
DAILY - WAGE EMPLOYEES	382	238	200	96
Total	567	525	307	302

7. Company's transactions with related parties as of 30/06/2006 are as follows: Purchases: € 22.249 thousand-Sales: € 60.392 thousand. The balance of the company's receivables and payables with related parties is € 21.569 thousand and € 39.428 thousand respectively.

8. Earnings per share have been calculated on the basis of net profits distribution over the numbers of shares.

9. Capital Expenditure for the first semester 2006-Group: € 1.500 thousand, Company: € 1.361 thousand

10. Financial Statements approved by entity's Board of Directors on 1st of August 2006. The members of board are as follows:  
Ioannis Mytilineos, Nikolaos Bakirtzoglou, Georgios Pallas, Georgios Nonomou, Filippos Zotos, Ioanif Avagianis and Ioannis Arseniadis

### STATEMENTS OF CHANGES IN EQUITY

Amounts in 000' s EURO

	The Group		The Company	
	1/1-30/6/2006	1/1-30/6/2005	1/1-30/6/2006	1/1-30/6/2005
Equity at the beginning of the period (01/01/2006 and 01/01/2005)	102.552	144.338	89.676	137.611
Profit / (Loss) after Taxes	20.436	21.318	21.455	18.504
Dividends paid	(16.185)	(10.840)	(15.585)	(10.390)
Subsidiary's share capital decrease	(1.510)	-	-	-
Income charged directly to equity	(18)	(1.271)	-	(1.272)
Decrease of minority interest (sale of subsidiary)	(991)	-	-	-
<b>Total Equity at the end of the period (30.06.2006 and 30.06.2005)</b>	<b>102.384</b>	<b>153.545</b>	<b>95.546</b>	<b>144.453</b>

### CASH FLOW STATEMENT

Amounts in 000' s EURO

	The Group		The Company	
	1/1-30/6/2006	1/1-30/6/2005	1/1-30/6/2006	1/1-30/6/2005
<b>Operating Activities</b>				
Profit Before Tax	28.769	29.740	29.288	25.960
Plus (Less) Adjustments for:				
Depreciations	2.435	2.696	2.009	2.268
Provisions	1.415	61	1.232	60
Results (revenues, expenses, profit, loss) from Investment Activities	(632)	(4.069)	(3.306)	(4.553)
Debit Interest and similar expenses	34	391	-	347
<b>Plus (Less) Adjustments for Working Capital accounts or generated from operations:</b>				
Decrease / (Increase) in Inventories	5.522	(2.322)	5.339	(1.300)
Decrease / (Increase) in Trade and Other Receivables	(2.853)	2.731	(7.594)	(1.148)
Increase / (Decrease) in Liabilities (except Banks)	(24.151)	(16.462)	(20.139)	(9.271)
(Increase) / Decrease in other current assets	(1.159)	7.667	615	7.655
Less:				
Debit Interest and similar expenses Paid	(34)	(391)	-	(347)
Taxes Paid	(7.350)	(2.283)	(6.604)	(3.125)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>1.996</b>	<b>17.759</b>	<b>840</b>	<b>15.946</b>
<b>Investing Activities</b>				
Purchase of intangible assets, property and equipment	(1.797)	-	(1.257)	(1.503)
Purchase of financial assets at fair value through profit and loss	(3.703)	-	-	-
Sales of intangible assets, property and equipment	175	77	12	17
Purchase of financial assets available for sale	-	(350)	-	-
Acquisition of subsidiary, associates and other investments	-	(817)	-	(817)
Sales of financial assets available for sale	5.793	8.547	5.793	8.547
Sales of financial assets at fair value through profit and loss	1.994	-	1.994	-
Interest received	194	271	101	249
Proceeds from borrowing of affiliated parties	-	70	-	70
Proceeds from Subsidiary's Share Capital decrease	1.006	-	1.006	-
Sales of Subsidiaries (less subsidiary's cash)	(2.448)	-	994	-
Proceeds of dividends	-	289	-	289
<b>Net cash from investing activities (B)</b>	<b>1.214</b>	<b>6.189</b>	<b>8.643</b>	<b>6.852</b>
<b>Financing Activities</b>				
Proceeds from Borrowings	1.389	-	-	-
Payments of finance lease Liabilities (capital)	(16)	(10)	(4)	(10)
Dividends paid	(15.749)	(9.758)	(15.549)	(9.687)
<b>Net cash from financing activities (C)</b>	<b>(14.376)</b>	<b>(9.768)</b>	<b>(15.553)</b>	<b>(9.697)</b>
<b>Net Increase / (Decrease) in cash and cash equivalent (A) + (B) + (C)</b>	<b>(11.166)</b>	<b>14.180</b>	<b>(6.070)</b>	<b>13.101</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>19.822</b>	<b>9.158</b>	<b>8.259</b>	<b>4.416</b>
<b>Cash and cash equivalent at the end of the period</b>	<b>8.656</b>	<b>23.338</b>	<b>2.189</b>	<b>17.517</b>

