



ANNUAL REPORT 2006

According to the provisions of current stock market regulation and in specific Presidential Decree 348/1985 and Decisions No. 5/204/14.11.2000 and decision No. 7/372/15.02.2006 of the Board of Directors of the Capital Market Commission.

May 2007

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1.**Information on the Compilation of the Annual Report and the Company's Auditors**

The present Annual Report is issued with the purpose of informing the Shareholders, the investors and the investment consultants thoroughly and also contains all the information and financial data deemed necessary for the proper evaluation of the assets, financial status, results, and the prospects of the Company.

The preparation of the present Annual Report has taken place according to the provisions of the decisions No. 5/204/14.11.2004 and 7/372/15.2.2006 of the Capital Market Committee.

The Board of Directors declares that all of its members have been informed of the content of the Annual Report, and together with the authors responsibly certify that:

- All information and data provided therein are complete and accurate.
- No figures exist and no events have taken place, whose non-disclosure or omission could render the figures and information contained in the Annual Report misleading - partly or in whole.

SIDENOR as well as its subsidiaries companies participating in the consolidated financial statements are certified by Public Auditors. The audit of the Company's financial statements as well as the consolidated financial statements for the Fiscal Year 2006 was conducted by the Certified Public Auditor Mr. Kyriakos Riris (SOL No. 12111) of PRICEWATERHOUSECOOPERS Certified Auditors S.A.

2.**Report of the Board of Directors on the Annual Financial Statements on the Consolidated and Company basis****BOARD OF DIRECTORS REPORT OF
SIDENOR S.A.****REGARDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
OF FISCAL YEAR 2006**

To the Ordinary General Shareholders Meeting on 12/6/2007

Dear Shareholders,

Fiscal Year 2006 was a year of development and further strengthening for the SIDENOR group. All of the group's companies improved their position and reported positive growth. Special emphasis should be noted to the successful turnaround of Corinth Pipeworks during 2006, when the company reported substantial profit for the first time after 2001.

Last year we have been experiencing continued demand for the construction, manufacturing and energy products where our group is active, in both the international as well as the local and regional level. It is within this framework that the group has succeeded in maintaining or improving its market share at the local and the international markets where it is active.

Production as well as plant efficiency have been boosted alike with the capacity rates in all of the group's plants. All of the above along with the benefits entertained from the past year investments have in large contributed in achieving best control and lowering operating cost.

During last year the group has continued the implementation of its investment plan aiming at increasing presence in the Balkan market as well as achieving competitive edge via the optimization of its operating cost.

In 2006 we had commencement of SIDENOR operations in the Former Yugoslav Republic of Macedonia (FYROM) initially by operating and with the acquisition later on in December of 2006 of the long-product mill in Nicolice, Doiran.

Finally, within the framework of further modernizing and upgrading its organizational and business standards, the Sidenor group key vertically integrated steel production plants have obtained the OHSAS 18001 certification for health and safety standards. In specific, the SIDENOR plants located in the areas of Salonika, the Sovel plant in Almiros Magnisia, the STOMANA INDUSTRY plant in Pernik Bulgaria, and the ERLIKON plant in Kilkis were certified. As a result, SIDENOR group has positioned itself as the sole producer of steel products in Southeastern Europe to qualify for the OHSAS 18001 certificate as well as the ISO 14001 certification on environmental procedures

As far as future prospects are concerned, the positive economic momentum in the international markets boosts the construction and manufacturing sectors who represent the major recipients of steel long-products. In the short run, demand in the Greek market is still strong, while there is a significant boost in the demand in the Balkan and Southeastern European markets. The pipe industry for oil and natural gas transfer shows positive growth for 2007.

Group Financial Results

Consolidated turnover for SIDENOR Group amounted to € 1.228 billion in FY 2006, increased by 28% in comparison to 2005. Total volume of sales amounted 2.229 million tons, posting an increase of 19.23% versus 2005. Profit before tax formed at € 144 million, increased by 366% over 2005 while EBITDA reached € 220 million, marking an increase of 118%. Finally, consolidated net after tax and minorities profit formed at € 108 million over € 16 million (564% growth) or € 1.13 per share.

Regarding the company SIDENOR results, turnover amounted to € 320 million, gross profit reported at € 76 million marking a 99% increase while net after tax profit formed at € 28 million (€ 0.29 per share) against € 11 million the respective period of 2005, posting an increase of 164%.

This significant growth in the turnover and the profitability is attributed first of all to the increase in sales volume and average sales price, as a result of

- the intense demand internationally for brand name SD products both in Greece and in Europe
- the established market position and presence of STOMANA INDUSTRY in heavy plates products especially in international market where it is active
- the significant contribution arising from the turnaround of affiliate CORINTH PIPEWORKS,

as well as to the decrease in the process cost, the increase in efficiency and capacity rates of the production plants

Group selling and administration expense reported at € 133 million in 2006 representing 10.8% of the consolidated turnover versus 12% in 2005, while financial cost amounted € 28 million representing 2.3% of consolidated turnover versus 2.6% in 2005.

In 2006 SIDENOR Group continued to implement its investment plan. In total € 58 million were designated to new investments and were primarily used to the new long product mill in Stomana Bulgaria, to the placement of the new line for scrap at the Sovel steel plant, to the purchase and upgrading of the meltshop in FYROM, and the enhancement and expansion of the distribution and transportation network in the Balkans.

The Group's Net debt at 31/12/2006 amounted to € 461 million substantially reduced by € 88 million versus 31/12/2005.

The following table denotes the key ratios change:

	2006	2005
Debt to Equity	0.78	1.13
Current Ratio	1,75	1.61
Fixed Asset Coverage	0.79	0.66
Return on Equity	22.05%	3.50%

The total number of employees at 31/12/2006 was 3,506 for the group and 347 for the company versus 3,331 and 354 at 31/12/2005 respectively.

Total proposed net dividend (first and additional) amounts to € 0.25 per share.

Company Branches

The SIDENOR group companies are located in Greece, Bulgaria, FYROM and in Cyprus.

Risk Factors

The industry where SIDENOR Group is active is characterized by various uncertainty factors and risks, such as:

- the cyclical demand for the steel products
- the highly competitive environment of the steel industry
- the temporary lack of resources such as raw material and energy may affect the group's profitability
- the socioeconomic deterioration in some of the countries where the group is active may affect its results
- cash flow restrictions
- foreign exchange and interest rate risk

Significant Post 31/12/2006 Events

After December 12, 2006 TMK-CPW was established, a joint venture with Russian TMK and affiliate CORINTH PIPEWORKS where the latter owns a 49% stake of its share capital.

The purpose of operations of this joint venture is to produce and sell high-end steel pipes and hollow sections, in order to cover increased activity in the Russian and the neighboring countries construction and energy industries.

In addition, after December 12, 2006 the Group announced its decision to implement a new € 20 million investment plan for the expansion and modernization of its production facilities. The investments concern the SIDENOR facilities in Salonika, the SOVEL facilities in Almyros of Magnisia and the CORINTH PIPEWORKS facilities in Thisvi, which are expected to be completed by the end of the second quarter of 2008 and will result to the increase in the Group's production efficiency while reducing operating cost.

Dear Shareholders

We have the honour to invite you in approving the submitted Financial Statements for the fiscal year 2006

We also invite you to decide on all other items of the daily agenda of this General Shareholders Meeting

THE BOARD OF DIRECTORS

Exact excerpt of the minutes of the Board of Directors meeting

The Chairman
George Kalfarentzos

CERTIFICATION

This is to certify that the aforementioned report of the Board of Directors, consisting of 4 pages, is the one mentioned in the audit certificate issued on 26.2.2007



PRICEWATERHOUSECOOPERS
Audit Firm
Certified Auditors Accountants

Αθήνα, 26.2.2007
The Certified Auditor-Accountant
Riris Kyriakos
SOEL Reg N° 12111

3.**Explanatory Report of the Board of Directors
(Article 11^a, Law. 3371/2005)****SUPPLEMENTARY-EXPLANATORY BOARD OF DIRECTORS ANNUAL
MANAGEMENT REPORT TO THE ORDINARY GENERAL SHAREHOLDER
MEETING****(Law 3371/2005, Article 11a, Paragraphs 1 and 2)****a) Share Capital Structure**

The Company's share capital amounts to EUR 39,362,801.53, divided into 96,006,833 ordinary registered shares with a nominal value of EUR 0.41 each. All shares are listed for trading on the Athens Stock Exchange, in the Large Cap Category. The Company's shares are intangible, registered, with the right to vote.

According to the Company's Articles of Association, the rights and obligations of shareholders are as follows:

- Right to dividends from the Company's annual profits. The dividend of each share is paid to shareholders within two (2) months upon approval of the financial statements by the General Meeting. The right to collect dividends is forfeited after the lapse of five (5) years from the end of the year, during which it was due.
- Pre-emptive right to every Company share capital increase and the acquisition of new shares.
- Right to participate in the General Shareholder Meeting.
- The capacity of shareholder automatically entails the acceptance of the Company's Articles of Association and the decisions of its bodies, in accordance with the said Articles and the Law.
- The Company's shares cannot be divided and the Company acknowledges only one owner per share. All joint shareholders, as well as those who have usufruct or bare ownership of shares, are represented in the General Meeting by only one person, appointed by them upon agreement. In case of disagreement, the share of the aforementioned parties is not represented.
- The shareholders are not liable beyond the nominal value of each share.

b) Restrictions on Transferring Company Shares

The shareholders VIOHALCO S.A, ALCOMET S.A., DIATOUR S.A. and NOVAL S.A., who proceeded to a private purchase of the Company's shares through underwriters on 8 November 2006, are bound not to offer Company shares as of 7 November 2006, for a time period of 180 days, without the prior written consent of the underwriters.

c) Significant Direct or Indirect Participations Pursuant to Presidential Decree 51/1992

The significant participations (over 5%) on December 12, 2006 were as follows:

- VIOHALKO S.A. a percentage of 56.67% of voting rights and a percentage of 56.67% of share capital

d) Shares with Special Control Rights

There are no Company shares granting their owners special control rights.

e) Voting Right Restrictions

No voting right restrictions, arising from its shares, are stipulated by the Company's Articles of Association. The rules of the Company's Articles of Association regulating voting issues are included in article 24 and state that:

- Every share grants the right to one vote in the General Meeting.
- In order for shareholders to be entitled to attend the General Meeting, they are obligated, at least five (5) days prior to the meeting, to submit to the Company a certificate by the Central Securities Depository listing all shares registered to their name, with a commitment not to transfer these shares until the day of the General Meeting. Within the same deadline, they must also submit to the Company's offices the proxies of the shareholders' representatives.

f) Agreements Between Company Shareholders

To the Company's knowledge, there are no such agreements between shareholders that entail limitations to the transfer of Company shares or the exercise of voting rights arising from its shares.

g) Regulations on Appointing and Replacing Members of the Board of Directors and on Amending the Articles of Association

The regulations provided by the Company's Articles of Association regarding, both for the appointment and replacement of members of the Board of Directors, as well as the amendment of its provisions, are no different to those stipulated in Codified Law 2190/1920.

h) Duties of the Board of Directors with Regard to the Issuance of New or the Purchase of Own Shares

- Pursuant to the provisions of Article 13, Par. 1, Article 6, Par. 1, of the Articles of Association, stipulates that within the first five years from the formation of the Company or within five years following a decision by General Meeting granting this right, the Board of Directors by a decision taken by a majority vote of at least two thirds (2/3) of its members, may increase share capital in whole or in part by issuing new shares, not exceeding the share

capital originally paid or the share capital paid upon the date the relevant decision was taken by the General Meeting. The above power of the Board of Directors can be renewed by the General Meeting, for a term of no more than five (5) years. The aforementioned increase of share capital does not constitute an amendment to the Articles of Association.

- The Board of Directors may purchase own shares within the framework of a General Meeting decision pursuant to C.L. 2190/20, Article 16, Paragraphs 5 to 13.

- Pursuant to C.L. 2190/20, Article 13, Paragraph 9 and the decision of the General Meeting on 26 June 2002, every December of each year, starting from 2006 up to 2013, the Company's Board of Directors increases the Company's share capital, without amending its Articles of Association, by issuing new shares within the context of the implementation of a Stock Option Plan approved by the General Meeting, details of which are included in note 18 of the Financial Statements for the financial year 2006.

i) Significant Agreements that Become Effective, are Amended or Terminated in the Event of Change of Control

Bank loan agreements, as mentioned in note 20 of the annual financial statements (on consolidated level, €331.38 million on a long-term basis, and €146.7 million on a short-term basis, and on a company level €170.1 million on a long-term basis and €57.4 million on a short-term basis), of both the Company as well as of consolidated companies, include a clause in their terms for the event of change of control, which gives bondholders the right to terminate it prematurely.

There are no agreements, which become effective, are amended or terminated in the event of change of Company control.

j) Agreements with Members of the Board of Directors or Company Personnel

There are no agreements between the Company and members of the Board of Directors or its personnel, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of tenure-of-office or employment.

Athens, 14 May 2007

The Vice-Chairman of the Board of Directors

GRIGORIOS KONSTANTAKOPOULOS

4.

**Annual Financial Statements on the
Consolidated and Company Basis**



Annual Financial Statements for the year ended 31 December 2006

Prepared in accordance to International Financial Reporting

Standards (IFRS)

SIDENOR STEEL PRODUCTS

MANUFACTURING COMPANY S.A.

2-4 Mesogheion Ave.

Athens

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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Balance Sheet

<i>Amounts in Euro</i>	Notes	GROUP		COMPANY	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS					
Non-current assets					
Land & Buildings	6	257,521,707	260,983,774	48,087,306	47,881,187
Machinery	6	435,003,936	446,070,276	89,832,969	92,406,795
Other tangible assets	6	57,023,098	31,799,654	3,660,385	3,770,803
Intangible assets	6	284,612	213,087	235,450	30,283
Investment in associates	8	19,194,034	17,665,947	5,836,460	5,836,460
Investments in subsidiaries	9	-	-	206,940,431	192,703,801
Available for sale financial assets	10	1,641,450	1,555,166	1,472,836	1,406,537
Deferred tax assets	12	4,159,647	325,314	-	-
Derivative financial instruments	15	1,265,026	-	702,711	-
Other receivables	14	4,582,891	4,085,802	1,428,088	1,262,415
		780,676,401	762,699,021	358,196,636	345,298,280
Current Assets					
Inventories	13	301,534,300	276,981,244	86,327,589	74,027,032
Trade and other receivables	14	289,552,230	254,670,552	192,923,263	145,574,368
Non-current assets held for sale	7	3,918,560	-	-	-
Derivative financial instruments	15	2,821,661	160,812	-	-
Financial assets at fair value through profit or loss	11	380,066	1,002,873	-	-
Cash and cash equivalents	16	17,616,636	18,389,841	2,807,322	7,864,506
		615,823,453	551,205,323	282,058,173	227,465,905
Total assets		1,396,499,854	1,313,904,344	640,254,809	572,764,186
EQUITY					
Capital and reserves attributable to equity holders					
Share capital	17	39,362,802	39,157,717	39,362,802	39,157,717
Share premium	17	119,661,720	118,091,070	119,661,720	118,091,070
Currency translation adjustments	-	-341,832	-35,859	-	-
Other reserves	19	91,490,829	84,384,022	54,027,373	53,627,983
Retained earnings		239,253,058	155,906,311	75,592,051	62,357,376
Total		489,426,578	397,503,261	288,643,946	273,234,146
Minority interest		128,204,673	104,049,509	-	-
Total equity		617,631,251	501,552,770	288,643,946	273,234,146
LIABILITIES					
Non-current liabilities					
Borrowings	20	331,383,153	359,589,540	170,181,819	164,068,183
Finance lease liabilities	21	12,643	1,844,730	-	-
Derivative financial instruments	15	54,672	1,344,199	-	820,835
Deferred tax liabilities	12	65,536,905	81,399,308	23,894,767	23,671,909
Retirement benefit obligations	22	6,186,164	5,680,325	1,438,102	1,772,579
Government grants	23	15,170,722	16,152,065	461,920	561,082
Provisions for other liabilities and charges	25	7,965,435	3,990,417	2,500,000	-
Other non-current liabilities		13,468	-	-	-
		426,323,162	470,000,584	198,476,608	190,894,587
Current liabilities					
Trade and other payables	24	170,655,796	126,520,535	77,641,334	25,997,773
Current tax liabilities		30,333,896	1,715,999	17,850,404	700,202
Borrowings	20	147,737,773	208,454,958	57,433,284	81,937,478
Finance lease liabilities	21	2,015,165	1,789,668	-	-
Derivative financial instruments	15	244,692	2,679,909	-	-
Retirement benefit obligations	22	215,916	-	209,233	-
Provisions for other liabilities and charges	25	1,342,204	1,189,922	-	-
		352,545,442	342,350,991	153,134,255	108,635,453
Total liabilities		778,868,604	812,351,575	351,610,863	299,530,041
Total equity and liabilities		1,396,499,854	1,313,904,344	640,254,809	572,764,186

The notes on page 6 to 47 constitute an integral part of these annual financial statements.

