



METAL CONSTRUCTIONS OF GREECE A.E.

**Interim financial statements
for the nine month period
from the 1st of January to the 30th of September 2005**

*Interim Financial Statements for the nine-month period
from the 1st of January to the 30th of September 2005*

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1. Balance Sheet

Amounts in €

	THE GROUP		THE COMPANY	
	30/09/2005	31/12/2004	30/09/2005	31/12/2004
ASSETS				
Non Current Assets				
Property, plant and equipment	69.933.081	70.844.527	52.029.269	52.662.938
Intangible assets	9.595.157	10.003.867	9.579.479	9.980.000
Investments in Subsidiaries	0	0	35.164.777	35.164.028
Investments in Associates	716.590	143.214	1.322.220	505.140
Deffered Tax Asset	1.374.749	924.538	696.243	435.969
Available for sale financial assets	6.159.684	12.478.693	5.917.934	12.236.033
Other non-current assets	9.116.805	3.319.057	9.018.245	3.225.827
	96.896.067	97.713.896	113.728.166	114.209.935
Current Assets				
Inventories	14.605.366	13.215.754	14.279.856	12.857.399
Trade and other receivables	78.990.336	111.114.676	69.179.725	94.350.592
Other Receivables	16.967.617	10.412.377	14.315.431	8.696.150
Other Current Assets	1.269.757	7.772.214	227.116	7.757.395
Financial Assets at fair value through profit or loss	4.863.360	4.353.413	0	0
Cash and cash equivalent	74.151.425	9.157.778	67.503.061	4.416.374
	190.847.860	156.026.212	165.505.190	128.077.911
Total Assets	287.743.927	253.740.108	279.233.356	242.287.845
SHAREHOLDERS' EQUITY				
Equity				
Share Capital	16.624.192	16.624.192	16.624.192	16.624.192
Share Premium	0	63.316.438	0	63.316.438
Fair Value Reserves	0	1.271.097	0	1.271.097
Other reserves	22.507.880	29.404.007	18.273.998	25.170.125
Retained Earnings	37.279.491	21.257.918	45.590.981	32.098.896
Equity Attributable To parent's Shareholders	<i>76.411.562</i>	<i>131.873.653</i>	<i>80.489.171</i>	<i>138.480.748</i>
Minority Interests	14.184.404	13.560.025	0	0
Total Equity	90.595.966	145.433.678	80.489.171	138.480.748
LIABILITIES				
Non - current Liabilities				
Deffered Tax Liabilities	17.737.064	15.325.089	13.695.700	11.191.093
Liailities for pension plans	1.807.325	1.936.085	1.175.758	1.343.978
Other long term liabilities	25.043.364	25.821.593	25.043.364	25.821.593
Total Non-Current Liabilities	44.587.754	43.082.767	39.914.823	38.356.664
Current Liabilities				
Trade and other payables	62.217.460	51.195.496	73.169.925	55.382.023
Tax payable	12.189.905	10.567.886	8.947.742	7.548.780
Short term debt	0	133	0	133
Other short term liabilities	77.548.728	3.409.537	76.711.696	2.501.071
Current portion of non-current provisions	604.114	50.610	0	18.426
Total Current Liabilities	152.560.207	65.223.663	158.829.363	65.450.433
Total Liabilities	197.147.961	108.306.430	198.744.185	103.807.097
Total Equity and Total Liabilities	287.743.927	253.740.108	279.233.356	242.287.845