THE PRESIDENT OF THE BOARD  
IOANNIS MYTILINEOS  
I.D.NO: 2683930/1998

THE MANAGING DIRECTOR  
GEORGIOS PALLAS  
I.D.NO: M565448/1993

THE FINANCIAL DIRECTOR  
GEORGIOS MAMMAS  
I.D.NO: M164917/1982

THE CHIEF ACCOUNTANT  
SPYRIDON PETRATOS  
I.D.NO: AR2633993/2006

# 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 2006 until 30 September 2006 According to 2/396/31.8.2006 resolution of Greek Capital committee  
The figures presented below aim to give summary information about the financial position and results 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 where the financial statements according to International Financial Reporting Standards together with the Auditor's Report, whenever is required, are presented.

The Chartered accountant: Deligiannis George, Audit firm: Grant Thornton, Review Report: Not required. Company's Web Site: www.metka.gr. Board of Directors approval date: 21/11/2006

BALANCE SHEET					INCOME STATEMENT																																	
Amounts in 000's EURO					Amounts in 000's EURO																																	
		The Group		The Company		The Group				The Company																												
		30/09/2006	31/12/2005	30/09/2006	31/12/2005	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005																									
<b>ASSETS</b>																																						
Fixed Assets		81.648	90.533	95.591	108.370	216.913	163.740	78.258	45.050	156.819	152.935	68.356	43.473																									
Inventories		24.934	30.315	23.457	28.697	49.639	40.719	15.146	11.611	42.444	34.673	12.138	10.110																									
Trade and other receivables		109.140	113.475	88.436	100.223	45.394	38.283	13.639	11.029	40.277	32.997	11.269	9.742																									
Other		26.481	32.305	18.897	19.035	-	-	-	-	-	-	-	-																									
<b>TOTAL ASSETS</b>		<b>242.203</b>	<b>266.628</b>	<b>228.381</b>	<b>256.325</b>																																	
<b>LIABILITIES</b>																																						
Long Term Liabilities		32.980	35.873	29.302	31.483	-	-	-	-	-	-	-	-																									
Short Term Borrowings		2.830	770	5	13	-	-	-	-	-	-	-	-																									
Other short term Liabilities		96.103	129.333	94.464	135.153	-	-	-	-	-	-	-	-																									
<b>Total Liabilities (a)</b>		<b>131.913</b>	<b>165.976</b>	<b>123.771</b>	<b>166.649</b>																																	
Shareholders Equity (b)		98.736	86.002	102.610	89.676	-	-	-	-	-	-	-	-																									
Minority Interests (c)		11.554	14.650	-	-	-	-	-	-	-	-	-	-																									
<b>Total Equity (d) = (b) + (c)</b>		<b>110.290</b>	<b>100.652</b>	<b>102.610</b>	<b>89.676</b>																																	
<b>TOTAL EQUITY AND LIABILITIES (a) + (d)</b>		<b>242.203</b>	<b>266.628</b>	<b>228.381</b>	<b>256.325</b>																																	
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Amounts in 000's EURO																																						
		The Group		The Company		The Group				The Company																												
		1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005																									
Sales Turnover		216.913	163.740	78.258	45.050	156.819	152.935	68.356	43.473																													
Gross Profit		49.639	40.719	15.146	11.611	42.444	34.673	12.138	10.110																													
Profit before taxes, borrowings, investments and depreciation results		41.741	34.806	12.384	9.868	37.246	30.150	10.248	8.811																													
Profit before taxes, borrowings and investments results		40.586	38.308	12.187	9.857	39.322	34.190	10.033	8.830																													
Less: Taxes		12.599	11.163	4.280	3.154	10.803	9.681	2.970	2.825																													
Profit after taxes from continuing operations (a)		27.987	27.145	7.907	6.703	28.519	24.509	7.063	6.005																													
Profit after taxes from discontinued operations (b)		356	967	-	91	-	-	-	-																													
Profit after taxes (from continuing and discontinued operations)(a) + (b)		28.343	28.112	7.907	6.794	28.519	24.509	7.063	6.005																													
<b>Attributable to:</b>																																						
Shareholders		28.327	27.039	7.949	6.900	-	-	-	-																													