Income Statement

<i>Amounts in Euro</i>	Notes	GROUP		COMPANY	
		1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Sales	5	1,228,120,557	957,045,619	319,868,734	317,850,742
Cost of sales	26	-937,176,552	-784,274,542	-243,866,974	-279,587,378
Gross profit		290,944,005	172,771,077	76,001,760	38,263,364
Selling expenses	26	-96,986,459	-83,699,809	-20,615,641	-20,762,200
Administrative expenses	26	-36,265,291	-31,228,503	-13,729,765	-12,597,325
Other operating income/(expenses)	30	12,047,586	-4,581,015	2,697,182	3,338,466
Operating results		169,739,841	53,261,750	44,353,536	8,242,305
Finance costs net	28	-27,670,018	-25,025,728	-10,743,000	-9,071,847
Dividend income	30	190,451	309,237	11,044,198	16,785,704
Share of profit/(loss) of associates	8	1,902,977	2,377,043	-	-
Profit before taxes		144,163,250	30,922,302	44,654,734	15,956,162
Income tax expense	29	-7,982,529	-13,385,049	-16,882,269	-5,416,830
Profit for the year		136,180,722	17,537,253	27,772,465	10,539,332
Attributable to :					
Equity holders of the company		108,180,143	16,288,585	27,772,465	10,539,332
Minority interest		28,000,579	1,248,669	-	-
		136,180,722	17,537,253	27,772,465	10,539,332
Earnings per share attributable to the equity holders of the Company during the year (expressed in Euro per share)					
Basic	36	1.132	0.171	0.291	0.110
Dilluted	36	1.128	0.171	0.290	0.110

The notes on pages 6 to 47 constitute an integral part of these annual financial statements.

Statement of changes in shareholders' equity

Amounts in Euro	Attributable to equity holders of the company						Minority interest	Total equity
	Share Capital	Other Reserves	Retained Earnings	Currency translation adjustments	Total			
GROUP								
Balance as of 1 January 2005	157,166,163	58,293,061	179,549,345	-244,738	395,008,570	100,137,301	495,145,870	
Currency translation	-	208,879	-	208,879	208,879	-	208,879	
Cash flow hedge, net of tax	-	-79,912	-	-	-79,912	-21,282	-101,194	
Profit for the year	-	-	16,288,584	-	16,288,584	1,248,669	17,537,253	
Total recognised income for the year	-	128,968	16,288,584	208,879	16,417,552	1,227,386	17,644,938	
Share capital issuance	-	-	-	-	-	214,499	214,499	
Sale/(purchase) of treasury shares	82,624	-	-	-	82,624	-	82,624	
Increase in % equity interest in subsidiaries	-	1,561,777	-6,016,599	-	-4,454,821	4,402,444	-52,378	
Transfer of reserves	-	24,364,357	-24,364,357	-	-	-	-	
Dividend	-	-	-9,550,663	-	-9,550,663	-1,932,120	-11,482,783	
	82,624	25,926,134	-39,931,619	-	-13,922,861	2,684,822	-11,238,039	
Balance as of 31 December 2005	157,248,787	84,348,163	155,906,311	-35,859	397,503,261	104,049,509	501,552,770	
Balance as of 1 January 2006	157,248,787	84,348,163	155,906,311	-35,859	397,503,261	104,049,509	501,552,770	
Currency translation differences	-	-305,973	-	-305,973	-305,973	-	-305,973	
Loss recognised directly in equity	-	4,901,818	-	-	4,901,818	836,145	5,737,963	
Pofit for the year	-	-	108,180,143	-	108,180,143	28,000,579	136,180,722	
Total recognised income for the year	-	4,595,845	108,180,143	-305,973	112,775,988	28,836,723	141,612,711	
Share capital issuance	1,775,735	-	-	-	1,775,735	750,000	2,525,735	
Increase in % equity interest in subsidiaries	-	794,431	-8,141,777	-	-7,347,346	-3,758,021	-11,105,367	
Transfer of reserves	-	1,410,558	-1,410,558	-	-	-	-	
Dividend	-	-	-15,281,060	-	-15,281,060	-1,673,538	-16,954,598	
	1,775,735	2,204,989	-24,833,395	-	-20,852,671	-4,681,559	-25,534,230	
Balance as of 31 December 2006	159,024,522	91,148,998	239,253,058	-341,832	489,426,578	128,204,673	617,631,251	
COMPANY								
Balance as of 31 December 2004	157,248,787	46,220,134	69,392,182	-	272,861,103	-	272,861,103	
Adoption of IAS 32 and 39	-	-742,668	-	-	-742,668	-	-742,668	
Balance as of 1 January 2005	157,248,787	45,477,466	69,392,182	-	272,118,435	-	272,118,435	
Cash flow hedge, net of tax	-	127,042	-	-	127,042	-	127,042	
Profit for the year	-	-	10,539,332	-	10,539,332	-	10,539,332	
Total recognised income for the year	-	127,042	10,539,332	-	10,666,373	-	10,666,373	
Transfer of reserves	-	8,023,475	-8,023,475	-	-	-	-	
Dividend	-	-	-9,550,663	-	-9,550,663	-	-9,550,663	
	-	8,023,475	-17,574,138	-	-9,550,663	-	-9,550,663	
Balance as of 31 December 2005	157,248,787	53,627,982	62,357,376	-	273,234,146	-	273,234,146	
Balance as of 1 January 2006	157,248,787	53,627,982	62,357,376	-	273,234,146	-	273,234,146	
Cash flow hedge, net of tax	-	1,142,660	-	-	1,142,660	-	1,142,660	
Profit for the year	-	-	27,772,465	-	27,772,465	-	27,772,465	
Total recognised income for the year	-	1,142,660	27,772,465	-	28,915,125	-	28,915,125	
Share capital issuance	1,775,735	-	-	-	1,775,735	-	1,775,735	
Transfer of reserves	-	-743,269	743,269	-	-	-	-	
Dividend	-	-	-15,281,060	-	-15,281,060	-	-15,281,060	
	1,775,735	-743,269	-14,537,791	-	-13,505,325	-	-13,505,325	
Balance as of 31 December 2006	159,024,522	54,027,373	75,592,051	-	288,643,946	-	288,643,946	

The notes on pages 6 to 47 constitute an integral part of these annual financial statements.

Cash Flow Statement

<i>Amounts in Euro</i>	Notes	GROUP		COMPANY	
		1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Cash flow from operating activities					
Cash generated from operations	31	204,717,622	34,114,054	49,344,455	51,379,532
Interest paid		-27,700,345	-25,402,273	-10,234,850	-9,493,483
Income tax paid		-6,970,820	-13,561,149	-1,872,541	-5,038,608
Net cash flows from operating activities		170,046,458	-4,849,368	37,237,063	36,847,441
Cash flows from investing activities					
Purchase of property, plant and equipment	6	-57,758,633	-42,308,525	-7,081,564	-5,044,459
Purchase of intangible assets	6	-324,793	-221,166	-272,682	-43,262
Sale of property, plant and equipment	6	1,883,512	1,616,442	150,958	568,514
Sale of investments		2,500	3,292	2,500	-
Dividends received		657,002	1,354,517	11,039,049	16,785,704
Purchase of available-for-sale financial assets	10	-86,299	-1,610	-61,150	-997
Purchase of financial assets at fair value through profit or loss	11	-250,000	-900,000	-	-
Sale of financial assets at fair value through profit or loss	11	913,245	530,520	-	-
Increase in investments in subsidiaries		-11,199,528	-52,500	-14,239,130	-34,264,990
Other		-	25,583	-	-
Net cash flows from investing activities		-66,162,995	-39,953,447	-10,462,018	-21,999,491
Cash flow from financing activities					
Shares issuance	17	1,775,735	-	1,775,735	-
Sale of treasury shares		-	82,624	-	-
Dividends distributed to the shareholders of the parent company		-15,274,585	-9,554,959	-15,274,585	-9,554,959
Proceeds from borrowings		290,239,485	112,850,026	131,500,000	42,982,229
Repayment of borrowings		-379,179,126	-57,966,005	-149,890,558	-41,608,817
Repayment of finance lease obligations		-1,606,590	-1,670,285	-	-
Dividends distributed to minority		-2,030,076	-262,053	-	-
Proceeds from grants	23	628,312	1,486,203	-	-
Proceeds from Share Capital increase		750,000	214,499	-	-
Other		344,522	1,030,492	57,179	318,901
Net cash flows from financing activities		-104,352,323	46,210,542	-31,832,229	-7,862,646
Net (decrease)/increase in cash and cash equivalents		-468,860	1,407,727	-5,057,184	6,985,304
Cash and cash equivalents at the beginning of the year		18,389,841	16,880,226	7,864,506	879,202
Foreign exchange differences in cash and cash equivalents		-304,345	101,889	-	-
Cash and cash equivalents at the end of the period		17,616,636	18,389,841	2,807,322	7,864,506

The notes on pages 6 to 47 constitute an integral part of these annual financial statements.

1. General information

These financial statements include the annual separate financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the Company") and the annual consolidated financial statements of the Company and its subsidiaries (together the "Group").

The main activities of Group is the production and sale of steel construction and industrial products and steel pipes.

The Group operates in Greece, in the broader region of the Balkans and Europe, as well as in the United States of America. The Company's shares are listed on the Athens Stock Exchange. The SIDENOR Group of companies is a member of the VIOHALCO Group of companies.

The Company is registered in Greece, 2-4 Mesogheion Ave., Attiki. The Company's website address is www.sidenor.gr.

These financial statements have been approved for issue by the Board of Directors on February 26, 2007 and is subject of approval by Company's General Meeting which will take place on 12/6/2007.

2. Summary of significant accounting policies

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

2.1 *New standards, amendments to standards and interpretations:*

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

Standards effective in 2006

IAS 19 (Amendment) – Employee Benefits

This amendment allows companies an alternative treatment with respect to the recognition of actuarial gains and losses, it impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting and also requires additional expanded disclosures. The Group decided to retain its former accounting policy regarding the recognition of actuarial gains and losses and does not participate in any multi-employer plans, and therefore the only impact is on the expanded disclosures that are required.

IAS 39 (Amendment) - Cash flow hedge accounting of forecast intragroup transactions

This amendment allows companies to designate highly probable forecast intragroup transactions as cash flow hedges as long as the transaction is denominated in a currency other than the functional currency of the company entering into the transaction and the transaction will affect profit or loss. This amendment is not relevant for the Group.

IAS 39 (Amendment) - The fair value option

This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. The Group believes that this amendment should not have a significant impact on the classification of financial instruments, as the Group should be able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss.

IAS 39 and IFRS 4 (Amendment) - Financial guarantee contracts

This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value and subsequently measured at the higher of: (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. Management considered this amendment to IAS 39 and concluded that it is not relevant to the Group.

IAS 21 (Amendment) - Net investment in a foreign operation

This amendment allows the reclassification of exchange differences on monetary items to equity irrespective of whether or not the monetary item is denominated in the functional currency of either the reporting entity or the foreign operation. This amendment is not relevant for the Group.

IFRS 6 - Exploration for and evaluation of mineral resources

This standard provides specific accounting guidance for use by companies undertaking extractive activities. This standard is not relevant for the Group.

Interpretations effective in 2006

IFRIC 4 - Determining whether an arrangement contains a lease

This interpretation clarifies under which conditions an arrangement contains a lease and must therefore be accounted for in terms of IAS 17 – Leases. IFRIC 4 is not applicable to the operations of the Group and has no impact on its financial statements.

IFRIC 5 - Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds

This interpretation sets out the accounting treatment where a company contributes to a fund with respect to decommissioning, restoration and environmental rehabilitation obligations that it has. This interpretation is not relevant to the operations of the Group.

IFRIC 6 - Liabilities arising from participating in a specific market – waste electrical and electronic equipment

This interpretation is not relevant to the operations of the Group.

Standards that the Group will apply after 31 December 2006

IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures

This standard and amendment are effective for annual periods beginning on or after 1 January 2007 and introduces new disclosures relating to financial instruments. The Group assessed the impact of IFRS 7 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures. The Group will apply IFRS 7 and the amendment to IAS 1 from 1 January 2007.

IFRS 8 - Operating Segments (not yet endorsed by the EU)

This standard is effective for annual periods beginning on or after 1 January 2009 and supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification.

Interpretations that the Group will apply after 31 December 2006

IFRIC 7 - Applying the Restatement Approach under IAS 29

This interpretation is effective for annual periods beginning on or after 1 March 2006 and provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the Group companies operate in a hyperinflationary economy this interpretation will not affect the Group's financial statements.

IFRIC 8 - Scope of IFRS 2

This interpretation is effective for annual periods beginning on or after 1 May 2006 and considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Group's financial statements.

IFRIC 9 - Reassessment of Embedded Derivatives

This interpretation is effective for annual periods beginning on or after 1 June 2006 and requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. This interpretation will not affect the Group's financial statements.

IFRIC 10 - Interim Financial Reporting and Impairment (not yet endorsed by the EU)

This interpretation is effective for annual periods beginning on or after 1 November 2006 and prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets

carried at cost to be reversed at a subsequent balance sheet date. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 11 - IFRS 2: Group and Treasury share transactions (not yet endorsed by the EU)

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 - Service Concession Arrangements (not yet endorsed by the EU)

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

2.2 Basis of preparation

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas whose assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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

All IFRS issued by the IASB, which apply to the preparation of these financial statements have been adopted by the European Council following an approval process undertaken by European Commission ("EC"), except for specific provisions of IAS 39 "Financial Instruments: Recognition and Measurement" that relate to hedging of deposit portfolios.

As the Group is not impacted by these provisions, these financial statements have been prepared in compliance with IFRS that have been adopted by the EU and IFRS that have been issued by the IASB.

2.3 Financial statements

(a) Subsidiary companies

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and

effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Increase of equity participation in subsidiaries

When there is an increase of the Group's equity interest in subsidiaries, this is treated as a transaction between the equity holders of the Group and therefore any difference between the consideration paid and the share of minority interest acquired is recorded directly in equity.

2.4 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.5 Foreign exchange conversions

(a) Functional and presentation currency

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

The financial statements are presented in euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group Companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Property, Plant and Equipment

Land and buildings comprise mainly factories, and offices. All property, plant and equipment, is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

— Buildings.....	10-33 years
— Machinery.....	5-20 years
— Vehicles.....	6-10 years
— Furniture, fittings and equipment.....	3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

2.7 Intangible Assets

Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

2.8 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group did not hold any investments in this category during the year.