2. Income Statement

Amounts in €

	THE GROUP				THE COMPANY			
	01/01 - 30/09/2005	01/07 - 30/09/2005	01/01 - 30/09/2004	01/07 - 30/09/2004	01/01 - 30/09/2005	01/07 - 30/09/2005	01/01 - 30/09/2004	01/07 - 30/09/2004
Continuing Operations								
Sales Turnover	173.667.902	48.465.573	102.339.986	32.786.410	152.934.723	43.472.703	75.957.038	20.984.310
Cost of Sales	(131.199.694)	(36.620.845)	(80.498.069)	(24.334.607)	(118.261.377)	(33.362.389)	(60.884.740)	(16.354.080)
Gross Profit	42.468.208	11.844.727	21.841.917	8.451.802	34.673.346	10.110.314	15.072.297	4.630.229
Other Operating Income	874.149	341.330	739.438	100.953	831.793	322.563	637.231	80.312
Distribution Expenses	(479.356)	(156.974)	(1.542.945)	(545.039)	(310.666)	(92.666)	(1.367.908)	(492.492)
Administration Expenses	(6.488.720)	(2.010.021)	(4.984.576)	(1.551.261)	(4.951.216)	(1.503.489)	(3.344.995)	(1.044.356)
Other Operating Expenses	(137.043)	(15.997)	(570.673)	(80.654)	(93.149)	(25.620)	(373.333)	(48.201)
Profit before interest and income tax	36.237.236	10.003.066	15.483.160	6.375.802	30.150.108	8.811.102	10.623.293	3.125.492
Financial income	463.017	192.113	571.351	124.066	432.173	182.724	511.687	110.118
Financial Expenses	(574.201)	(183.360)	(563.672)	(190.010)	(510.456)	(163.152)	(496.676)	(172.951)
Other financial results	3.848.876	929	245.995	151.954	4.118.679	(0)	93.650	93.650
Share of profit of associates	(243.703)	(21.764)	(83.851)	(23.473)	0	0	0	0
Profit before income tax	39.731.225	9.990.984	15.652.984	6.438.339	34.190.504	8.830.674	10.731.954	3.156.309
Income Tax Expense	(11.618.836)	(3.197.020)	(4.947.673)	(2.627.735)	(9.681.104)	(2.824.860)	(3.081.317)	(1.051.358)
Profit for the Period	28.112.389	6.793.964	10.705.311	3.810.603	24.509.400	6.005.814	7.650.636	2.104.951
Attributable to:								
Equity holders of the parent	27.038.888	6.449.562	9.452.369	3.147.195				
Minority Interests	1.073.501	344.403	1.252.942	663.409				
	28.112.389	6.793.965	10.705.311	3.810.603				
Basic earnings per Share (in cent /share)	52,05	12,41	18,19	6,06	47,18	11,56	14,73	4,05

Interim Financial Statements for the nine-month period
from the 1st of January to the 30th of September 2005



3. Consolidated Statement of Changes in Equity

Amounts of €	Share Capital Attributable To Shareholders					Total	Minority Interest	Total
	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Retained Earnings			
Equity at 1st January 2004 according to Greek GAAP	16.624.192	63.420.146	0	23.815.446	(3.074.745)	100.785.039	11.725.540	112.510.579
<i>Adjustments of International Financial Reporting Standards (IFRS)</i>		(103.708)		(1.833.822)	19.276.804	<i>17.339.275</i>	428.261	17.767.535
Equity at 1st January 2004 according to IFRS	16.624.192	63.316.438	0	21.981.624	16.202.059	118.124.313	12.153.801	130.278.114
Changes in Equity for the period 01/01 - 30/09/2004								
Net Profit/Loss transferred to fair value reserves from a change on the fair value of financial assets available for sale			(729.011)			(729.011)		(729.011)
Dividend distribution of 2003 reconized as a liability in the period in which dividends approved by the General Assembly.					(8.392.096)	(8.392.096)	(120.000)	(8.512.096)
Net Profit for the period 01/01-30/09/2004					9.452.369	9.452.369	1.252.942	10.705.311
Total Profit /Loss for the Period	0	0	(729.011)	0	1.060.273	331.262	1.132.942	1.464.203
Total shareholders' equity at 30 September 2004	16.624.192	63.316.438	(729.011)	21.981.624	17.262.332	118.455.575	13.286.742	131.742.317
Equity at 1st January 2005 according to Greek GAAP	16.624.192	63.420.146	0	32.122.408	(1.552.287)	110.614.460	12.888.163	123.502.623
<i>Adjustments of International Financial Reporting Standards (IFRS)</i>		(103.708)	1.271.097	(2.718.401)	22.810.205	<i>21.259.192</i>	671.863	21.931.055
Equity at 1st January 2005 according to IFRS	16.624.192	63.316.438	1.271.097	29.404.007	21.257.918	131.873.653	13.560.026	145.433.678
Changes in Equity for the period 01/01 - 30/09/2005								
Gains/Losses from the sale of financial assets available for sale recognized in profit and loss accounts			(1.271.097)			(1.271.097)		(1.271.097)
Reclassification of Share Premium		114.258			(114.258)	0		0
Share Capital increase through capitalization of share premium and reserve funds	70.133.310,00	(63.430.696)		(6.702.614)		0		0
Capitalisation taxes of share premium carried to net profit					-706.451,05	(706.451)		(706.451)
Share Capital decrease attributable to shareholders	(70.133.310)					(70.133.310)		(70.133.310)
Minority interests increase (from subsidiaries share issue)							1122,67	1.123
Dividend distribution of 2004 reconized as a liability in the period in which dividends approved by the General Assembly.					(10.390.120)	(10.390.120)	(450.246)	(10.840.366)
Net Profit for the period 01/01-30/09/2005				(193.514)	27.232.402	<i>27.038.888</i>	1.073.501	28.112.389
Total Profit /Loss for the Period	0,00	(63.316.438)	(1.271.097)	(6.896.128)	16.021.572,61	(55.462.090)	624.378,20	(54.837.712)
Total shareholders' equity at 30 September 2005	16.624.192	(0)	0	22.507.880	37.279.491	76.411.562	14.184.404	90.595.966