Minority interests		16	1.073	(42)	(106)	-	-	-	-																													
Net Profit per share-basic (in Euro)		0,55	0,52	0,15	0,13	0,55	0,47	0,14	0,12																													
<b>GENERAL INFORMATION</b>																																						
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:																																						
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Notes: (1) Controlling Shares - Full Consolidation Method																																						
<ul style="list-style-type: none"> <li>Up to 03/05/2006 the subsidiary company 3 K.P. A.T.E.E., Abelokipoi, Athens has been incorporated, with full consolidation method to the consolidated statements. The investment of the above subsidiary (equivalent participation 40%) was sold at 03/05/2006.</li> <li>The operations of the above subsidiary are presented to the interim financial statements as of 30/09/2006, within the I.F.R.S. 5 framework, as discontinued operations.</li> </ul>																																						
3KP's contribution to the consolidated financial income statement is as follows:																																						
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Amount in 000's Euro	1/1-30/09/2006	1/1-30/09/2005	1/7-30/09/2006	1/7-30/09/2005																																		
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	The Group		The Company																																			
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7. Intercompany transactions for the first nine months of 2006 and intercompany balances as of 30 September 2006, according to I.A.S. 24 are as follows:																																						
Amount in 000's Euro																																						
		The Group		The Company																																		
		30/09/2006	30/09/2005	30/09/2006	30/09/2005																																	
a) Sales of goods and services		89.779	89.288	-	-																																	
b) Purchases of goods and services		643	31.338	-	-																																	
c) Receivables from related parties		8.108	12.797	-	-																																	
d) Payables to related parties		11.721	35.046	-	-																																	
e) Key management compensations		2.194	1.817	-	-																																	
f) Receivables from key management		0	0	-	-																																	
g) Payables to key management included in above		4	4	-	-																																	
8. Earnings per share have been calculated on the basis of net profits distribution over the numbers of shares.																																						
9. Capital Expenditure for the first nine months 2006 amounted to Group: € 2.881 thousand, Company: € 1.776 thousand																																						
10. The members of board are as follows: Ioannis Mytilineos, Nikolaos Bakirtzoglou, Georgios Pallas, Georgios Ikononou, Filippos Zotos, Israf Avagianos and Ioannis Antomads																																						
<b>CASH FLOW STATEMENT</b>																																						
Amounts in 000's EURO																																						
		The Group		The Company																																		
		1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005																																	
Operating Activities		40.956	39.731	39.322	34.190																																	
Profit before taxes		-	-	-	-																																	
Plus (Less) Adjustments for:		3.699	3.769	3.031	2.847																																	
Depreciations		2.097	2.850	1.801	2.240																																	
Provisions		(697)	(4.201)	(3.808)	(4.419)																																	
Results (revenues, expenses, profit, loss) from Investment Activities		71	522	10	465																																	
Debit Interest and similar expenses		-	-	-	-																																	
Plus (Less) Adjustments for Working Capital accounts or generated from operations:		5.380	(2.380)	5.240	(2.422)																																	
Decrease / (Increase) in Inventories		11.818	24.865	14.009	18.904																																	
Increase / (Decrease) in Trade and Other Receivables		(45.386)	5.754	(45.114)	13.242																																	
(Increase) / Decrease in other current assets		(570)	7.550	821	7.530																																	