(d) Available-for-sale financial assets

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

Regular purchases and sales of investments are recognised on trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the income statement in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.11 Derivative financial instruments and hedging activities

Cash flow hedge

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

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

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

2.12 Inventories

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

2.13 Trade Receivables

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

2.14 Cash and equivalents

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

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.16 Borrowings

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

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

2.17 Deferred Income Tax

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

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

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

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

2.18 Income Tax

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

2.19 Employee benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The employees in Greece are protected by Greek Labour Law 2112/20. Accordingly Company's compensation is payable to such employees upon dismissal or retirement. The amount of compensation is based on the number of years of service and the amount of remuneration at the date of dismissal or retirement.

If the employees remain in the employment of the Company until normal retirement age, they are entitled to retirement compensation, which is equal to 40% of the compensation amount that would be payable if they were dismissed at that time.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent

actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.20 Government Grants

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

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

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

2.21 Share Options Plan to employees

The company has granted prior to 2002, rights for the acquisition of shares (Share Option Plans) to certain executives which are vesting gradually from year 2002 up to year 2011. The exercise price of the right was fixed as the mid-closing price of the share on the Greek Stock Exchange. The company did not account for these Share Options in accordance with provisions of IFRS 2 "Share Based Payments", since they were granted before November 7, 2002, the effective date which IFRS 2 provisions become applicable.

2.22 Provisions

A provision shall be recognised when:

- (i) an entity has a present obligation (legal or constructive) as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

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

2.23 Revenue Recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods — wholesale

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services

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

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income.

(d) Dividends

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

2.24 Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and

finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life.

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

2.25 Dividend distribution

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

2.26 Roundings

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

3. Financial risk management

3.1 Financial risk factors

The Group is exposed to financial risks, such as market risks (changes to foreign exchange rates, interest rates, market prices), credit risks and liquidity risks. The Group's general risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's central finance division, which operates with specific rules that have been approved by the Board of Directors. The Board of Directors provides instructions and guidelines for overall risk management, as well as special instructions on the management of specific risks, such as foreign exchange risk, interest rate risk and credit risk.

(a) Foreign exchange risk

The Group operates in Europe, and consequently the greater part of the Group's transactions are carried out in Euros. However, part of the Group's purchases is denominated in US Dollar. Immediate payment of these suppliers significantly reduces the foreign exchange risk.

(b) Credit risk

The Group has adopted and applies credit control procedures with the purpose of minimising doubtful claims and immediately covering claims with commercial paper. No client exceeds 10% of sales and, consequently, commercial risk is allocated over a large number of clients. Goods and services are provided on a wholesale basis primarily to clients with an unappropriate credit history. The Department of Credit Control sets the credit limits of each client and applies specific sales and collections terms. According to the Group's policy, receivables from clients are secured.

(c) Liquidity risk

Liquidity risk is kept at a low level by having sufficient cash on hand and sufficient credit limits with collaborating banks.

(d) Interest rate risk

The Group's loan obligations are associated with fluctuating interest rates that, depending on market conditions, may either remain fluctuated or may become fixed. The Group uses derivatives in order to offset interest rate risks (SWAPS).

3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and assumptions

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income Taxes

The Group is subject to income taxes, mainly in Greece and Bulgaria, but also in other jurisdictions.

Significant judgement is 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 recognises 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.

- (b) Provisions for pending legal cases and customer claims

The Group recognises provisions for anticipated negative outcome of legal cases based on assessments performed by internal lawyers. Also, provisions are recognized, based on historical information and past experience, for estimated losses that are expected to arise in the future due to customer claims for contractual obligations undertaken by the Group.

4.2 Critical judgments in applying the entity's accounting policies

The Group's subsidiary, Corinth Pipeworks SA, reassessed the potential offset of brought forward tax losses with future taxable profits and recognised a deferred tax asset in relation to part of the brought forward tax losses amounting to €69,305,025, for which it is probable that the company will realise the related economic benefit due to future taxable profits.

5. Segment Information

Primary reporting format – business segments

The Group is divided into two business sectors:

- (1) Steel Construction and industrial products
- (2) Steel Pipes products

The results per segment for the year ended 31 December 2006 are as follows:

Year ended 31 December 2006 (amounts in Euro)	Steel			Total
	Construction Products	Pipes	Unallocated	
Total gross sales per segment	1,117,759,453	330,303,103	-	1,448,062,556
Intra-company sales	-207,541,725	-12,400,274	-	-219,941,999
Net sales	910,217,728	317,902,829	-	1,228,120,557
Operating results	139,092,466	30,647,375	-	169,739,841
Finance costs	-	-	-27,670,018	-27,670,018
Income from investments	-	-	190,451	190,451
Share of profit of associates	-	-	1,902,977	1,902,977
Profit before taxes	139,092,466	30,647,375	-25,576,591	144,163,250
Income tax expense	-	-	-7,982,529	-7,982,529
Profit for the year	139,092,466	30,647,375	-33,559,119	136,180,722

31/12/2006	Steel			Total
	Construction Products	Pipes	Unallocated	
Assets	1,036,314,384	340,991,437	-	1,377,305,821
Investments in Associates	19,194,034	-	-	19,194,034
Total Assets	1,055,508,418	340,991,437	-	1,396,499,854
Total liabilities	542,463,117	236,405,486	-	778,868,603
Investment in property, plant and equipment and assets	52,922,173	5,161,254	-	58,083,427

Other items per segment included in the results for the year ended 31 December 2006:

Year ended December 31st 2006	Steel			Total
	Construction Products	Pipes	Unallocated	
Depreciation of property, plant and equipment	37,792,688	11,769,309	-	49,561,997
Amortisation of intangible assets	253,314	-	-	253,314
Total depreciation	38,046,003	11,769,309	-	49,815,312
Impairment of receivables	-1,107,596	770,734	-	-336,862
Impairment of inventories	-	842,375	-	842,375

The results per segment for the year ended 31 December 2005 are as follows:

Year ended 31 December 2005 (amounts in Euro)	Steel			Total
	Construction Products	Pipes	Unallocated	
Total gross sales per segment	872,063,390	270,703,809	-	1,142,767,199
Intra-company sales	-178,839,212	-6,882,368	-	-185,721,580
Net sales	693,224,178	263,821,441	-	957,045,619
Operating results	44,188,222	9,073,528	-	53,261,750
Finance cost	-	-	-25,025,728	-25,025,728
Income from investements	-	-	309,237	309,237
Share of profit of associates	-	-	2,377,043	2,377,043
Profit before taxes	44,188,222	9,073,528	-22,339,448	30,922,302
Income tax expense	-	-	-13,385,049	-13,385,049
Profit for the year	44,188,222	9,073,528	-35,724,497	17,537,253

31/12/2005	Steel			Total
	Construction Products	Pipes	Unallocated	
Assets	919,160,511	372,894,368	4,183,518	1,296,238,397
Investements in Associates	17,665,947	-	-	17,665,947
Total Assets	936,826,458	372,894,368	4,183,518	1,313,904,344
Total liabilities	442,599,190	286,637,078	83,115,307	812,351,575
Investments in property, plant and equipment and assets	37,731,585	4,798,106	-	42,529,691

Other items per segment included in the results for the year ended 31 December 2005:

Year ended 31 December 2005	Steel			Total
	Construction Products	Pipes	Unallocated	
Depreciation of property, plant and equipment	-35,426,288	-12,260,757	-	-47,687,044
Amortisation of intangible assets	-156,515	-	-	-156,515
	-	-	-	-
Total depreciation	-35,582,803	-12,260,757	-	-47,843,559
Impairment of receivables	-1,000,000	-1,261,074	-	-2,261,074
Impairment of inventories	-	788,859	-	788,859

The expenses per segment have been defined by the operating activities of each segment.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions, similar to those applicable for transactions with unrelated third parties.

Secondary Reporting Format – Geographical Segment
Amounts in Euro

	GROUP	
Sales	31/12/2006	31/12/2005
Greece	603,453,471	418,157,753
European Union	330,323,953	218,971,958
Other European countries	91,060,400	144,053,955
Asia	23,545,139	38,328,667
America	75,677,520	49,450,755
Africa	104,060,074	87,948,442
Oceania	-	134,089
Total	1,228,120,557	957,045,619

Analysis of sales per category

<i>Amounts in Euro</i>	31/12/2006	31/12/2005
Sales of merchandise & products	1,373,378,489	1,053,386,930
Income from services	52,859,842	83,217,129
Other	21,824,225	6,163,140
Inter-company	-219,941,999	-185,721,580
Total	1,228,120,557	957,045,619

Total assets (without investments in associates)

	31/12/2006	31/12/2005
Greece	1,040,677,977	907,556,767
Other countries	336,627,844	388,681,630
Total	1,377,305,821	1,296,238,397

Investments in Associates

	31/12/2006	31/12/2005
Greece	19,194,034	17,665,947
Other Countries	-	-
Total	19,194,034	17,665,947
Total Assets	1,396,499,854	1,313,904,344

Investments in property, plant and equipment and intangible assets

	31/12/2006	31/12/2005
Greece	24,681,251	21,046,843
Other countries	33,402,176	21,482,849
Total	58,083,427	42,529,692

6. Property, plant and equipment and intangible assets

1 Property, plant and equipment

GROUP

<i>Amounts in Euro</i>	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Assets under construction	Total
Cost							
Balance as at January 1 2005	88,951,154	184,741,430	496,029,283	8,853,840	13,156,528	10,764,669	802,496,902
Foreign exchange differences	-4,282	-8,055	-19,182	5,320	11,468	-1,115	-15,846
Additions	1,134,321	4,051,651	16,995,766	291,422	786,259	13,966,992	37,226,411
Sales	-101,412	-745,588	-728,976	-72,602	-243,871	-	-1,892,449
Write off	-	-68,901	-84,235	-7,630	191	-	-160,575
Reclassifications	-	724,536	6,622,833	-3,244,132	113,304	862,098	5,078,640
Sale of subsidiary	-	-	-315,240	-5,000	-	-	-320,240
Balance as at December 31 2005	89,979,780	188,695,074	518,500,250	5,821,218	13,823,879	25,592,643	842,412,843
Accumulated depreciation							
Balance as at January 1 2005	-	-8,723,545	-36,017,199	-3,043,821	-8,513,680	-	-56,298,245
Foreign exchange differences	-	389	4,072	-4,843	-9,325	-	-9,708
Additions	-	-8,984,868	-36,247,845	-630,000	-1,824,332	-	-47,687,045
Sales	-	15,330	147,258	63,140	136,135	-	361,863
Write off	-	4,800	60,921	4,959	-178	-	70,502
Reclassifications	-	-3,187	-377,181	396,400	-12,539	-	3,493
Balance as at December 31 2005	-	-17,691,080	-72,429,974	-3,214,164	-10,223,921	-	-103,559,139
Net book value as at December 31 2005	89,979,780	171,003,993	446,070,276	2,607,053	3,599,958	25,592,643	738,853,704

<i>Amounts in Euro</i>	Land	Buildings	Machinery	Vehicles	Furniture and spare parts	Tangible assets under construction	Total
Cost							
Balance as at January 1 2006	89,979,780	188,695,074	518,500,250	5,821,218	13,823,879	25,592,643	842,412,843
Foreign exchange differences	5,386	10,417	26,806	-4,554	-11,892	4,307	30,470
Additions	1,412,619	3,044,119	18,353,155	343,847	610,082	33,994,812	57,758,633
Sales	-209,171	-1,137,124	-709,756	-209,294	-104,438	-	-2,369,783
Write off	-	-41,638	-76,085	-407	-105,450	-	-223,580
Spare Parts Trasfered to Fixed Assets	-	-	4,915,992	-	-	-	4,915,992
Spare Parts consumption	-	-	-656,083	-	-	-	-656,083
Reclassifications	-	2,566,994	4,919,599	4,160	51,067	-7,541,820	-
Balance as at December 31 2006	91,188,614	193,137,840	545,273,878	5,954,970	14,263,248	52,049,943	901,868,492
Accumulated depreciation							
Balance as at January 1 2006	-	-17,691,080	-72,429,974	-3,214,164	-10,223,921	-	-103,559,139
Foreign exchange differences	-	-988	-4,051	3,811	9,815	-	8,587
Additions	-	-9,195,284	-38,217,097	-637,241	-1,512,376	-	-49,561,998
Sales	-	76,883	174,586	142,789	80,392	-	474,651
Write off	-	5,722	43,032	384	105,448	-	154,586
Spare Parts consumption	-	-	163,562	-	-	-	163,562
Balance as at December 31 2006	-	-26,804,747	-110,269,942	-3,704,421	-11,540,641	-	-152,319,751
Net book value as at December 31 2006	91,188,614	166,333,093	435,003,936	2,250,549	2,722,607	52,049,943	749,548,741

COMPANY

	Land	Buildings	Machinery	Vehicles	Furniture and spare parts	Tangible assets under construction	Total
<i>Amounts in Euro</i>							
Cost							
Balance as at January 1st 2005	20,535,119	30,796,399	103,903,960	587,696	5,642,096	1,623,013	163,088,283
Additions	-	309,618	2,166,028	3,000	262,432	2,303,382	5,044,459
Sales	-230,004	-687,746	-	-	-32,864	-	-950,614
Reclassifications	-	7,265	1,149,244	-	-	-1,156,489	20
Balance as at December 31st 2005	20,305,115	30,425,536	107,219,232	590,696	5,871,665	2,769,905	167,182,149
Accumulated depreciation							
Balance as at January 1st 2005	-	-1,445,248	-7,261,859	-545,941	-4,183,924	-	-13,436,972
Additions	-	-1,444,335	-7,550,578	-23,128	-739,655	-	-9,757,696
Sales	-	40,119	-	-	31,186	-	71,304
Balance as at December 31st 2005	-	-2,849,464	-14,812,437	-569,069	-4,892,393	-	-23,123,363
Net book value as at December 31st 2005	20,305,115	27,576,071	92,406,795	21,627	979,272	2,769,905	144,058,785

	Land	Buildings	Machinery	Vehicles	Furniture and spare parts	Tangible assets under construction	Total
<i>Amounts in Euro</i>							
Cost							
Balance as at January 1st 2006	20,305,115	30,425,536	107,219,232	590,696	5,871,665	2,769,905	167,182,149
Additions	-	563,945	3,940,472	8,657	226,593	2,341,897	7,081,564
Sales	-	-	-369,071	-5,304	-5,270	-	-379,645
Write off	-	-	-75,833	-	-98,424	-	-174,257
Revaluations	-	-	988,155	-	-	-	988,155
Spare Parts consumption	-	-	-103,129	-	-	-	-103,129
Reclassifications	-	1,132,318	1,057,341	-	9,877	-2,199,536	-
Balance as at December 31st 2006	20,305,115	32,121,799	112,657,166	594,049	6,004,440	2,912,267	174,594,837
Accumulated depreciation							
Balance as at January 1st 2006	-	-2,849,464	-14,812,437	-569,069	-4,892,393	-	-23,123,363
Additions	-	-1,490,144	-8,283,363	-16,951	-480,775	-	-10,271,232
Sales	-	-	125,501	5,304	5,090	-	135,894
Write off	-	-	42,972	-	98,423	-	141,396
Spare Parts consumption	-	-	103,129	-	-	-	103,129
Balance as at December 31st 2006	-	-4,339,608	-22,824,197	-580,716	-5,269,655	-	-33,014,177
Net book value as at December 31st 2006	20,305,115	27,782,191	89,832,969	13,333	734,785	2,912,267	141,580,660

Machinery and vehicles included in the above that are held under finance leases:

	GROUP	
	31/12/2006	31/12/2005
Machinery		
<i>Amounts in Euro</i>		
Cost-finance leases	9,069,380	9,069,380
Accumulated depreciation	-2,997,946	-2,393,424
net book value	6,071,434	6,675,956
Vehicles		
<i>Amounts in Euro</i>		
Cost-finance leases	391,382	391,382
Accumulated depreciation	-149,683	-109,843
Net book value	241,698	281,539

2 Intangible assets

GROUP

<i>Amounts in Euro</i>	Software	Other	Total
Cost			
Balance as at January 1st 2005	7,140	297,112	304,252
Foreign exchange differences	-	-61	-61
Additions	43,262	177,905	221,166
Balance as at December 31 2005	50,402	474,956	525,358
Accumulated depreciation			
Balance as at January 1st 2005	-	-155,787	-155,787
Foreign exchange differences	-	32	32
Additions	-13,455	-143,060	-156,515
Balance as at December 31st 2005	-13,455	-298,816	-312,270
Net book value as at December 31st 2005	36,947	176,140	213,087
<i>Amounts in Euro</i>			
Cost			
Balance as at January 1st 2006	50,402	474,956	525,358
Foreign exchange differences	-	121	121
Additions	274,793	50,000	324,793
Balance as at December 31st 2006	325,195	525,077	850,272
Accumulated depreciation			
Balance as at January 1st 2006	-13,455	-298,816	-312,270
Foreign exchange differences	-	-76	-76
Additions	-68,225	-185,089	-253,314
Balance as at December 31st 2006	-81,680	-483,981	-565,661
Net book value as at December 31st 2006	243,515	41,097	284,612

COMPANY

<i>Amounts in Euro</i>	Software	Other	Total
Cost			
Balance as at January 1st 2005	-	-	-
Additions	43,262	-	43,262
Balance as at December 31st 2005	43,262	-	43,262
Accumulated depreciation			
Balance as at January 1st 2005	-	-	-
Depreciation for the year	-12,979	-	-12,979
Balance as at December 31st 2005	-12,979	-	-12,979
Net book value as at December 31st 2005	30,283	-	30,283
Cost			
Balance as at January 1st 2006	43,262	-	43,262
Additions	272,682	-	272,682
Balance as at December 31st 2006	315,943	-	315,943
Accumulated depreciation			
Balance as at January 1st 2006	-12,979	-	-12,979
Depreciation for the year	-67,515	-	-67,515
Balance as at December 31st 2006	-80,493	-	-80,493
Net book value as at December 31st 2006	235,450	-	235,450

7. Non-Current Assets Available for Sale

Non-current assets held for sale amount of €3,919 thousand, relate to machinery, which have been bought by the subsidiary “Stomana Industry SA” and according to its Board of Directors decision are going to be sold during 2007. The Group has not recognised depreciation with respect to this machinery, in accordance with IFRS 5.