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4. Company Statement of Changes in Equity

Amounts in €	Share Capital Attributable To Shareholders					Total
	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Retained Earnings	
Equity at 1st January 2004 according to Greek GAAP	16.624.192	63.430.696	0	20.750.793		100.805.681
<i>Adjustments of International Financial Reporting Standards (IFRS)</i>		(114.258)		(1.438.594)	29.142.531	27.589.679
Equity at 1st January 2004 according to IFRS	16.624.192	63.316.438	0	19.312.198	29.142.531	128.395.360
<i>Changes in Equity for the period 01/01 - 30/09/2004</i>						
Net Profit/Loss transferred to fair value reserves from a change on the fair value of financial assets available for sale			(729.011)			(729.011)
Dividend distribution of 2003 reconized as a liability in the period in which dividends approved by the General Assembly.					(8.312.096)	(8.312.096)
Net Profit for the period 01/01-30/09/2004					7.650.636	7.650.636
Total Profit / Loss for the Period	0	0	(729.011)	0	(661.460)	(1.390.471)
Total shareholders' equity at 30 September 2004	16.624.192	63.316.438	(729.011)	19.312.198	28.481.072	127.004.889
Equity at 1st January 2005 according to Greek GAAP	16.624.192	63.430.696	0	27.445.546		107.500.435
<i>Adjustments of International Financial Reporting Standards (IFRS)</i>		(114.258)	1.271.097	(2.275.421)	32.098.896	30.980.314
Equity at 1st January 2005 according to IFRS	16.624.192	63.316.438	1.271.097	25.170.125	32.098.896	138.480.748
<i>Changes in Equity for the period 01/01 - 30/09/2005</i>						
Gains/Losses from the sale of financial assets available for sale recognized in profit and loss accounts			(1.271.097)			(1.271.097)
Reclassificarion of Share Premium		114.258,37			(114.258)	0
Share Capital increase through capitalization of share premium and reserve funds	70.133.310,00	(63.430.696)		(6.702.614)		0
Share Capital decrease attributable to shareholders	(70.133.310)					(70.133.310)
Capitalisation taxes of share premium carried to net profit					(706.451)	(706.451)
Dividend distribution of 2004 reconized as a liability in the period in which dividends approved by the General Assembly.					(10.390.120)	(10.390.120)
Net Profit for the period 01/01-30/09/2005				(193.514)	24.702.915	24.509.400
Total Profit / Loss for the Period	0	(63.316.438)	(1.271.097)	(6.896.128)	13.492.085	(57.991.578)
Total shareholders' equity at 30 September 2005	16.624.192	0	0	18.273.997	45.590.981	80.489.171