Less:		-	-	-	-																																	
Debit Interest and similar expenses Paid		(71)	(522)	(10)	(465)																																	
Taxation Paid		(14.959)	(7.334)	(12.456)	(5.304)																																	
<b>Net Cash Flow from Operating Activities (A)</b>		<b>3.252</b>	<b>70.194</b>	<b>3.946</b>	<b>66.808</b>																																	
Investing Activities		-	-	-	-																																	
Acquisition of subsidiary, associates and other investments		-	(822)	-	(823)																																	
Purchase of intangible assets, property and equipment		(2.755)	(3.096)	(1.651)	(2.716)																																	
Purchase of financial assets at fair value through profit and loss		(3.703)	(450)	-	-																																	
Sales of intangible assets, property and equipment		175	352	13	343																																	
Sales of financial assets available for sale		5.793	8.547	5.793	8.547																																	
Sales of financial assets at fair value through profit and loss		1.994	-	1.994	-																																	
Interest received		253	463	124	432																																	
Proceeds from borrowing of affiliated parties		-	70	-	70																																	
Proceeds from Subsidiary's Share Capital decrease		1.006	-	1.006	-																																	
Sales of Subsidiaries (less subsidiary's cash)		(2.448)	-	994	-																																	
Proceeds of dividends		8	289	-	619																																	
<b>Net cash from investing activities (B)</b>		<b>323</b>	<b>5.553</b>	<b>8.273</b>	<b>6.472</b>																																	
Financing Activities		-	-	-	-																																	
Proceeds from Share Capital increase		-	1	-	-																																	
Proceeds from Borrowings		11.840	-	4.200	-																																	
Payments of borrowings		(9.733)	-	(4.200)	-																																	
Payments of finance lease Liabilities (capital)		(46)	(23)	(7)	(23)																																	
Dividends paid		(15.750)	(10.531)	(15.549)	(10.171)																																	
<b>Net cash from financing activities (C)</b>		<b>(10.589)</b>	<b>(10.583)</b>	<b>(15.556)</b>	<b>(10.194)</b>																																	
<b>Net Increase / (Decrease) in cash and cash equivalent (A) + (B) + (C)</b>		<b>(10.114)</b>	<b>64.994</b>	<b>(3.837)</b>	<b>63.086</b>																																	
<b>Cash and cash equivalent at the beginning of the period</b>		<b>19.822</b>	<b>9.158</b>	<b>8.259</b>	<b>4.417</b>																																	
<b>Cash and cash equivalent at the end of the period</b>		<b>9.708</b>	<b>74.152</b>	<b>4.322</b>	<b>67.503</b>																																	
<b>STATEMENTS OF CHANGES IN EQUITY</b>																																						
Amounts in 000's EURO																																						
		The Group		The Company																																		
		1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005																																	
Equity at the beginning of the period (01/01/2006 and 01/01/2005)		100.652	144.338	89.676	137.611																																	
Profit / (Loss) after Taxes		28.343	28.112	28.519	24.509																																	
Dividends paid		(16.183)	(10.840)	(15.585)	(10.390)																																	
Subsidiary's share capital decrease		(1.510)	(0.132)	-	(0.133)																																	
Income charged directly to equity		(18)	(1.977)	-	(1.978)																																	
Decrease of minority interests (sale of subsidiary)		(891)	-	-	-																																	
<b>Total Equity at the end of the period (30.09.2006 and 30.09.2005)</b>		<b>110.291</b>	<b>89.501</b>	<b>102.610</b>	<b>79.619</b>																																	
<b>THE PRESIDENT OF THE BOARD</b>																																						
IOANNIS MYTILINEOS																																						
I.D.NO: 2683303/1998																																						
<b>THE MANAGING DIRECTOR</b>																																						
GEORGIOS PALLAS																																						
I.D.NO: M565448/1983																																						
<b>THE FINANCIAL DIRECTOR</b>																																						