8. Investments in associates

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Beginning of the year	17,665,947	16,337,458	5,836,460	5,839,751
Share of profit/(loss) after tax	1,902,977	2,377,043	-	-
Income from dividends	-466,551	-1,045,280	-	-
Sales	-	-3,292	-	-3,292
Investment increase in associate	91,660	19	-	-
Balance at the year end	19,194,034	17,665,947	5,836,460	5,836,460

The associate companies that are consolidated using the equity method are the following:

	Country	Percentage Holding	
		31/12/2006	31/12/2005
SIDMA S.A.	Greece	24.15%	23.98%
DIAPEM S.A.	Greece	33.35%	33.35%
BEPEM S.A.	Greece	50.00%	50.00%
METALLOURGIA ATTIKIS S.A.	Greece	50.00%	50.00%
ELKEME S.A.	Greece	20.00%	20.00%

	31/12/2006	31/12/2005
Assets	205,038,297	164,450,641
Liabilities	132,126,057	97,748,145
Turnover	160,632,636	127,928,864
Profit / (losses) after taxes	8,980,318	2,960,825

9. Investments in subsidiaries

<i>Amounts in Euro</i>	COMPANY	
	31/12/2006	31/12/2005
Beginning of the year	192,703,801	158,435,518
Additions	14,239,130	34,268,282
Sales	-2,500	-
Balance at year end	206,940,431	192,703,801

Investments in subsidiaries, which are fully consolidated are as follows:

Company	Country	Direct Participation Percentage	Indirect Participation Percentage	Direct & Indirect Particip.%	Activity sector
2006					
SOVEL S. A.	Greece	62.56%	0.00%	62.56%	Steel Construction Products
DEPAL S.A.	Greece	90.92%	0.00%	90.92%	Steel Construction Products
STOMANA INDUSTRY S.A.	Bulgaria	85.97%	0.00%	85.97%	Steel Construction Products
ERLIKON S.A.	Greece	98.92%	0.00%	98.92%	Steel Construction Products
AEIFOROS S.A.	Greece	90.00%	0.00%	90.00%	Steel Construction Products
ETAL S.A.	Greece	83.26%	10.41%	93.73%	Steel Construction Products
PROSAL S.A.	Greece	70.00%	0.00%	70.00%	Pipes
PROSAL TUBES SA	Bulgaria	0.00%	70.00%	70.00%	Pipes
TEPRO STEEL EAD	Bulgaria	100.00%	0.00%	100.00%	Steel Construction Products
DOJHRAN STEEL LLCOP	Scopia	75.00%	0.00%	75.00%	Steel Construction Products
ELMONTE HOLDINGS LIMITED	Cyprus	100.00%	0.00%	100.00%	Steel Construction Products
BOZETTI LTD	Cyprus	100.00%	0.00%	100.00%	Steel Construction Products
VEMET SA	Greece	100.00%	0.00%	100.00%	Steel Construction Products
ETIL SA	Greece	3.89%	60.10%	63.98%	Steel Construction Products
PRAKSYS SA	Greece	51.00%	0.00%	51.00%	Steel Construction Products
DIA.VI.PE.THIV. SA	Greece	30.50%	42.44%	72.94%	Pipes
AEIFOROS BULGARIA SA	Bulgaria	0.00%	90.00%	90.00%	Steel Construction Products
VET SA	Greece	0.00%	61.62%	61.62%	Pipes
VEAT SA	Greece	0.00%	40.66%	40.66%	Steel Construction Products
SIGMA SA	Bulgaria	0.00%	63.34%	63.34%	Steel Construction Products
ARGOS SA	Greece	0.00%	63.34%	63.34%	Steel Construction Products
CORINTH PIPEWORKS SA	Greece	0.00%	82.21%	82.21%	Pipes

Company	Country	Direct Participation Percentage	Indirect Participation Percentage	Direct & Indirect Particip.%	Activity sector
2005					
SOVEL SA	Greece	61.45%	0.49%	61.94%	Steel construction products
DEPAL SA	Greece	90.92%	0.00%	90.92%	Steel construction products
STOMANA INDUSTRY S.A.	Bulgaria	85.97%	0.00%	85.97%	Steel construction products
ERLIKON SA	Greece	98.92%	0.00%	98.92%	Steel construction products
AEIFOROS SA	Greece	90.00%	0.00%	90.00%	Steel construction products
ETAL SA	Greece	83.26%	10.29%	93.55%	Steel construction products
PROSAL SA	Greece	70.00%	0.00%	70.00%	Pipes
TEPRO STEEL EAD	Bulgaria	100.00%	0.00%	100.00%	Steel construction products
ELMONTE HOLDINGS LIMITED	Cyprus	100.00%	0.00%	100.00%	Steel construction products
BOZETTI LTD	Cyprus	100.00%	0.00%	100.00%	Steel construction products
VEMET SA	Greece	100.00%	0.00%	100.00%	Steel construction products
ETIL SA	Greece	3.89%	60.10%	63.98%	Steel construction products
PRAKSYS SA	Greece	51.00%	0.00%	51.00%	Steel construction products
DIA. VI.PE. THIV. SA	Greece	30.50%	39.53%	70.03%	Pipes
AEIFOROS BULGARIA SA	Bulgaria	0.00%	90.00%	90.00%	Steel construction products
VET SA	Greece	0.00%	60.52%	60.52%	Pipes
VEAT SA	Greece	0.00%	39.94%	39.94%	Steel construction products
SIGMA SA	Bulgaria	0.00%	63.34%	63.34%	Steel construction products
ARGOS SA	Greece	0.00%	63.34%	63.34%	Steel construction products
CORINTH PIPEWORKS SA	Greece	0.00%	76.58%	76.58%	Pipes

On 1/6/2006, SIDENOR SA acquired 6.650.000 shares of CORINTH PIPEWORKS SA through the 100% subsidiary company Elmonte Holdings LTD, thereby increasing its shareholding percentage in CORINTH PIPEWORKS SA from 76,58% to 82,21%.

During the period SIDENOR SA established on 100% subsidiary DOJRAN STEEL, with registered office in FYROM. DOJRAN STEEL has obtained under exclusive lease, with an option of future purchase, the property and machinery of VELDER Import-Export Ltd. During the fourth quarter of 2006, SIDENOR exercised its option and bought the fixed assets, by increasing the share capital of DOJRAN STEEL.

Furthermore, during the current period, the subsidiary company PROSAL SA established an 100% subsidiary named PROSAL TUBES SA in Bulgaria. The main activities of the company is the production of steel pipes.

10. Available for sale financial assets

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<u>Listed Securities</u>				
- Domestic participations	5,150	5,150	5,150	5,150
<u>Non Listed Securities</u>				
- Domestic participations	307,954	287,970	139,953	139,953
- Foreign participations	1,328,346	1,262,047	1,327,734	1,261,434
	1,641,450	1,555,166	1,472,836	1,406,537
Beginning Balance	1,555,166	1,553,557	1,406,537	1,405,540
Foreign exchange differences	-16	-	-	-
Additions	86,299	1,610	66,299	997
Ending Balance	1,641,450	1,555,166	1,472,836	1,406,537
			0	
Non Current Assets	1,641,450	1,555,166	1,472,836	1,406,537
	1,641,450	1,555,166	1,472,836	1,406,537

The majority of the available for sale investments relate to non-listed securities that cannot be fair valued and are measured at cost.

11. Financial Assets at Fair Value through Profit or Loss

<i>Amounts in Euro</i>	GROUP	
	31/12/2006	31/12/2005
Beginning Balance	1,002,873	-
Adoption of ias 32-39	-	548,968
Additions	250,000	900,000
Sales	-900,000	-447,896
Fair value adjustments	27,193	1,801
Ending Balance	380,066	1,002,873
Current Assets	380,066	1,002,873
	380,066	1,002,873

Financial assets at fair value through profit or loss include the following:

	GROUP	
	31/12/2006	31/12/2005
<u>Listed Securities</u>		
- Domestic participations	94,400	68,000
<u>Non Listed Securities</u>		
- Domestic participations	7,337	7,337
- Bonds	250,000	900,000
- Mutual funds	28,329	27,536
	380,066	1,002,873
Fair value gain/(loss) of other financial assets at fair value through profit and loss	40,438	-5,219

12. Deferred Income Tax

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Deferred tax assets:				
Recoverable after 12 months	4,159,647	-	-	-
Recoverable within 12 months	-	325,314	-	-
Total	4,159,647	325,314	-	-
Deferred tax liabilities:				
Recoverable after 12 months	-65,536,905	-81,399,308	-23,894,767	-23,671,909
Total	-65,536,905	-81,399,308	-23,894,767	-23,671,909
Net Deffered tax (liability) / asset	-61,377,258	-81,073,995	-23,894,767	-23,671,909

The total change in deferred income tax is as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance at beginning of year	-81,073,995	-74,055,583	-23,671,909	-23,567,140
Foreign exchange differences	-24,294	20,230	-	-
(Charge)/credit to the income statement	21,633,685	-7,950,758	158,028	-309,977
Tax (charged)/credited to equity	-1,912,655	912,115	-380,887	205,209
Balance at year end	-61,377,260	-81,073,995	-23,894,767	-23,671,909

The movement in deferred tax assets and liabilities prior to their offsetting is as follows:

GROUP	Fixed Assets / Depreciation	Difference in Provisions	Non-identifiable intangible assets	Tax Losses	Other	Total
<i>Amounts in Euro</i>						
Balance as at January 1st 2005	-81,518,580	2,604,509	4,744,985	-	113,503	-74,055,583
Foreign exchange difference	3,417	16,787	-	-	26	20,230
(Charge)/credit to the income statement	-4,669,669	-1,043,458	-1,475,615	-	-762,015	-7,950,758
(Charge)/credit to equity - Cash Flow Hedging	-53,709	-	-	-	965,825	912,115
Balance as at December 31st 2005	-86,238,542	1,577,838	3,269,370	-	317,339	-81,073,995
Balance as at January 1st 2006	-86,238,542	1,577,838	3,269,370	-	317,339	-81,073,995
Foreign exchange difference	-4,219	-20,110	-	-	35	-24,294
(Charge)/credit to the income statement	5,543,344	-61,721	-826,174	17,348,364	-370,129	21,633,684
(Charge)/credit to equity	-	-	-	-	-1,912,655	-1,912,655
Balance as at December 31 2006	-80,699,418	1,496,007	2,443,196	17,348,364	-1,965,409	-61,377,260

COMPANY	Fixed Assets / Depreciation	Difference in Provisions	Non-identifiable intangible assets	Tax losses	Other	Total
<i>Amounts in Euro</i>						
Balance as at January 1st 2005	-24,948,520	789,371	592,009	-	-	-23,567,140
(Charge)/credit to the income statement	40,666	-483,553	-	-	132,910	-309,977
(Charge)/credit to equity	-	-	-	-	205,209	205,209
Balance as at December 31st 2005	-24,907,854	305,818	592,009	-	338,118	-23,671,909
Balance as at January 1st 2006	-24,907,854	305,818	592,009	-	338,118	-23,671,909
(Charge)/credit to the income statement	684,193	-468,541	-63,223	-	5,599	158,028
(Charge)/credit to equity	-	-	-	-	-380,887	-380,887
Balance as at December 31st 2006	-24,223,661	-162,723	528,786	-	-37,169	-23,894,767

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

For the Greek companies the applicable rate is 25%. For the Bulgarian companies the applicable tax rate decreases from 15% in 2006 to 10% from 2007 onwards. This change has positively affected profit or loss for the year by €5,555,718.

The Group's subsidiary, Corinth Pipeworks SA, reassessed the potential offset of brought forward tax losses with future taxable profits and recognised a deferred tax asset in relation to part of the brought forward tax losses amounting to €69,305,025, for which it is probable that the company will realise the related economic benefit due to future taxable profits. For the remaining tax losses €30,418,125 (2005 €119,514,825) the subsidiary has not recognised a deferred tax asset.

The deferred tax recognised directly in equity relates to the change in the fair value of derivatives designated as cash flow hedge instruments that was recognised directly in equity (cash flow hedge reserve).

13. Inventories

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Merchandise	9,382,191	8,863,305	2,276,736	2,425,211
Finished goods	120,794,196	128,524,315	50,036,410	43,121,419
Semi-finished goods	37,283,280	33,588,496	7,369,500	5,207,161
By-products & residues	2,026,693	3,248,204	479,084	508,146
Work in progress	103,164	89,572	-	-
Raw materials-consumables-spare parts & packaging materials	131,588,204	104,012,012	24,586,550	22,765,095
Advances	858,858	-	1,579,308	-
Total	302,036,585	278,325,904	86,327,589	74,027,032
Minus: Provisions for obsolete, slowmoving inventories:				
Finished goods	-502,285	-1,344,660	-	-
	-502,285	-1,344,660	-	-
Total net realisable value	301,534,300	276,981,244	86,327,589	74,027,032

During 2006, there was an impairment of inventories amounting to 502 thousand euros relating to the subsidiary company CORINTH PIPEWORKS SA (2005: 1.345 thousand euros).