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5. Cash Flow Statement

Cash Flow Statement

Note	THE GROUP		THE COMPANY		
	nine month period to 30		nine month period to 30		
	September		September		
	2005	2004	2005	2004	
	Operating Activities				
	Profit after Tax	28.112.389	10.705.311	24.509.400	7.650.636
	Plus (Less) Adjustments:	14.558.326	7.160.062	10.813.579	4.594.478
(i)		42.670.716	17.865.373	35.322.979	12.245.114
	Plus (Less) Adjustments for working capital				
	Decrease / (Increase) in Inventories	(2.389.612)	(878.755)	(2.422.457)	(1.007.723)
	Decrease / (Increase) in Trade and other Receivables	24.864.740	(28.182.747)	18.904.403	(23.051.222)
	Decrease / (Increase) in other current assets	7.549.642	112.733	7.530.279	84.392
	Decrease / (Increase) in Trade and other Payables (except banks)	5.753.984	15.073.970	13.242.489	15.036.345
	Decrease / (Increase) in Provisions	0	0	0	0
	Decrease / (Increase) in retirement benefit obligations	0	0	0	0
		35.778.753	(13.874.798)	37.254.714	(8.938.209)
	Cash flow from Operating Activities	78.449.469	3.990.574	72.577.693	3.306.905
	Less: Debit interest and similar expenses Paid	(521.868)	(554.757)	(465.097)	(496.676)
	Less: Taxes Paid	(7.733.822)	(5.585.242)	(5.304.256)	(3.230.935)
	Net cash flow from Operating Activities	70.193.778	(2.149.424)	66.808.340	(420.706)
	Inventing Activities				
	Purchases of tangible assets	(3.092.874)	(4.936.031)	(2.715.757)	(4.584.843)
	Purchases of intangible assets	(3.517)	(22.917)	0	0
	Disposals from sale of tangible assets	352.255	136.394	343.065	133.172
	Proceeds from dividends	289.350	93.463	619.099	93.463
	Purchase of financial assets available for sale	0	(104.079)	0	(22.755)
	Purchase of financial assets at fair value through profit and loss	(450.000)	0	0	0
	Acquisition of subsidiary, associates and other investments	(817.080)	0	(817.080)	0
	Acquisition of subsidiary (minus subsidiary's cash)	0	0	(748)	0
	Sales of financial assets available for sale	8.546.581	0	8.546.581	0
	Sales of financial assets at fair value through profit and loss	0	992.751	0	6.495
	Interest received	463.017	570.291	432.173	511.687
	Proceeds from borrowing of affiliated parties	70.000	150.000	70.000	150.000
	Other	(5.145)	42.162	(5.145)	(4.160)
	Net cash flow from Invensting Activities	5.352.587	(3.077.965)	6.472.188	(3.716.941)
	Financing Activities				
	Subsidiaries Share issue	1.123	0	0	0
	Dividends Paid	(10.530.909)	(8.361.826)	(10.170.908)	(8.297.790)
	Proceeds from Borrowings	0	(15.825)	0	(15.825)
	Borrowings Paid	(133)	0	(133)	0
	Payments of finance lease liabilities (capital)	(9.863)	(11.286)	(9.863)	(11.286)
	Net cash flow from Financing Activities	(10.539.782)	(8.388.938)	(10.180.905)	(8.324.901)
	Net increase / decrease in cash and cash equivalents	65.006.583	(13.616.327)	63.099.624	(12.462.548)
	Cash and cash equivalents at the beginning of the period	9.157.778	36.355.645	4.416.374	30.385.015
	Cash and cash equivalents at the end of the period	74.164.361	22.739.318	67.515.998	17.922.467

- **Note (i)** The adjustments to Profit after Tax are described as follows:

Amounts in €

	THE GROUP		THE COMPANY	
	nine month period to 30		nine month period to 30	
	September		September	
	2005	2004	2005	2004
Adjustments to Profit after Tax for:				
Income Tax	11.618.836	4.947.673	9.681.104	3.081.317
Depreciation of tangible assets	3.756.844	3.522.692	3.124.199	2.862.807
Depreciation of intangible assets	11.705	13.254	0	3.143
Provisions	3.158.561	110.979	2.517.595	0
Income from reverse of provisions	(308.818)	(1.169.600)	(278.024)	(1.151.055)
Profit / Loss from the Disposal of tangible assets	(104.778)	(67.205)	(117.838)	(65.166)
Gains / (Losses) from the fair value recognition of financial assets through profit and loss	(59.946)	0	0	0
Gains from sale of financial assets available for sale	(3.499.579)	(144.678)	(3.499.579)	(187)
Credit interest and similar income	(463.017)	(570.291)	(432.173)	(511.687)
Debit interest and similar expenses	521.868	554.757	465.097	496.676
Proceeds from dividends	(289.350)	(93.463)	(619.099)	(93.463)
Depreciation of grants - Granted rights	(27.703)	(27.908)	(27.703)	(27.908)
Losses from equity participations in associates	243.703	83.851		
Other				
Total Adjustments to Profit after Tax	14.558.326	7.160.062	10.813.579	4.594.478

6. Reconciliation between Greek GAAP and IFRS (Amounts in €)

	Note	THE GROUP			THE COMPANY		
		1/1/2004	31/12/2004	30/9/2004	1/1/2004	31/12/2004	30/9/2004
Total Equity according to Greek GAAP		112.510.584	123.502.621	127.123.155	100.805.681	107.500.435	113.080.760
Adjustments of International Financial Reporting Standards (IFRS)							
Reclassification of grants (from equity to non current liabilities)		(149.048)	(111.838)	(121.140)	(149.048)	(111.838)	(121.140)
Adjustment from revaluation of property, plant and equipment	(i)	47.000.812	41.851.536	45.398.103	36.482.576	32.359.981	34.960.247
Adjustments from derecognition of formation and other capitalised expenses		(1.363.242)	61.390	(464.454)	(1.221.568)	193.342	(322.780)
Adjustments from construction contracts	(ii)	(2.390.755)	(193.532)	(2.612.544)	(1.538.514)	389.673	(3.822.264)
Recognition of dividends at the period that are approved by the General Assembly	(iii)	8.312.096	10.390.120	0	8.312.096	10.390.120	0
Adjustment to the profits distribution (dividends from Subsidiaries) for the year 2003				(200.000)			
Valuation of available for sale financial assets at fair value	(iv)	(9.346)	327.457	(102.473)	(9.346)	327.457	(102.473)
Valuation of financial assets at fair value through profit or		228.856	1.427	95.094	0	0	0
Accrued retirement benefit obligations	(v)	(2.259.218)	(1.695.449)	(1.850.348)	(1.752.987)	(1.228.950)	(1.283.150)
Recognition of finance leases		9.505	2.212	25.811	9.505	2.212	25.811
Recognition of Deferred Tax		(15.937.650)	(14.400.551)	(15.553.652)	(11.799.294)	(10.755.124)	(11.027.946)
Not recognized consolidation differences as Goodwill	(vi)	(15.268.653)	(14.287.640)	(14.532.894)	0	0	0
Adjustments from consolidation of investments associates under the equity method	(vii)	(248.647)	(14.076)	(332.498)	0	0	0
Recognition of derivative financial instruments	(viii)	(157.180)	0	0	(157.180)	0	0
Write-off free of charge acquired shares of affiliated		0	0	0	(586.560)	(586.560)	(586.560)
Provision for income tax for interim period		0	0	(5.201.035)	0	0	(3.852.666)
Recognition of foreign exchange to profit and loss	(ix)	0	0	57.049	0	0	57.049
Other		0	0	14.143			
Total Adjustments		17.767.530	21.931.057	4.619.162	27.589.679	30.980.314	13.924.129
Total Equity according to IFRS		130.278.114	145.433.678	131.742.317	128.395.360	138.480.748	127.004.889