# 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 FISCAL YEAR OF 1ST JANUARY 2006 UNTIL 31ST DECEMBER 2006

(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	BALANCE SHEET				INCOME STATEMENT				
	Amounts in 000 's EURO				Amounts in 000 's EURO				
	The Group		The Company		The Group		The Company		
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005	
<b>Head Office:</b> 11 Mar. Antypa Str., N.Iraklio									
<b>Companies Registration Number:</b> 10357/06/B/86/113									
<b>Vat number:</b> 094017290									
<b>Competent Authority:</b> Ministry of Development- Direction of Commerce									
<b>Board of Directors Composition:</b> Ioannis Mytilineos Nikolaos Bakirtzoglou Georgios Pallas Georgios Ikonomu Filippos Zotos Ioanif Avagianis Ioannis Antoniadis									
<b>Date of Approval of financial Statements:</b> 20/02/2007									
<b>The Certified Auditor:</b> DELIGIANNIS GEORGE									
<b>Auditing Company:</b> Grant Thornton									
<b>Type of Auditor's opinion:</b> Unqualified									
<b>Company's Web Site:</b> www.metka.gr									
<b>ASSETS</b>									
Fixed Assets	79.658	90.533	94.063	108.370	294.147	212.881	266.423	198.865	
Inventories	23.107	30.315	21.729	28.697	68.293	56.739	56.182	49.125	
Trade and other receivables	111.786	113.475	96.916	100.223					
Other	11.225	32.305	2.631	19.035					
<b>TOTAL ASSETS</b>	<b>225.776</b>	<b>266.628</b>	<b>215.339</b>	<b>256.325</b>	<b>60.806</b>	<b>52.546</b>	<b>52.274</b>	<b>46.324</b>	
<b>LIABILITIES</b>									
Long Term Liabilities	27.624	35.873	24.759	31.483					
Short Term Borrowings	2.208	770	3	13					
Other short term Liabilities	73.221	129.333	78.018	135.153					
<b>Total Liabilities (a)</b>	<b>103.053</b>	<b>165.976</b>	<b>102.780</b>	<b>166.649</b>	<b>55.972</b>	<b>47.994</b>	<b>48.199</b>	<b>42.580</b>	
Shareholders Equity (b)	111.043	86.002	112.559	89.676	<b>54.866</b>	<b>52.066</b>	<b>50.339</b>	<b>46.594</b>	
Minority Interests (c)	11.680	14.650	-	-	<b>14.448</b>	<b>13.813</b>	<b>11.670</b>	<b>12.254</b>	
<b>Total Equity (d) = (b) + (c)</b>	<b>122.723</b>	<b>100.652</b>	<b>112.559</b>	<b>89.676</b>	<b>40.408</b>	<b>38.253</b>	<b>38.469</b>	<b>34.340</b>	
<b>TOTAL EQUITY AND LIABILITIES (a) + (d)</b>	<b>225.776</b>	<b>266.628</b>	<b>215.339</b>	<b>256.325</b>	<b>40.764</b>	<b>38.706</b>	<b>38.469</b>	<b>34.340</b>	
					<b>Profit after taxes from continuing operations (a)</b>	<b>40.408</b>	<b>38.253</b>	<b>38.469</b>	<b>34.340</b>
					<b>Profit after taxes from discontinued operations (b)</b>	<b>356</b>	<b>453</b>	<b>-</b>	<b>-</b>
					<b>Profit after taxes (from continuing and discontinued operations) (a) - (b)</b>	<b>40.764</b>	<b>38.706</b>	<b>38.469</b>	<b>34.340</b>
					<b>Attributable to:</b>				
					Shareholders	40.635	37.397		
					Minority interests	129	1.309		
					Net Profit per share-basic (in Euro)	0,78	0,72	0,74	0,66
					Proposed Dividends per Share (in Euro)		0,40		0,30