14. Trade & Other Receivables

Current Assets

Amounts in Euro

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade debtors	139,357,251	126,859,680	50,062,139	38,885,796
Minus: provision for impairment	-1,606,843	-3,425,671	-45,076	-1,059,472
Net trade receivables	137,750,408	123,434,009	50,017,064	37,826,324
Payments for purchase of PPE	-	429,351	-	10,076
Other payments	188,548	389,837	42,042	271,128
Notes receivable	59,851,884	56,137,424	57,112,538	51,605,045
Receivables from related parties	51,177,327	26,415,650	67,352,055	36,491,378
Receivables from other companies of participating interest	48,847	303	-	303
Current tax receivables	11,268,004	16,410,833	2,506,548	12,145,741
Other debtors	19,974,466	28,735,936	10,361,334	5,007,702
Payment of income tax	12,589,431	3,858,204	8,686,606	3,318,376
Minus: Impairment provisions	-3,296,685	-1,140,994	-3,154,924	-1,101,704
Total	289,552,230	254,670,552	192,923,263	145,574,368
Non -Current Assets				
Other non-current receivables	4,582,891	4,085,802	1,428,088	1,262,415
Total	4,582,891	4,085,802	1,428,088	1,262,415
Total receivables	294,135,121	258,756,355	194,351,351	146,836,783

The non-current receivables relate to guarantees given to third parties in the normal course of business and have an indefinite maturity date. The Group estimates that the carrying amount of the receivables approximates their fair values.

15. Derivatives

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<i>Amounts in Euro</i>				
Non Current Assets				
Interest rate swaps for cash flow hedging	1,265,026	-	702,711	-
Total	1,265,026	-	702,711	-
Current assets				
Forward foreign exchange contracts for cash flow hedging	2,821,661	160,812	-	-
Total	2,821,661	160,812	-	-
Non-current liabilities				
Interest rate swaps for cash flow hedging	54,672	1,344,199	-	820,835
Total	54,672	1,344,199	-	820,835
Current liabilities				
Interest rate swaps for cash flow hedging	-	124,400	-	-
Forward foreign exchange contracts for cash flow hedging	223,088	2,555,509	-	-
Forward foreign exchange held for trading	21,604	-	-	-
Total	244,692	2,679,909	-	-
Profit/(loss) recognised in the income statement	-1,590,982	-8,231,894	-	-
Details of interest rate swaps				
Nominal values				
Swaps	167,200,000	177,200,000	113,000,000	113,000,000
Forwards	10,100,000	-	-	-
Forwards (in USD)	130,816,349	40,476,914	-	-
Forwards (in GBP)	11,601,814	-	-	-

The above derivative financial instruments cover foreign exchange risk from purchases (US Dollar) as well as interest rate risk.

The duration of the above derivatives, as well as their nominal value, is similar to that of the underlying assets/liabilities

On 31/12/2006, the fixed interest rates of long-term loans covered by interest rate swaps ranged from 3,16% to 5,37%. The basic floating rates are based on EURIBOR.

Gains and losses relating to forward foreign exchange contracts recognised in equity (hedging reserve) at 31/12/2006 will be recognised in profit or loss during the next four months from the balance sheet date.

16. Cash & Cash Equivalents

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand and at bank	178,634	148,154	100,656	70,783
Short-term bank deposits	17,438,002	18,241,688	2,706,666	7,793,723
Total	17,616,636	18,389,841	2,807,322	7,864,506

17. Share Capital

GROUP

<i>Amounts in Euro</i>	Number of shares	Ordinary shares	Share premium	Treasury shares	Total
January 1st 2005	95,506,626	39,157,717	118,091,070	-82,624	157,166,163
Treasury shares purchased				82,624	82,624
December 31 2005	95,506,626	39,157,717	118,091,070	-	157,248,787
Share capital issue	500,207	205,085	1,570,650	-	1,775,735
December 31 2006	96,006,833	39,362,802	119,661,720	-	159,024,522

<i>Amounts in Euro</i>	Number of shares	Ordinary shares	Share premium	Treasury shares	Total
January 1st 2005	95,506,626	39,157,717	118,091,070	-	157,248,787
December 31st 2005	95,506,626	39,157,717	118,091,070	-	157,248,787
Share capital issue	500,207	205,085	1,570,650	-	1,775,735
December 31st 2006	96,006,833	39,362,802	119,661,720	-	159,024,522

During December 2006, 500.207 new shares were issued in accordance with the share option plan . The shares have a nominal value of €0.41 and the consideration received was €3.55 per share. The difference between the consideration received and the nominal value is presented within share premium.

18. Share option plan

The annual general meeting of the Company's shareholders at 26.06.2002 approved a share option plan (the "Plan") relating to the offering of the Company's shares of to the Group's management and employees. The Plan provided for the number of shares that will potentially be issued if all share options granted are exercised.

Every year, beginning in November 2002, the Company's Board of Directors granted share options that vest in 10% increments every year and may be exercised from 2006. The share options were granted to directors, key management and other executive employees. The options are cancelled if the beneficiary's employment with the Group is terminated before these vest or are exercised (see Note 2.21).

The precise number of share options granted to each beneficiary is set with a decision of the Company's Board of Directors, based on the beneficiary's position and performance.

Exercise period: The options may exercised during November, following a written notification by the beneficiary to the Company, and payment of the exercise price. Total consideration is paid in full at the exercise of the options.

In accordance with the Plan described above, 500,207 options were exercised during November 2006 out of the 521,400 options that have vested. During December 2006 the corresponding share capital increase took place. An analysis of the share options is presented below:

Year	Share options granted but not exercised	Share options vesting in year	Share options exercised or exercisable in year	Exercise price
2006	901,900	521,400	500,207	3.55
2007	401,693	76,100	97,293	3.55
2008		76,100	76,100	3.55
2009		76,100	76,100	3.55
2010		76,100	76,100	3.55
2011		76,100	76,100	3.55

19. Other Reserves

GROUP

<i>Amounts in Euro</i>	Statutory				Total	Currency Translation adjustments	
	reserve	Hedging Reserve	Tax free reserves	Other reserves			Total
Balance as at January 1st 2005	9,249,964	-2,260,998	49,180,192	2,368,642	58,537,800	-244,738	58,293,062
Currency translation differences	-	-	-	-	-	208,879	208,879
Transfer to reserves	2,566,497	-	21,797,860	-	24,364,357	-	24,364,357
Other	168,589	-79,912	1,079,031	314,157	1,481,864	-	1,481,864
Balance as at December 31st 2005	11,985,050	-2,340,910	72,057,083	2,682,799	84,384,022	-35,859	84,348,163
Balance as at January 1st 2006	11,985,050	-2,340,910	72,057,083	2,682,799	84,384,022	-35,859	84,348,163
Currency translation differences	-	-	-	-	-	-305,973	-305,973
Transfer to reserves	2,251,810	-	-841,251	-	1,410,558	-	1,410,558
Increase investment in subsidiaries	91,780	-120,750	668,602	154,798	794,431	-	794,431
Other	-	4,901,818	-	-	4,901,818	-	4,901,818
Balance as at December 31st 2006	14,328,640	2,440,158	71,884,434	2,837,597	91,490,829	-341,832	91,148,997

COMPANY

<i>Amounts in Euro</i>	Statutory				Total
	reserve	Hedging Reserve	Tax free reserves	Other reserves	
Balance as at January 1st 2005	7,464,336	-742,668	38,610,236	145,561	45,477,466
Transfer to reserves	797,527	-	7,225,948	-	8,023,475
Other	-	127,042	-	-	127,042
Balance as at December 31st 2005	8,261,863	-615,627	45,836,185	145,561	53,627,982
Balance as at January 1st 2006	8,261,863	-615,627	45,836,185	145,561	53,627,982
Transfer to reserves	542,510	-	-	-	542,510
Other	-	1,142,660	-1,285,779	-	-143,119
Balance as at December 31st 2006	8,804,373	527,033	44,550,406	145,561	54,027,373

Based on Greek tax legislation, tax-free reserves are tax exempted, provided they are not distributed to the shareholders. The Group does not intend to distribute the tax-free reserves, therefore the income tax that would arise if the tax-free reserves were distributed has not been estimated.

The company based on article of 2 of Law 3220/2004 and for the years 2003 and 2004 has formed tax-free reserves of €8.490 thousands (€7.489 for SIDENOR and €1.001 for other subsidiaries). The European Committee published the Statement 2006/C20/05, according to which, it considers that the tax-free reserves constitute a form of government subsidy and have asked the Greek Government to formally consider this statement. At present, the result of the discussions between the European Committee and the Greek Government is uncertain. The Group estimates that the potential liability will be equal to the corresponding tax and has formed a provision for this amount by charging its income statement.

20. Borrowings

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-current borrowings				
Bank loans	98,716,485	115,839,540	12,681,819	25,318,183
Finance lease liabilities	12,643	1,844,730	-	-
Corporate Bond loans	232,666,668	243,750,000	157,500,000	138,750,000
Total non-current borrowings	331,395,796	361,434,270	170,181,819	164,068,183
Current Borrowings				
Current bank accounts	1,024,146	12,665,217	1,466	6,327,985
Bank loans	146,713,627	195,789,740	57,431,818	75,609,493
Finance lease liabilities	2,015,165	1,789,668	-	-
Total current borrowings	149,752,938	210,244,626	57,433,284	81,937,478
Total borrowings	481,148,734	571,678,895	227,615,103	246,005,660

The maturity dates of non-current borrowings, excluding finance lease obligations, are as follows :

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Between 1 and 2 years	121,521,899	107,911,724	72,181,819	58,159,091
Between 2 and 5 years	186,432,372	228,345,088	98,000,000	105,909,092
Over 5 years	23,428,882	25,177,457	-	-
	331,383,153	361,434,270	170,181,819	164,068,182

The effective weighted average interest rates as at the balance sheet date, are the following:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Bank loans non-current	4.91%	5.31%	6.70%	6.52%
Bank loans current	4.52%	3.88%	6.70%	3.57%
Corporate bond loans	4.10%	3.40%	4.01%	3.40%
Finance lease liabilities	3.35%	3.35%	-	-

On 13/6/2006 the Annual General Meeting of the Company has approved the additional issue of bond loans up to €130 million which will be covered by bonds. The issue of these loans will be used, mainly, to re-finance current bank debt liabilities and as well as to finance investment activities. Up to the date of financial statements issued, the amount of €65 million has been received by the company.

21. Finance leases

<i>Amounts in Euro</i>	GROUP	
	31/12/2006	31/12/2005
Finance lease liabilities-minimum lease payments		
Up to 1 year	2,101,283	2,014,518
From 1 to 5 years	13,006	3,854,665
Total	2,114,289	5,869,183
Minus: Future finance charges on finance	-86,481	-2,234,785
Present value of finance lease liabilities	2,027,808	3,634,398
The current value of finance lease liabilities is as follows:		
Up to 1 year	2,015,165	1,789,668
From 1 to 5 years	12,643	1,844,730
Present value of finance lease liabilities	2,027,808	3,634,398

The finance leases relate to machinery and vehicles of subsidiaries Corinth Pipeworks SA and AEIFOROS SA.

22. Retirement benefit obligations

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance sheet obligations for:				
Retirement benefits	6,402,080	5,680,325	1,647,335	1,772,579
<i>Amounts in Euro</i>				
Income statement charge for				
Retirement benefits	2,357,652	2,761,834	516,590	189,622
Present value of unfunded obligations	7,753,758	6,689,461	2,348,444	2,358,146
Unrecognised actuarial (gains)/losses	-1,123,568	-1,003,445	-659,235	-585,567
Unrecognised past service cost	-228,110	-5,691	-41,874	-
	6,402,080	5,680,325	1,647,335	1,772,579
Balance sheet liability	6,402,080	5,680,325	1,647,335	1,772,579
Movement in the liability recognised in the Balance Sheet				
Net liability at beginning of the year	5,680,325	6,708,850	1,772,579	2,477,030
Employer contributions	-588,103	-2,262,855	-	-
Benefits paid	-1,047,794	-1,527,504	-641,834	-894,073
Total expense recognised in the income statement	2,357,652	2,761,834	516,590	189,622
Net liability at end of the year	6,402,081	5,680,325	1,647,335	1,772,579
Additional expenses or (income)	228,109	227,536	41,874	-
Actuarial losses or (gains)	1,123,568	739,962	659,235	585,567
Present value of liability at end of the year	7,753,758	6,647,823	2,348,444	2,358,146
Analysis of expenses recognised in the income statement				
Current service cost	728,500	687,682	198,170	142,305
Interest cost	229,532	258,022	90,022	98,984
Cost of additional benefits	280,758	559,777	207,162	330,655
Arrangement cost from employee transfers	-	-80,624	-	-
Profit of curtailment from employee transfers	1,048,091	1,302,890	-	-382,322
Actuarial losses or (gains)	-	-	21,236	-
Expenses	54,939	10,929	-	-
Past service cost during the year	15,833	23,159	-	-
Total expense recognised in the income statement	2,357,652	2,761,834	516,590	189,622
The main actuarial assumptions used for accounting purposes are the following:				
Discount rate	4,1% - 5%	4.0%	4.1%	4.0%
Future salary increases	3,5% - 4,5%	3.5%	3.5%	3.5%

23. Government Grants

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance at beginning of year	16,152,065	16,098,980	561,082	729,953
Received Grants	350	-	-	-
Grants received	628,312	1,486,203	-	-
Transfer of grant to receivables	-505,112	-	-	-
Depreciation of grants	-1,271,580	-1,433,118	-99,161	-168,871
Amortisation of grants	166,686	-	-	-
Balance at end of year	15,170,722	16,152,065	461,920	561,082

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

24. Trade & Other Payables

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade payables	58,414,136	54,086,238	11,188,695	8,607,910
Notes payable	51,232,596	33,577,618	-	-
Customer prepayments	21,736,124	4,565,396	2,958,385	2,991,608
Social Security Funds	3,414,506	3,175,937	672,258	641,438
Amounts owed to related parties	11,407,214	8,557,824	55,688,821	6,945,129
Amounts owed to other companies of participating	5,149	1,717,884	5,149	-
Dividends payable	16,846	10,371	16,846	10,371
Minoritied portion on dividends liability	1,303,380	1,659,918	-	-
Sundry creditors	7,202,839	5,318,092	1,956,698	2,200,823
Deferred income	55,364	36,205	-	250
Accrued expenses	12,194,125	10,250,600	4,272,132	3,731,837
Other accruals and deferred income	800,480	457,362	321,755	390,627
Other taxes and duties	2,873,039	3,107,091	560,595	477,781
Total	170,655,798	126,520,535	77,641,334	25,997,773
Long term liabilities				
Short term liabilities	170,655,798	126,520,535	77,641,334	25,997,773
Total liabilities	170,655,798	126,520,535	77,641,334	25,997,773

25. Provisions

Non-current provisions

GROUP

<i>Amounts in Euro</i>	Pending legal cases	Customers Claims	Other provisions	Total
January 1st 2005	3,753,124	8,506,716	560,071	12,819,911
Additional provisions for the year	-	686,395	464	686,859
Transferred to current liabilities	-	-	-2,353	-2,353
Used provisions during the year	-3,714,000	-5,800,000	-	-9,514,000
December 31st 2005	39,124	3,393,111	558,182	3,990,417
Additional provisions for the year	357,910	1,964,719	2,843,956	5,166,585
Transferred to current liabilities	-39,124	-	-480,271	-519,395
Transferred to impairment of receivables	-	-	-77,911	-77,911
Used provisions during the year	-	-594,262	-	-594,262
December 31st 2006	357,910	4,763,568	2,843,955	7,965,433

COMPANY

<i>Amounts in Euro</i>	Pending legal cases	Compensation to customers	Other provisions	Total
January 1st 2005	-	-	2,353	2,353
Transferred to current liabilities	-	-	-2,353	-2,353
December 31st 2005	-	-	-	-
Additional provisions for the year	-	-	2,500,000	2,500,000
December 31st 2006	-	-	2,500,000	2,500,000

Current provisions

GROUP

<i>Amounts in Euro</i>	Pending legal cases	Compensation to customers	Other provisions	Total
January 1st 2005	-	-	-	-
Foreign Exchange differences	-	-	-28	-28
Additional provisions for the year	974,731	-	713,079	1,687,810
Transferred from non current liabilities	-92,000	-	-165,114	-257,114
Used provisions during the year	-	-	-240,746	-240,746
December 31st 2005	882,731	-	307,191	1,189,922
Additional provisions for the year	335,000	-	4,700	339,700
Transferred from non current liabilities	39,124	-	480,271	519,395
Restructuring	-320,279	-	-27,062	-347,341
Used provisions during the year	-140,000	-	-219,472	-359,472
December 31st 2006	796,576	-	545,628	1,342,204

COMPANY

<i>Amounts in Euro</i>	Pending legal cases	Compensation to customers	Other provisions	Total
January 1st 2005	-	-	-	-
Transferred from non current liabilities	-	-	2,353	2,353
Used provisions during the year	-	-	-2,353	-2,353
December 31st 2005	-	-	-	-

During the year, the Group recognised additional provisions €5,167 thousand. €2,844 relate to the income tax provision for the Law 3220/2004 tax free reserves, €1,964 and €357 relate to provisions of the subsidiary Corinth Pipeworks SA for potential customer indemnification and pending litigations in connection with the recent accident that took place in its factory.