Adjustments to Profit and Loss

	Note	THE GROUP		THE COMPANY	
		12 months to 31/12/2004	9 months to 30/09/2004	12 months to 31/12/2004	9 months to 30/09/2004
Total Profit after Tax according to Greek GAAP		17.810.190	15.437.430	14.298.599	12.938.872
<i>Adjustments of International Financial Reporting Standards (IFRS)</i>					
Adjustments from derecognition of formation and other capitalised expenses		7.513	0	0	0
Adjustments from construction contracts	(ii)	2.197.223	(221.789)	1.928.187	(2.283.750)
Impact from adjustments to the useful life and net value	(i)	(2.352.185)	(1.602.709)	(2.233.403)	(1.522.329)
Reversal of depreciations of formation expenses, capitalised under previous GAAP		1.414.909	898.788	1.414.909	898.788
Valuation of financial assets at fair value through profit or		(227.426)	(133.762)	0	0
Accrued retirement benefit obligations	(v)	563.769	408.870	524.037	469.837
Recognition of finance leases		(7.293)	16.306	(7.293)	16.306
Recognition of Deferred Tax		642.738	383.998	439.630	771.348
Reversal of goodwill's depreciation	(vi)	981.013	735.759	0	0
Adjustments from consolidation of investments associates under the equity method	(vii)	234.571	(83.851)	0	0
Derivatives financial instruments recognition	(viii)	157.180	157.180	157.180	157.180
Provision for income tax for interim period		0	(5.201.035)	0	(3.852.666)
Recognition of foreign exchange to profit and loss	(ix)	0	57.049	0	57.049
Tax inspection differences		0	(130.636)	0	0
Other			(16.288)	0	0
Total Adjustments		3.612.011	(4.732.120)	2.223.247	(5.288.235)
Profit according to IFRS		0,00	21.422.201	16.521.846	7.650.636

Notes

(i) – Adjustments from revaluation of property, plant and equipment

Property, plant and machinery were revalued on transition date to IFRS (01/01/2004) at deemed cost according to IFRS 1. The deemed cost is the fair value of the asset on transition date, which was defined by independent real estate appraisal.

Other tangible assets (such as equipment and vehicles) were valued at historic cost less accumulated depreciation. The depreciation of these assets was reassessed based on their true useful life. The effect on the above assets due to the revaluation, on transition date is summarized as follows:

<i>Amounts in € '000s</i>	THE GROUP	THE COMPANY
<i>Tangible assets valued at fair value (deemed cost)</i>		
Fair value as deemed cost according to IFRS	64.746	47.401
Carrying amount on transition date, according to Greek GAAP	18.193	11.362
Total Adjustments to book value	46.552	36.039
<i>Tangible assets valued at historic cost less accumulated depreciation</i>		
Value on transition date according to IFRS (adjusted useful life)	2.874	1.640
Value on transition date according to Greek GAAP (useful life determined by P.D. 100/98)	2.426	1.197
Total Adjustments on carrying amount	449	443
Total Adjustments on tangible assets on transition date	47.001	36.483

The changes in 2004 resulted from:

- The revaluation of property and plant according to previous GAAP and the clauses of N.2065.
- The recalculation of the depreciation on the new adjusted values of the assets and based on their true useful life.

The changes in the interim period 01/01 – 30/09/2004 resulted from the recalculation of the depreciation on the new adjusted values of the assets and based on their true useful life.

(ii) – Adjustments from construction contracts

The accounting treatment of income and expense resulted from construction contracts, is based on IAS 11. They are recognised on profit and loss using the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion resulting in the reporting revenue, expenses and profit which can be attributed to the proportion of the work completed. In addition any expected loss on individual contracts is recognized immediately as an expense in the income statement. The effect to Group's equity is as follows:

Amounts in € '000	Adjustments from the implementation of IAS 11 in Equity					
	THE GROUP			THE COMPANY		
	1-Jan-04	31-Dec-04	30-Sep-04	1-Jan-04	31-Dec-04	30-Sep-04
Write-off, of actual cost of construction contracts which has been completed, but according to previous GAAP had been recognized as Inventory.	-13.588	-12.732	-8.003	-11.741	-12.439	-6.475
Recognition of contract revenue according to the proportion of the work completed.	11.973	12.589	5.537	10.979	12.847	2.750
Recognition of Provision for expected loss on individual contracts.	-777	-51	-147	-777	-18	-97
Total adjustments from the implementation of IAS11	-2.392	-194	-2.613	-1.539	390	-3.822

Due to the estimation of income and expenses generated from construction contracts on 31/12/2004, Group's contracts' cost of sale was decreased by € 855 th., turnover and other income was increased by € 617 th. and € 725 th. respectively. The amount of € 725 th. refers to expected loss on individual contracts which had been recognized as an expense in the income statement on previous years and in fiscal year 2004 their construction completed.