### 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	TAX UNAUDITED FISCAL YEARS	Percentage %
METKA S.A., N. Iraklio, Athens	2005-2006	Parent
RODAX A.T.E.E., N. Iraklio, Athens	2005-2006	100,00% (1)
SERVISTEEL, Votia	2003-2006	99,98% (1)
E.K.M.E.S.A. Municipality of Echedrou, Thessaloniki	2001-2006	40,00% (1)
ELEMKA S.A., N. Iraklio, Athens	2005-2006	83,50% (2)
DROSCO HOLDINGS LIMITED, Nicosia, Cyprus	2003-2006	83,50% (2)
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS SA, Marousi, Athens	-	62,625% (2)

Notes: (1) Controlling Shares - Full Consolidation Method  
(2) Companies Held Indirectly

• Up to 03/05/2006 the subsidiary company 3.K.P. A.T.E.E., Abolokioi, Athens has been incorporated, with full consolidation method to the consolidated statements. The investment of the above subsidiary (equivalent participation 40%) was sold at 03/05/2006. The operations of the above subsidiary are presented to the annual financial statements as of 31/12/2006, within the I.F.R.S. 5 framework, as discontinued operations.

3.KP's contribution to the consolidated financial income statement is as follows:

Amounts in 000's Euro	1/1-31/12/2006	1/1-31/12/2005
Sales Turnover	461	12.155
Profit before taxes, borrowings, investments and depreciation results	45	669
Profit before taxes	370	612
Analysed as follows:		
Profit from discontinued operation	37	612
Profit from the sale of discontinued operation	333	0

At 10/10/2006 the subsidiary company of the Group, ELEMKA S.A., N. Iraklio, Athens, acquired the 100% of DROSCO HOLDINGS LIMITED, Nicosia, Cyprus which on 12/10/2006 acquired the 75% of the company BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Marousi, Athens.

Both companies have been incorporated, with full consolidation method to the consolidated statements of 31/12/2006.

Also, up to 30/12/2005 they have been incorporated, with equity method to the consolidated statements the following companies:

MYTILINEOS POWER GENERATION & SUPPLIES S.A., Marousi, Athens, Held directly equivalent % participation 33,00%

MYTILINEOS HELLENIC WIND POWER S.A., Marousi, Athens, Held directly with equivalent % participation 24,00%

The investments in the above associates were sold at 31/12/2005.

2. The financial statements of METKA Group are incorporated with full consolidation method in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 52,91% of METKA Group.

3. The basic accounting principles applied in the consolidated Balance Sheet of 31/12/05 have not been altered.

4. There are no encumbrances to the company's and Group's assets.

5. There is no litigation which might have an important impact on the company's and the Group's assets

6. The number of employees at the end of the reporting period are as follows:

	The Group		The Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
FULL TIME EMPLOYEES	307	250	188	194
DAILY - WAGE EMPLOYEES	199	243	102	91
Total	506	493	290	285

7. Intercompany transactions of 2006, according to I.A.S. 24 are as follows:

Amounts in 000's Euro	Group	Company
a) Sales of goods and services	154.881	153.473
b) Purchases of goods and services	1.028	49.021
c) Receivables from related parties	23.224	22.864
d) Payables to related parties	162	25.279
e) Key management compensations	3.253	2.559
f) Receivables from key management	0	0
g) Payables to key management included in above	1.449	1.449