26. Expenses per category

GROUP

1/1 - 31/12/2005

<i>Amounts in Euro</i>	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	27	-55,334,964	-9,347,893	-13,440,789	-78,123,646
Cost of inventories recognised as an expense		-545,325,312	-	-	-545,325,312
Emergy		-54,936,979	-388,318	-39,241	-55,364,538
Depreciation		-44,307,730	-813,178	-2,114,470	-47,235,378
Insurance Cost		-1,981,783	-1,911,109	-943,699	-4,836,591
Rent		-1,893,734	-805,230	-1,011,606	-3,710,570
Transportation		-2,050,400	-37,396,410	-117,178	-39,563,988
Third Parties Expenses		-46,430,582	-15,898,940	-8,412,987	-70,742,509
Provisions		-124,452	-1,946,337	-329,506	-2,400,295
Other expenses		-31,888,606	-15,192,394	-4,819,027	-51,900,028
Total		-784,274,542	-83,699,809	-31,228,503	-899,202,855

1/1 - 31/12/2006

<i>Amounts in Euro</i>	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	27	-60,341,375	-6,837,040	-15,881,010	-83,059,425
Cost of inventories recognised as an expense		-684,690,044	-	-	-684,690,044
Emergy		-61,470,813	-235,185	-66,430	-61,772,429
Depreciation		-45,681,125	-777,484	-1,945,530	-48,404,139
Insurance Cost		-1,863,770	-3,064,763	-583,632	-5,512,164
Rent		-2,112,894	-929,910	-1,002,998	-4,045,803
Transportation		-3,174,857	-51,543,521	-154,707	-54,873,085
Third Parties Expenses		-40,014,942	-14,472,510	-8,674,639	-63,162,091
Provisions		-1,948	-3,003,543	-644,917	-3,650,407
Other expenses		-37,824,783	-16,122,503	-7,311,428	-61,258,714
Total		-937,176,552	-96,986,459	-36,265,291	-1,070,428,302

COMPANY

1/1 - 31/12/2005

<i>Amounts in Euro</i>	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	27	-7,531,981	-2,434,867	-5,451,179	-15,418,027
Cost of inventories recognised as an expense		-219,351,906	-	-	-219,351,906
Emergy		-12,914,048	-	-	-12,914,048
Depreciation		-8,313,272	-95,157	-1,000,142	-9,408,571
Insurance Cost		-486,869	-603,820	-487,434	-1,578,123
Rent		-96,615	-320,802	-406,003	-823,420
Transportation		-	-9,533,582	-	-9,533,582
Third Parties Expenses		-30,764,535	-5,252,658	-3,905,609	-39,922,803
Provisions		-88,018	-1,017,629	-34,360	-1,140,008
Other expenses		-40,135	-1,503,685	-1,312,597	-2,856,417
Total		-279,587,378	-20,762,200	-12,597,325	-312,946,904

1/1 - 31/12/2006

<i>Amounts in Euro</i>	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	27	-7,955,127	-2,371,401	-6,162,108	-16,488,636
Cost of inventories recognised as an expense		-187,965,744	-	-	-187,965,744
Emergy		-13,824,689	-	-	-13,824,689
Depreciation		-9,104,883	-97,271	-779,945	-9,982,099
Insurance Cost		-443,423	-780,297	-382,092	-1,605,812
Rent		-85,885	-302,333	-386,067	-774,285
Transportation		-766,688	-8,654,550	-	-9,421,238
Third Parties Expenses		-23,437,876	-6,253,090	-4,479,633	-34,170,599
Provisions		-	-1,038,824	-	-1,038,824
Other expenses		-282,658	-1,117,875	-1,539,921	-2,940,454
Total		-243,866,974	-20,615,641	-13,729,765	-278,212,380

Depreciation <i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cost of sales	-45,681,125	-44,307,730	-9,104,883	-8,313,272
Selling expenses	-777,484	-813,178	-97,271	-95,157
Administrative expenses	-1,945,530	-2,114,470	-779,945	-1,000,142
Other expenses	-1,411,172	-608,181	-356,648	-362,102
Σύνολο	-49,815,311	-47,843,559	-10,338,747	-9,770,674

27. Employee Benefit Expense

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Wages and salaries	62,325,395	57,847,696	12,261,163	11,132,195
Social Security Expenses	16,295,900	15,311,263	2,790,488	2,496,210
Cost of defined benefit pension plan	2,357,652	2,761,834	516,590	189,622
Other employee benefits	3,317,537	2,539,721	1,500,000	1,600,000
Total	84,296,484	78,460,514	17,068,241	15,418,027
Other employee benefits				
To employees	2,820,000	2,389,721	1,500,000	1,500,000
To BoD	50,000	150,000	-	100,000
Other benefits	447,537	-	-	-
Total	3,317,537	2,539,721	1,500,000	1,600,000

Employees Benefits	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cost of sales	-60,341,375	-55,334,964	-7,955,127	-7,531,981
Selling expenses	-6,837,040	-9,347,893	-2,371,401	-2,434,867
Administrative expenses	-15,881,010	-13,440,789	-6,162,108	-5,451,179
Other expenses	-1,237,059	-336,868	-579,605	0
Σύνολο	-84,296,484	-78,460,513	-17,068,241	-15,418,027

28. Finance cost

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Income				
Interest income	245,234	564,474	18,266	6,394
Foreign Exchange differences	-	-2,552	-	2,387
Interest rate swaps, fair value hedge	38,913	312,507	38,913	312,507
Other	60,375	156,063	-	-
Total Income	344,522	1,030,492	57,178	321,288
Expenses				
Interest and related expenses	-24,362,066	-23,913,224	-10,777,122	-9,393,134
Promissory notes	-2,067,896	-1,533,603	-	-
Finance leases	-243,419	-311,027	-	-
Foreign Exchange differences	-24,562	-102,994	-23,057	-
Interest rate swaps, fair value hedge	-366,797	-195,372	-	-
Other	-949,801	-	-	-
Total expenses	-28,014,540	-26,056,221	-10,800,178	-9,393,134
Finance costs (net)	-27,670,018	-25,025,728	-10,743,000	-9,071,847

29. Income Tax Expense

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current tax	-29,616,213	-5,434,292	-17,040,297	-5,106,853
Deferred tax	21,633,685	-7,950,757	158,028	-309,977
Total	-7,982,529	-13,385,049	-16,882,269	-5,416,830

Income Tax <i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Accounting profit before taxes	144,163,250	30,922,302	44,654,734	15,956,162
Tax charge	-41,807,342	-9,895,137	-12,949,873	-5,105,972
Permanent differences	-3,926,528	-3,008,373	-594,030	-669,741
Income for which non taxable reserve was formed	4,160,048	160,776	-	-
Utilisation of previously unrecognised tax losses	8,790,619	-11,421,480	-	-
Income not subject to tax	190,530	-433,445	363,470	281,399
Effect of calculating current tax with different tax rate than the one that deferred tax calculated	272,320	2,637,717	-25,284	85,746
Tax charges due to tax audit	-2,178,945	-	-1,172,339	-
Withheld income tax on dividends of prior years	882,051	4,594,453	-	-
Effect of other differences	95,296	205,395	-	-3,742
Tax provision due to cancellation of L. 3220/2004 reserve	-2,843,956	-142,436	-2,500,000	-
Tax losses for which no deferred income tax asset was recognised	17,348,364	-	-	-
Deferred tax change due to decrease of the income tax rate in Bulgaria	5,555,718	-	-	-
Additional tax	-16,897	-7,419	-4,213	-4,521
Tax calculated at domestic tax rates applicable to profits in the respective countries	5,496,194	3,924,900	-	-
Total income tax	-7,982,529	-13,385,049	-16,882,269	-5,416,830

The applicable tax rate for income tax is 29% (32% in the previous fiscal year) for companies operating in Greece, while for companies operating in Bulgaria is 15% (19.5% in the previous fiscal year).

For companies operating in Cyprus, the applicable tax rate is 10%. Under Bulgarian government decision, the tax rate for 2007 onwards will be reduced to 10%. Similarly, in Greece, the tax rate for 2007 onwards will be reduced to 25%.

30. Other Operating income (expenses)

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Other income				
Subsidies for the year	384,754	157,202	16,252	40,016
Income from other activities	5,250,790	1,161,823	14,233,790	10,647,239
Interest income (from operating activity)	4,514	11,766	4,514	8,530
Gains from foreign exchange forwards	2,518,761	-	-	-
Depreciation of grants	1,271,580	1,433,118	99,161	168,871
Income due to sale of CO2 emission rights	395,000	-	133,000	-
Foreign exchange differences	5,947,637	5,222,817	-	-
Consultancy fees	933,353	-	-	-
Other income	6,656,826	4,745,858	59,029	-
Total	23,363,215	12,732,583	14,545,746	10,864,657
Other expenses				
Operating expenses	-1,357,222	-3,083,575	-	-
Foreign exchange differences	-509,803	-	-	-
Other expenses	-5,734,477	-5,585,959	-11,755,773	-7,215,395
Total	-7,601,501	-8,669,534	-11,755,773	-7,215,395
Profit/(losses) from sale of fixed assets	-11,620	85,856	-92,792	-310,796
Profit/(losses) from sale of other financial items	40,438	-5,219	-	-
Derivatives (transfer from equity)	-3,742,947	-8,724,701	-	-
Other operating income-expenses (net)	12,047,586	-4,581,015	2,697,182	3,338,466
Income from dividends	190,451	309,237	11,044,198	16,785,704
Profits/Losses from associate companies				
Profits from related companies	1,905,552	2,448,369	-	-
Losses from related companies	-2,575	-71,326	-	-
Total	1,902,977	2,377,043	-	-

31. Operating Cash Flows

<i>Amounts in Euro</i>	Note	GROUP		COMPANY	
		1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Profits of year		136,180,722	17,537,253	27,772,465	10,539,332
Adjustments for:					
Income tax	29	7,982,528	13,385,049	16,882,269	5,416,830
Depreciation of property, plant and equipment	6	49,561,998	47,687,045	10,271,232	9,757,696
Amortisation of intangible assets	6	253,314	156,515	67,515	12,979
Impairment		-842,375	-	-	-
(profits)/losses from the sale of property, plant & equipment		11,620	-85,856	92,792	310,796
Fair value losses of other financial assets at fair value through profit or loss		-40,438	5,219	-	-
Interest income		-245,234	-564,474	-18,266	-6,394
Interest expense		28,014,540	26,056,221	10,800,178	9,393,134
Income from dividends	30	-190,451	-1,354,517	-11,044,198	-16,785,704
Amortisation of grants	23	-1,271,580	-1,433,118	-99,161	-168,871
Income from associates	8	-1,902,977	-1,331,763	-	-
Loss from impairment of fixed assets		68,993	90,073	32,862	-
Other		559,919	-145,796	-38,913	-312,507
		218,140,579	100,001,850	54,718,775	18,157,290
Changes in working capital					
(Increase)/decrease in inventories		-28,626,673	-18,884,241	-13,288,712	22,775,800
(Increase)/decrease in receivables		-36,220,740	-38,441,770	-48,553,392	11,109,548
Increase/(decrease) in non current assets available for sale		-3,918,560	-	-	-
Increase/(decrease) in liabilities		50,157,100	-1,365,902	53,054,203	-956,303
Increase/(decrease) in provisions		4,464,161	-6,167,358	3,538,824	997,647
Increase/(decrease) in retirement benefit obligations		721,756	-1,028,525	-125,244	-704,451
		-13,422,956	-65,887,796	-5,374,321	33,222,242
Net cash flows from operating activities:		204,717,622	34,114,054	49,344,455	51,379,532
<i>Profits / (losses) from the sale of PPE include:</i>					
<i>Amounts in Euro</i>					
Net book value		1,895,132	1,530,585	243,750	879,310
Profits/(losses) from the sale of PPE		-11,620	85,856	-92,792	-310,796
Income from the sale of PPE		1,883,512	1,616,442	150,958	568,514
<i>Profits/(losses) from the sale of investments</i>					
<i>Amounts in Euro</i>					
Net book value		2,500	3,292	2,500	-
Profits/losses from sale of investments		-	-	-	-
Income from sale of investments		2,500	3,292	2,500	-
<i>Amounts in Euro</i>					
Profit / (losses) from sale - valuation of other derivatives		40,438	-5,219	-	-

32. Commitments

Contractual commitments

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tangible fixed assets	15,919,729	13,328,343	-	-
Other	1,360,764	1,360,764	-	-
	17,280,493	14,689,107	-	-

Operating lease commitments

The Group leases motor vehicles under operating leases agreements. The future aggregate minimum lease payments are as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Up to 1 year	770,951	937,035	354,325	323,354
From 1 to 5 years	1,542,214	2,036,521	669,179	671,197
Over 5 years	593,397	365,814	-	-
	2,906,561	3,339,370	1,023,505	994,551
Charge to the results	958,635	860,896	408,221	360,188

Capital commitments

The Group has no significant capital commitments at the balance sheet date.

33. Contingent Liabilities - Assets

The group has contingent liabilities and assets in respect of bank, other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise in addition to the provisions already accounted for, from the Contingent Liabilities.

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Liabilities				
Guarantees for securing payables to suppliers	76,309,136	52,794,027	13,041,318	21,734,513
Good performance guarantees to customers	54,408,199	48,283,426	1,006,671	1,006,671
Counter guarantees for european investment bank	40,519,356	46,807,366	-	-
Other contingent liabilities	22,679,170	27,636,584	2,500,000	-
Total	193,915,860	175,521,403	16,547,989	22,741,183

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Lawsuits of employees	3,386,830	1,000,000	-	-
Other lawsuits	3,343,805	6,041,404	-	-
Contractual liabilities	1,882,318	4,010,095	-	-
Bank letters of guarantee	8,493,802	13,856,670	-	-
Tax liabilities	5,572,415	2,728,415	2,500,000	-
Total	22,679,170	27,636,584	2,500,000	-

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Receivables				
Guarantees for securing receivables from customers	1,077,496	949,346	1,077,496	1,354,846
Other receivables	296,868	303,667	-	-
Total	1,374,363	1,253,013	1,077,496	1,354,846

A share retention agreement has been made between the company and the “International Finance Corporation”, in order its subsidiary “STOMANA SA”, based in Bulgaria, to be granted with €55 million long term loan. The balance of the loan at 31/12/2006 was €48,297 thousand.

The subsidiary CORINTH PIPEWORKS SA, recognised a provision of €921,855 up to the year 2005 for the negative outcome of litigations. During the current year, an amount of €140,000 was paid to plaintiffs, an amount of €320,279 was transferred to the income statement and an additional provision of €335,000 was recognised.

In addition, up to the year 2005, the subsidiary company formed a provision of €3,393,112 for possible losses from contractual obligations to customers. During the current year an amount of €553,387 was used to cover its obligations and an additional provision of €1,634,256 was recognised.

During the fiscal year 2005, final tax audit reports were issued against the subsidiary company ETIL SA, which concern the tax audit of fiscal years 1999 and 2000. According to these tax audit reports, additional taxes have been imposed amounting to €2,728 thousand, which is analyzed as €938 thousand as basic income tax and €1,790 thousand as additions. The subsidiary company did not accept this liability and legally objected such by filing an appeal to the Administrative Courts on 15/2/2006. At the same time it submitted a request towards the committee, of article 70 L. 2238/94, aiming at exempting the service rendering sector from the off-balance sheet definition. The company’s management’s view is that the issue will be resolved with a significant reduction in the company’s final liability. The subsidiary has recognised a provision of €371 thousands against profit or loss, which is the amount payable if the company’s request is approved.

Against the subsidiary, STOMANA SA, there are lawsuits by former employees due to dismissals and labour accidents amounting to €591 thousands. The subsidiary has appealed against these claims and expects a significant reduction in the liability. The subsidiary has recognised a provision of €358 thousands against profit or loss.

34. Existing collateral assets

There are mortgages and liens on the immovable property of subsidiaries Corinth Pipelines S.A. and STOMANA AD, amounting to €73.204 thousand and €55,000 thousand respectively, in favour of banks for loans with outstanding balance €40,519 thousand and €48,297 thousand respectively.

35. Related Parties

The transactions to and from related parties are with companies owned by VIOHALCO Group.

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Sale of goods				
Subsidiary companies	-	-	93,123,689	76,117,487
Other Related Parties	44,028,781	28,641,091	17,959,157	5,525,121
	44,028,781	28,641,091	111,082,847	81,642,608
Sale of services				
Subsidiary companies	-	-	33,812,362	11,701,956
Other Related Parties	4,426,582	1,126,969	350,401	47,050
	4,426,582	1,126,969	34,162,763	11,749,006
Sale of PPE				
Subsidiary companies	-	-	150,579	555,000
Other Related Parties	16,737	4,063	-	-
	16,737	4,063	150,579	555,000
Purchase of goods				
Subsidiary companies	-	-	55,437,821	88,234,785
Other Related Parties	69,763,655	49,297,361	14,831,681	8,331,196
	69,763,655	49,297,361	70,269,502	96,565,981
Purchase of services				
Subsidiary companies	-	-	13,319,844	1,158,438
Other Related Parties	17,358,242	16,612,271	7,361,614	4,662,929
	17,358,242	16,612,271	20,681,458	5,821,367
Purchase of PPE				
Subsidiary companies	-	-	2,083,193	349,564
Other Related Parties	1,896,281	2,238,968	493,077	10,980
	1,896,281	2,238,968	2,576,270	360,544

Benefits to key Management <i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Salaries and other benefits to directors and key management	4,285,847	4,356,082	1,500,000	2,003,593
Compensations due to termination of employment	1,061,781	-	-	-
	5,347,628	4,356,082	1,500,000	2,003,593

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

Receivables <i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
From subsidiaries	-	-	33,386,943	21,717,859
From related parties	51,177,327	26,415,650	33,965,112	14,773,519
	51,177,327	26,415,650	67,352,055	36,491,378
Advances for inventory purchases				
Subsidiary companies	-	-	1,352,952	-
Payables to related parties	368,466	-	-	-
	368,466	-	1,352,952	-
Payables to related parties				
Subsidiary companies	-	-	53,799,404	5,374,802
Payables to related parties	9,907,214	8,557,824	1,889,417	1,570,327
Compensation due to termination of employment	1,500,000	-	-	-
	11,407,214	8,557,824	55,688,821	6,945,129

The services and sales/purchases of goods to and from related parties, are carried out on the basis of pricelists that are in force with non related parties.

36. Earnings per share

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profits attributable to shareholders of the parent company	108,180,143	16,288,585	27,772,465	10,539,332
Weighted average number of shares	95,548,310	95,506,626	95,548,310	95,506,626
Basic and diluted earnings per share (euro per share)	1.132	0.171	0.291	0.110

Diluted

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profits attributable to shareholders of the parent company	108,180,143	16,288,585	27,772,465	10,539,332
Weighted average number of shares	95,922,257	95,506,626	95,922,257	95,506,626
Total weighted average number of shares for diluted earnings per share	95,922,257	95,506,626	95,922,257	95,506,626
Basic and diluted earnings per share (euro per share)	1.128	0.171	0.290	0.110

The basic earnings per share are calculated by dividing the profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, share options. For the share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on

the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

37. Fiscal Years non-audited by tax authorities

The Company has been audited by the competent tax authorities until 2004. The tax audit for the financial years 2002-2004 of SIDENOR S.A. was finalised in April 2006.

Some of the Group's subsidiary companies have not been audited by tax authorities for various fiscal years from 1999 until 2005:

Company	Financial Year
SIDENOR S.A.	2005 - 2006
SOVEL S. A.	2006
DEPAL S.A.	2002 - 2006
STOMANA INDUSTRY S.A.	2005 - 2006
ERLIKON S.A.	2001 - 2006
AEIFOROS S.A.	2003 - 2006
ETAL S.A.	1999 - 2006
PROSAL S.A.	2004 - 2006
TEPRO STEEL EAD	2002 - 2006
ELMONTE HOLDINGS LIMITED	2001 - 2006
BOZETTI LTD	2003 - 2006
VEMET S.A.	2003 - 2006
ETIL S.A.	2001 - 2006
PRAKSYS S.A.	2005 - 2006
DIA.VI.PE.THIV. S.A.	2002 - 2006
AEIFOROS BULGARIA SA	2005 - 2006
VET S.A.	2003 - 2006
VEAT S.A.	2003 - 2006

SIGMA S.A.	2002 - 2006
ARGOS S.A.	2005 - 2006
CORINTH PIPEWORKS S.A.	2003 - 2006
SIDMA S.A.	2006
DIAPEM S.A.	2003 - 2006
VEPEM S.A.	2003 - 2006
METALLOURGIA ATTIKIS S.A.	2002 - 2006
ELKEME S.A.	2003 - 2006
DOJRAN STEEL LLCOP	2006
PROSAL TUBES SA	2006

The Group estimates that no significant tax charges will arise when the tax audits are completed.

38. Number of Personnel

Number of personnel employed at the year-end : Group 3,506 and Company 347.

39. Events after the Balance Sheet date

After the balance sheet date (31/12/2006), the subsidiary Corinth Pipeworks SA formed a joint venture named TMK-CPW in Russia, together with the Russian company TMK. Corinth Pipeworks SA holds 49% of the joint venture. The purpose of the joint venture is the production and distribution of high quality steel pipes and hollow sections, to cover the increasing demand in Russia and neighbouring countries in the energy and construction sector.

On February 26th 2006, the Company's Board of Directors decided to propose to the Annual General Meeting which will take place on 12/06/2007 the following dividend per share:

Proposed dividend for year 2006	€0.25
No. of shares	<u>95,506,626</u>
Total proposed dividends	<u>€15,281,060</u>

40. Reclassifications

In the consolidated income statement for the year 2005, an amount of €1,045 thousand, relating to dividends received by the Group from associate companies, was reclassified from "Dividend income" to "Share of profit/(loss) of associates".

In addition, in the consolidated statement of cash flows, an amount of €564 thousand, relating to interest income, was reclassified from investing to financing activities. The corresponding amount for the separate company statement of cash flows was €6 thousand.

Independent auditor's report

To the Shareholders and Board of Directors of **SIDENOR Steel Products Manufacturing Company S.A.**

Report on the Financial Statements

We have audited the accompanying financial statements of **SIDENOR Steel Products Manufacturing Company S.A.** (the "Company") and its subsidiaries (the "Group"), set out on pages 1 to 47, which comprise the balance sheet as of 31 December 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 as 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 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 accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal Requirements

In our opinion the content of Board of Directors' Report, is consistent with the aforementioned financial statements.

Athens, 26 February 2007

The Certified Auditor-Accountant

Kyriacos Riris

SOEL Reg. No. 12111

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers

268 Kifissias Avenue

152 32 Halandri

SOEL Reg. No. 113

5.

Summary Annual Financial Statements on the Consolidated and Company Basis



Summary Financial Results for the year ended 31 December 2006

(In terms of article 135 of Law 2190, for companies publishing annual statements in accordance with IAS/IFRS)

The figures illustrated below, aim at providing summary information about the financial position and results of "SIDENOR Steel Products Manufacturing Company SA" and the "SIDENOR Group". The reader wishing to be familiar with the company's and group's financial position and results should have access to annual financial statements. Indicatively, one can visit the company's web site where the information and data in question, are presented.

Address:	2-4 Mesogeion Ave, Athens
Societe Anonyme Register No.:	2310/06/B/86/20
Supervising Authority:	Ministry of Development (department for limited companies)
Board of directors:	<ul style="list-style-type: none"> ▪ George Kalfarentzos, Chairman, Executive member, ▪ Grigorios Kontstantakopoulos, Vice-Chairman, Executive member, ▪ Athanasios Mitropoulos, Nikolaos Koudounis, Andreas Adamopoulos, Ioannis Oikonomou, Robert Monnot, Non-Executive Members, ▪ Andreas Kyriazis, Efstathios Strimber, Non Executive and Independent members
Date of approval of the financial statements:	26 February 2007
Auditor:	Kiriakos Riris (Reg. No. SOEL 12111)
Audit Firm:	PRICEWATERHOUSECOOPERS S.A.
Type of Audit Report:	Without qualification
Company's WebSite:	www.sidenor.gr

BALANCE SHEET

(amounts in €)	GROUP		COMPANY	
	31-Dec-06	31- Dec -05	31- Dec -06	31- Dec -05
ASSETS				
Land and Buildings	257,521,707	260,983,774	48,087,306	47,881,187
Machinery	435,003,936	446,070,276	89,832,969	92,406,795
Investments in Associates	19,194,034	17,665,947	212,776,891	198,540,260
Other Tangible Assets	68,956,724	37,979,024	7,499,470	6,470,038
Inventories	301,534,300	276,981,244	86,327,589	74,027,032
Trade Receivables	137,750,408	123,434,009	50,017,064	37,826,324
Other Assets	176,538,745	150,790,070	145,713,520	115,612,549
TOTAL ASSETS	1,396,499,854	1,313,904,344	640,254,809	572,764,186
EQUITY and LIABILITIES				
Long Term Borrowings	331,395,796	361,434,270	170,181,819	164,068,183
Deferred Tax Liabilities	65,536,905	81,399,308	23,894,767	23,671,909
Other Long Term Liabilities	29,390,461	27,167,006	4,400,022	3,154,496
Short Term Borrowings	149,752,938	210,244,626	57,433,284	81,937,478
Other Short Term Liabilities	202,792,504	132,106,365	95,700,971	26,697,975
Total liabilities (a)	778,868,603	812,351,575	351,610,863	299,530,040
Share Capital	39,362,802	39,157,717	39,362,802	39,157,717
Share Premium	119,661,720	118,091,070	119,661,720	118,091,070
Other Shareholders Equity	330,402,056	240,254,474	129,619,424	115,985,359
Total Shareholders Equity (b)	489,426,578	397,503,261	288,643,946	273,234,146
Minority interest (c)	128,204,673	104,049,509	-	-
Total Equity (d) = (b) + (c)	617,631,251	501,552,770	288,643,946	273,234,146
TOTAL EQUITY LIABILITIES (e) = (a) + (d)	1,396,499,854	1,313,904,344	640,254,809	572,764,186

INCOME STATEMENT

(amounts in €)	GROUP		COMPANY	
	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005
Turnover	1,228,120,557	957,045,619	319,868,734	317,850,742
Cost Of Goods Sold	-937,176,552	-784,274,542	-243,866,974	-279,587,378
Gross Profit	290,944,005	172,771,077	76,001,760	38,263,364
Selling Expenses	-96,986,459	-83,699,809	-20,615,641	-20,762,200
Administrative Expenses	-36,265,291	-31,228,503	-13,729,765	-12,597,325
Other Income / (Expenses) - Net	12,047,586	-4,581,015	2,697,182	3,338,466
Profits/(Loss) before taxes, financing & investment results	169,739,841	53,261,750	44,353,536	8,242,305
Profits/(Loss) before taxes, financing, investment results & depreciation	219,555,153	101,105,310	54,692,283	18,012,979
Total Profit/(Loss) before Tax	144,163,250	30,922,302	44,654,734	15,956,162
Tax Expense	-7,982,529	-13,385,049	-16,882,269	-5,416,830
Profit after Tax	136,180,722	17,537,253	27,772,465	10,539,332
Distributed:				
Company's Shareholders	108,180,143	16,288,585	27,772,465	10,539,332
Minority Interest	28,000,579	1,248,669		
	136,180,722	17,537,253	27,772,465	10,539,332
Profits after taxes per share - basic (in €)	1,132	0,171	0,291	0,110
Profits after taxes per share - Dilluted (in €)	1,128	0,171	0,290	0,110
Depreciation incorporated in the operating cost	-49,815,312	-47,843,559	-10,338,747	-9,770,674
Proposed Dividends			0.25	0.16

STATEMENT OF CHANGES IN EQUITY

(amounts in €)	ΟΜΙΛΟΣ		ΕΤΑΙΡΙΑ	
	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005
Equity balance at the beginning of the period (1/1/2006 & 1/1/2005 respectively)	501,552,770	497,942,148	273,234,146	272,861,103
Profit/(Losses) for the period	136,180,721	17,537,253	27,772,465	10,539,332
	637,733,491	515,479,401	301,006,611	283,400,435
Increase/(decrease) in share capital	2,525,735	214,499	1,775,735	-
Dividends distributed	-16,954,598	-11,482,783	-15,281,060	-9,550,663
Net income recorded directly in equity	5,431,990	-2,688,593	1,142,660	-615,627
Increase % of participation in subsidiaries	-11,105,367	-52,378	-	-
Purchase / Sale of Treasury Shares	-	82,624	-	-
Equity balance at the end of the period (30/09/2006 and 31/12/2005 respectively)	617,631,251	501,552,770	288,643,946	273,234,146

CASH FLOW STATEMENT

(amounts in €) – Indirect Method

	GROUP		COMPANY	
	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005
Cash Generated from operations				
Profit before taxes	144,163,250	30,922,302	44,654,734	15,956,162
Adjustments for:				
Depreciation	49,815,312	47,843,559	10,338,747	9,770,674
Provisions	5,185,917	-7,195,883	3,413,580	293,196
(Income)/expenses & (profits)/losses from investment activities	-109,838	-1,350,301	-10,918,545	-16,474,908
Interest payable & related expenses	28,014,540	26,056,221	10,800,178	9,393,134
Other adjustments	-3,742,685	-3,469,932	-156,340	-487,772
Plus/minus adjustments for working capital changes or related to operating activities				
Decrease (increase) in inventories	-28,626,673	-18,884,241	-13,288,712	22,775,800
Decrease (increase) in receivables	-36,220,740	-38,441,770	-48,553,392	11,109,548
(Increase)/Decrease Non current assets available for sale	-3,918,560	-	-	-
Increase/(decrease) in liabilities(except Banks)	50,157,100	-1,365,902	53,054,203	-956,303
Minus:				
Interest payable & related expenses	-27,700,345	-25,402,273	-10,234,850	-9,493,483
Tax Paid	-6,970,820	-13,561,149	-1,872,541	-5,038,608
Total Cash Generated from Operating Activities(a)	170,046,458	-4,849,368	37,237,063	36,847,440
Cash generated Investment Activities				
Acquisition - sale of subsidiaries, associates, joint ventures and other investements	-10,620,082	-420,298	-14,297,780	-34,265,987
Purchase of Plant and Equipment (PPE)	-58,083,426	-42,529,691	-7,354,246	-5,087,722
(Increase)/Decrease of other financial assets	-	25,583	-	-
Sales income from tangible and intangible assets	1,883,512	1,616,442	150,958	568,514
Dividends received	657,002	1,354,517	11,039,049	16,785,704
Net cash generated from investing activities (b)	-66,162,994	-39,953,447	-10,462,018	-21,999,491
Cash generated from Financing Activities				
Share Capital Increase	2,525,735	214,499	1,775,735	-
(Purchase) / Sale of Treasury Shares	-	82,624	-	-
Proceeds from borrowings	290,239,485	112,850,026	131,500,000	42,982,229
Repayment of Borrowings	-379,179,126	-57,966,005	-149,890,558	-41,608,817
Repayment of Financial Lease	-1,606,590	-1,670,285	-	-
Proceeds from Grants	628,312	1,486,203	-	-
Income from securities	344,522	1,030,492	57,179	318,901
Dividends paid	-17,304,661	-9,817,012	-15,274,585	-9,554,959
Net Cash Generated from financing activites (c)	-104,352,324	46,210,542	-31,832,229	-7,862,646
Net (decrease)/increase in cash & equivalent fro the period (a) + (b) + (c)	-468,860	1,407,726	-5,057,184	6,985,304
Cash & equivalent accounts at the beginning of the period	18,389,841	16,880,226	7,864,506	879,202
Foreign Exchange differences in Cash and cash and cash equivalent	-304,345	101,889	-	-
Cash & equivalent at the end of the period	17,616,636	18,389,841	2,807,322	7,864,506