8. Earnings per share have been calculated on the basis of net profits distribution over the numbers of shares.

9. Capital Expenditure of 2006 amounted to: Group: € 3.905 thousand. Company: € 2.121 thousand

### CASH FLOW STATEMENT

Amounts in 000 's EURO

	The Group		The Company	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
<b>Operating Activities</b>				
Profit before Taxes	55.226	52.679	50.339	46.594
Plus (Less) Adjustments for:				
Depreciations	4.951	4.618	4.075	3.744
Provisions	621	1.350	125	791
Results (revenues, expenses, profit, loss) from Investment Activities	(584)	(5.036)	(3.140)	(4.569)
Unrealised foreign currency (gain)/losses	19	-	19	-
Changes in pension obligations	(9)	-	14	-
Debit Interest and similar expenses	149	82	29	9
Plus (Less) Adjustments for Working Capital accounts or generated from operations:				
Decrease / (Increase) in Inventories	7.207	(17.001)	6.968	(16.839)
Decrease / (Increase) in Trade and Other Receivables	9.101	(1.801)	10.001	(8.746)
Increase / (Decrease) in Liabilities (except Banks)	(56.540)	47.729	(55.559)	55.548
(Increase) / Decrease in other current assets	1.144	6.072	1.135	6.091
Less:				
Debit Interest and similar expenses Paid	(149)	(82)	(29)	(9)
Taxation Paid	(21.027)	(10.884)	(18.563)	(8.411)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>109</b>	<b>77.726</b>	<b>(4.586)</b>	<b>74.203</b>
<b>Investing Activities</b>				
Acquisition of subsidiary, associates and other investments	(3)	(4.176)	-	(4.331)
Purchase of intangible assets, property and equipment	(3.774)	(3.610)	(1.990)	(3.163)
Purchase of financial assets at fair value through profit and loss	(3.703)	(2.444)	-	(1.994)
Sales of intangible assets, property and equipment	425	374	263	365
Sales of financial assets available for sale	5.795	8.547	5.795	8.547
Sales of financial assets at fair value through profit and loss	1.994	4.814	1.994	-
Interest received	340	725	137	660
Proceeds from borrowing of affiliated parties	-	8.300	-	8.300
Proceeds from Subsidiary's Share Capital decrease	1.006	-	1.006	-
Sales of Subsidiaries (less subsidiary's cash)	(2.448)	-	994	-
Sales of Investments to associates	-	1.322	-	1.322
Proceeds of dividends	298	11	4.991	412
<b>Net cash from investing activities (B)</b>	<b>(70)</b>	<b>13.863</b>	<b>13.190</b>	<b>10.118</b>
<b>Financing Activities</b>				
Proceeds from Share Capital increase	15	1	-	(1)
Proceeds from Borrowings	33.805	5.000	22.244	5.000
Payments of borrowings	(32.298)	(5.900)	(22.244)	(5.000)
Payments of finance lease Liabilities (capital)	(68)	(30)	(10)	(30)
Share Capital returned to the Shareholders	-	(70.133)	-	(70.133)
Dividends paid	(16.356)	(10.763)	(15.556)	(10.313)
<b>Net cash from financing activities (C)</b>	<b>(14.902)</b>	<b>(80.925)</b>	<b>(15.566)</b>	<b>(80.477)</b>
<b>Net Increase / (Decrease) in cash and cash equivalent (A) + (B) + (C)</b>	<b>(14.863)</b>	<b>10.664</b>	<b>(6.962)</b>	<b>3.844</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>19.822</b>	<b>9.158</b>	<b>8.259</b>	<b>4.416</b>
<b>Cash and cash equivalent at the end of the period</b>	<b>4.959</b>	<b>19.822</b>	<b>1.297</b>	<b>8.260</b>

### STATEMENT OF CHANGES IN EQUITY

Amounts in 000 's EURO

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Equity at the beginning of the period (01/01/2006 and 01/01/2005)	100.652	144.338	89.676	137.611
Profit / (Loss) after Taxes	40.764	38.706	38.468	34.339
Dividends paid	(16.185)	(10.390)	(15.585)	(10.390)
Subsidiary's share capital decrease	(1.510)	(70.133)	-	(70.133)
Income charged directly to equity	(22)	(2.201)	-	(1.751)
Increase of minority interests (acquisition of Subsidiary)	15	332	-	-
Decrease of minority interests (sale of subsidiary)	(991)	-	-	-
<b>Total Equity at the end of the period (31.12.2006 and 31.12.2005)</b>	<b>122.723</b>	<b>100.652</b>	<b>112.559</b>	<b>89.676</b>

THE PRESIDENT OF THE BOARD  
IOANNIS MYTILINEOS  
I.D. NO: AE044243/2007

THE MANAGING DIRECTOR  
GEORGE PALLAS  
I.D. NO: M 565448/1983

THE FINANCIAL DIRECTOR  
GEORGE MAMMAS  
I.D. NO M 164917/1982

THE CHIEF ACCOUNTANT  
SPYRIDON PETRATOS  
I.D. NO AB263393/2006