GROUP STRUCTURE

Company	Registered Office	Participation	Consolidation Method	Fiscal Years Unaudited
SIDENOR SA	Greece	Μητρική		2005 - 2006
SOVEL A.E.	Greece	63%	Full Consolidation	2006
STOMANA INDUSTRY S.A.	Bulgaria	86%	Full Consolidation	2005 - 2006
CORINTH PIPEWORKS	Greece	82%	Full Consolidation	2003 - 2006
ERLIKON SA	Greece	99%	Full Consolidation	2001 - 2006
AEIFOROS SA	Greece	90%	Full Consolidation	2003 - 2006
ETIL SA	Greece	64%	Full Consolidation	2001 - 2006
DEPAL SA	Greece	91%	Full Consolidation	2002 - 2006
PROSAL SA	Greece	70%	Full Consolidation	2004 - 2006
VET SA	Greece	62%	Full Consolidation	2003 - 2006
ARGOS SA	Greece	63%	Full Consolidation	2005 - 2006
SIDMA SA	Greece	24%	Equity Method	2006
PROSAL TUBES SA	Bulgaria	70%	Full Consolidation	2006
TEPRO STEEL EAD	Bulgaria	100%	Full Consolidation	2002 - 2006
DOJHRAN STEEL LLCOP	FYROM	75%	Full Consolidation	2006
ELMONTE HOLDINGS LIMITED	Cyprus	100%	Full Consolidation	2001 - 2006
BOZETTI LTD	Cyprus	100%	Full Consolidation	2003 - 2006
VEMET SA	Greece	100%	Full Consolidation	2003 - 2006
ETAL SA	Greece	94%	Full Consolidation	1999 - 2006
PRAKSIS SA	Greece	51%	Full Consolidation	2005 - 2006
DIADIPETHIV SA	Greece	73%	Full Consolidation	2002 - 2006
AEIFOROS BULGARIA SA	Bulgaria	90%	Full Consolidation	2005 - 2006
VEAT SA	Greece	41%	Full Consolidation	2003 - 2006
SIGMA SA	Bulgaria	63%	Full Consolidation	2002 - 2006
DIAPEM SA	Greece	33%	Equity Method	2003 - 2006
VEPEM SA	Greece	50%	Equity Method	2003 - 2006
METALOURGIA OF ATTICA	Greece	50%	Equity Method	2002 - 2006
ELKEME SA	Greece	20%	Equity Method	2003 - 2006

Other important data and Information:

- These financial statements are consolidated by VIOHALCO Group with the following information:

Company	Registered Office	Participation	Consolidation Method
VIOHALCO SA	Greece	56.67%	Full Consolidation

2. Mortgages and statutory notices of mortgage in the amount of € 87.198 thousands in favour of banks, have been filled against the fixed assets of subsidiaries.
3. By the publishing date of these annual financial statements, the disputes against subsidiaries were amounted €9.459 thousands.
4. Number of persons employed at the end of the current period: Company 347, Group 3,506
5. Sales and purchases which have been accumulated from the beginning of the accounting period as well as the balance of the receivables and liabilities at the end of the current period, have arisen from transactions with entities, under the meaning of International Accounting Standard (IAS) 24, are as follow:

(Amounts in .000 €)	<u>Ομίλου</u>	<u>Εταιρίας</u>
i) Sales of goods, services and fixed assets	48,472	145,396
ii) Purchases of goods, services and fixed assets	89,018	93,527
iii) Receivables from affiliated entities	51,177	67,352
iv) Liabilities towards affiliated entities	9,907	55,689
v) Key Management Compensations	5,348	1,500
vi) Liabilities due to termination of employment	1,500	-

7. In Income Statements the "Tax Expense" is analysed as follows:
 - Group: 2006 Income Tax € (29.616) thousands, deferred tax expense € 21.634 thousands - 2005 € (5.434) thousands and € (7.951) thousands, respectively
 - Company: 2006 Income Tax € (17.040) thousands, deferred tax expense € 158 thousands. - 2005 € (5.107) thousands and € (310) thousands, respectively
8. During April 2006, the tax audit for years 2002 to 2004 for the parent company SIDENOR SA, was finalised resulting in additional tax of €1.172 thousand, out of which €450 thousand is tax related to cancellation of tax reserves formed in its liabilities During September 2006, the tax audit for years 2001 to 2005 for the subsidiary company SOVEL S.A was finalised, resulting an additional tax of € 558 thousands. The subsidiary company has recorded a relevant provision.
9. During the current period, the companies PROSAL TUBES and DOJRAN STEEL were consolidated for first time, as new established companies.
10. According to the Board of Directors decision of 04 Dec 2006, implementing the approved by the General Meeting of 2002, stock option plan, the company's share capital has been increased by 205.085 with cash payment and issue of 500.207 new registered voting shares with € 0,41 nominal value. Share price was €3,55 and the difference between the nominal and the share price has been recognized into the share premium account. (Release of the Greek Ministry of Development K2-17579/12-12-06).
11. Certain prior years amounts have been reclassified for presentation purposes. (See Note 40 - Interim Condensed Financial Statements)
12. According to European Committee Announcement No 2006/C20/05, the group formed a tax expense provision of € 2.844 thousands which recorded into Income Statement.

Αθήνα, 26η Φεβρουαρίου 2007

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**
GEORGE
X.KALFARENTZOS
ID No.: F 147183

**THE VICE-CHAIRMAN OF
THE BOARD OF
DIRECTORS**
GREGORY
D.KONSTANTAKOPOULOS
ID No.: I 219720

**Chief Executive
Officer**
DIMITRIOS
PARASKEVOPOULOS
ID No: X 587007

THE FINANCIAL MANAGER
KONSTANTINOS
X.NATSIS
ID No.: AA 269192

6.

Report on the Company's Transactions with Related Parties

In application of Article 2, par. 4 of Law 3016/2002 on Corporate Governance, the Board of Directors has to compile a report regarding the transactions between the company and its related parties. The following table presents the said transactions, whose amounts are shown in Euro €.

COMPANY	a. SALES TO:	b. PURCHASES FROM:	c. BALANCE		ADVANCES TO INVENTORIES
			DEBIT	CREDIT	
AEIFOROS BG	63.165	-	-	-	-
DOJLAN STEEL	9.719.325	1.224.835	6.905.656	-	-
DOMOPLEX LTS	1.204.593	-	-	-	-
ELVAL COLOUR SA	-	482	1.461	-	-
EUROMETAL	-	17.717	-	-	-
GENECOS SA	78.166	103.535	145.162	107.684	-
METAL AGENCIES LTD	2.463.564	81.099	1.303.375	126.874	-
METAL GLOBE DOO	-	52.449	-	52.397	-
SOFIA MED	11.269	-	10.057	3.000	-
SOVEL AE	39.383.687	8.320.107	-	51.052.023	-
STEELMET (CY) LTD	-	415.718	-	359.372	-
STEELMET SA	-	2.299.958	-	242.678	-
STEELMET ROMANIA SA	43.950	-	44	-	-
STOMANA INDUSTRY SA	63.510.634	44.367.811	17.733.920	-	-
TEPROMETAL SA	-	26.469	-	3.296	-
TEPROMETALL VERTRIEBS	-	101.076	-	37.638	-
AEIFOROS SA	511.888	733.984	245.455	-	-
ANTIMET AE	-	660.200	14.043.950	-	-
ARGOS SA	22.867	24.249	2.132	-	-
VIOHALCO SA	7.559	105.927	8.995	5.849	-
VITROUVIT SA	3.635	23.357	-	8.937	-
DEPAL SA	128.303	1.626.347	-	2.251.777	-
DIADIPETHIV SA	-	22.410	13.500	-	-
DIAPEM COMMERCIAL SA	3.100	3.452	-	1.027	-
EL.KE.ME. SA	-	238.850	-	162.197	-
ELBAL SA	116.905	62.484	67.521	-	-

HELLENIC CABLE SA	5.386	65.837	28.912	-	-
ERGOSTIL SA	41.043	51.251	13.688	-	-
ERLIKON SA	9.455.062	392.598	3.476.601	-	-
ETAL SA	688.217	-	1.007.858	-	-
ETEM SA	24.254	-	6.848	-	-
ETIL SA	10.820	7.425.338	237.900	296.509	-
KERAMEIA AXIOU SA	196	4.600	-	5.171	-
METTALOURGIA OF ATTICA SA	156	360	185	272	-
CORINTH PIPEWORKS SA	7.427	138.394	8.838	-	-
NOVAL SA	-	36.000	-	18.324	-
PRAKSIS SA	2.377	474.239	-	77.015	-
PROSAL SA	436.830	28.840	3.627.753	-	-
SANITAS DISTRIBUTION SA	-	1.402	-	839	-
SANITAS SA	-	535	-	600	-
SIDMA SA	1.893.175	2.479.885	15.880.995	-	-
CORINTH PIPEWORKS SA	2.525.484	520.914	-	122.079	-
TEKA SYSTEMS SA	-	634.243	-	190.840	-
BET SA	17.035	5.540.792	-	-	1.352.952
HALCOR SA	168.577	2.825.257	111.990	2.100	-
ANAMET SA	68.445	9.799.890	-	486.780	-
BIEXAL SA	-	560.674	-	23.897	-
ANAMET DOO	603.562	-	31.970	15.733	-
EIPHANIOU LTD	11.572.024	4	1.559.958	1.609	-
PHANOS EIPHANIOU LTD BULDING MATERIAL	-	60.163	-	6.139	-
EIPHANIOU SCRAP METALS	-	1.973.496	-	15.071	-
CPW EUROPEAN TRADING	603.510	-	127.332	-	-
ANAMET ALBANIA	-	-	750.000	-	-
TOTAL	145.396.189	93.527.231	67.352.055	55.677.727	1.352.952

The above transactions and the Balances presented are the analysis of the transactions reported in Note 35 of the Annual Financial Statements, which are unanimously approved by the Board of Directors on February 26, 2007

7.

Information as per Article 10 of Law 3401/2005

Based on the current legislation, the company published and made available to the public at its corporate website www.sidenor.gr as well as at the Athens Exchange official website www.athex.gr, during the financial year 2006, the information presented in the following table:

Date	Announcements
28/12/2006 12:20	Announcement about Other Important Events
22/12/2006 12:29	NEW SHARE IPO FROM THE SHARE CAPITAL INCREASE VIA STOCK OPTION PLAN
21/12/2006 16:06	Announcement about Other Important Events
14/12/2006 14:21	Announcement about Other Important Events
7/12/2006 16:46	Clarification Regarding the document for the provision of information under Law 3401/2005 (article 4 par.1 per. e)
1/12/2006 14:41	Clarification Regarding the document for the provision of information under Law 3401/2005 (article 4 par.1 per. e)
1/12/2006 13:03	Clarification Regarding the document for the provision of information under Law 3401/2005
29/11/2006 17:03	Document for the provision of information under L.3401/2005
29/11/2006 15:01	Announcement about Other Important Events
23/11/2006 18:43	Announcement about Other Important Events
9/11/2006 11:45	Announcement about Other Important Events
8/11/2006 10:02	Announcement about Other Important Events
1/11/2006 15:38	Announcement about Other Important Events
1/11/2006 15:37	Summary Financial Statements under IFRS
27/10/2006 10:25	Announcement about Other Important Events
26/10/2006 18:57	Commentary on the Financial/Accounting Statements
26/10/2006 18:36	Summary Financial Statements under IFRS
26/10/2006 18:34	Summary Financial Statements under IFRS
24/10/2006 10:16	Announcement about Other Important Events (PROBABLE SHARE OFFERING - SIDENOR) (RESUBMITTED)
24/10/2006 10:11	Announcement about Other Important Events (Probable Share Offering - SIDENOR) – RESUBMITTED
24/10/2006 10:07	Announcement about Other Important Events (Probable Share Offering - SIDENOR)
25/9/2006 16:54	Announcement about Other Important Events
22/9/2006 16:18	Announcement about Other Important Events
8/9/2006 13:27	Announcement about Other Important Events
3/8/2006 15:28	SHARE TRANSACTIONS REPORT
1/8/2006 18:02	Commentary on the Financial/Accounting Statements -- RESUBMITTED
1/8/2006 17:45	Commentary on the Financial/Accounting Statements
1/8/2006 17:42	Summary Financial Statements under IFRS
1/8/2006 17:41	Summary Financial Statements under IFRS
21/6/2006 13:50	Notification on Ex Dividend Date / Dividend Payment – Translation of the Greek announcement reg N° 30209/15.6.2006

21/6/2006 13:46	Decisions of the General Shareholders Meeting – Translation of the Greek announcement with reg N° 30003/14.6.2006
15/6/2006 14:07	Notification on Ex Dividend Date / Dividend Payment
14/6/2006 17:05	Decisions of the General Shareholders Meeting - RESUBMITTED
14/6/2006 16:55	Announcement about Other Important Events – Revised
13/6/2006 17:45	Announcement about Other Important Events
13/6/2006 17:44	Decisions of the General Shareholders Meeting
2/6/2006 13:07	Share Transactions Report
19/5/2006 15:41	Notice of Annual Shareholders Meeting
12/5/2006 13:16	Summary Financial Statements under IFRS
12/5/2006 13:14	Summary Financial Statements under IFRS
12/5/2006 10:39	Commentary on the Financial/Accounting Statements
28/4/2006 16:15	SIDENOR PRESENTATION TO THE UNION OF GREEK INSTITUTIONAL INVESTORS
22/3/2006 16:42	Announcement about Other Important Events - RESUBMITTED (Reg N°.12775 / 22/03/2006)
22/3/2006 16:28	Announcement about Other Important Events
20/3/2006 17:08	Summary Financial Statements under IFRS
20/3/2006 17:07	Summary Financial Statements under IFRS
1/3/2006 17:49	Commentary on the Financial/Accounting Statements
28/2/2006 16:19	Summary Financial Statements under IFRS
28/2/2006 11:58	Summary Financial Statements under IFRS
28/2/2006 11:18	Summary Financial Statements under IFRS
27/2/2006 21:02	Corporate Financial Calendar
24/2/2006 16:38	Corporate Financial Calendar
9/2/2006 10:46	Verification – Clarifications on Press Articles

8.

Annual Financial Statements, Auditor's Report and Board of Directors' Reports Included in the Consolidated Financial Statements of the Company

The annual financial statements, as well as the reports of the auditors and the reports of the Board of Directors of the companies which are subject to the requirements of par. 1 of article 134 of Law 2190/1920 and hence are consolidated by the company, have been posted on the company's website, www.sidenor.gr