Due to the estimation of income and expenses generated from construction contracts on 31/12/2004, company's contracts' cost of sale was increased by € 698 th., turnover and other income was increased by € 1.868 th. and € 758 th. respectively.

For the first nine-month period of 2004, an amount of € 222 th. was charged to the consolidated profit and loss and € 2.284 th. to the company's profit and loss.

(iii) – Recognition of dividends at the period that are approved by the General Assembly

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

(iv) – Valuation of financial assets at fair value through profit or loss

The Group classified, on transition date according to IFRS 1, its financial instruments as "financial assets available-for-sale", "derivative financial instruments" and "financial assets at fair value through profit and loss" (on transition date, i.e. 01/01/2004).

Financial instruments that can be reliably measured were revalued on transition date at fair value. A gain or loss arising from a change in the fair value of financial assets available for sale is transferred to the Revaluation Reserve. A gain or loss arising from a change on the fair value of financial assets at fair value through profit and loss is recognized in profit or loss accounts. It must be mentioned that the company had been following similar policy with the Greek GAAP and recognized the relevant result from the valuation of the above-mentioned assets to Equity.

(v) – Pension obligations and short term employee benefits

According to International Accounting Standards the Group recognizes as liability the present value of its legal obligation for a lump sum payment to the employees as remuneration due to retirement. The above-mentioned liability on transition date for the Group amounted to € 2.259 th. (€1.752 th. for the parent company), which was estimated by actuarial study.

The date on which the liability was first estimated was on 31 December 2004. In order to estimate the liability for 31 December 2003 the same actuarial assumptions were used.

As a result Group's profit for 2004 was increased by € 564 th. due to a decrease of the employers of METKA A.E (parent company's profit was increased by € 524 th.).

For the nine-month period of 2004 the above gain for the group amounted to € 429 th. (and € 472 th. for the parent company).

(vi) – Not recognized consolidation differences as Goodwill

The Group, according to IFRS1, used the option of not applying IFRS 3 retrospectively, thus goodwill generated by acquisitions of subsidiaries prior to transition date was not determined.

In addition, examining cost/benefit relation from the analytical application of IFRS3 regarding the recognition of goodwill, the Group did not recognise goodwill amounted to € 15.269 th. which had been recognized according to previous GAAP.

Therefore, even though it is appreciated that the expected results from these investments in affiliated companies will exceed the cost of investment, the Group erased the goodwill, which had been recognized according to previous GAAP and transferred it on "Results carried forward" of financial statements.

Consolidated profit for the fiscal year 2004 and the nine-month period of 2004, included an income amounted to € 981 th. and € 735,8 th. respectively, regarding to goodwill amortization according to previous GAAP.

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

The Group consolidates investments in associates using the equity method. Investments in Associates at the date of transition include "MYTILINEOS – POWER GENERATION AND SUPPLIES S.A.» and "MYTILINEOS – HELLENIC WIND POWER S.A.".

The Group according to previous GAAP consolidated the abovementioned companies on 31/12/2004 and recognized the proportion of accumulated results of the above companies.

As a result on transition date, an amount of € 249 th. was charged to consolidated profit and loss which refers to the losses these companies presented up to 31/12/2003.

Impact to Group's equity arising from the consolidation of investments in associates at 31/12/2004 is related to adjustments in their financial statements in order to be consistent with IFRS.

(viii) – Recognition of derivative financial instruments

According to the new GAAP, the group recognized a relevant commitment from a forward (purchase of Euros against Dollars). This forward signed at the end of fiscal year 2003 and expired at the beginning of 2004. The amount of € 157 th. is the revenue which arised from the expiry of the forward. According to the previous GAAP the abovementioned forward presented on memo accounts.

(ix) – Recognition of foreign exchange to profit and loss

Accumulated provision for credit exchange differences, formed under previous GAAP, was transferred to equity on 31/12/2003. During 2004 the exchange differences were transferred to profit and loss as incurred.

7. Additional information and explanations

7.1 Basis of preparation and accounting policies

The consolidated financial statements of METKA A.E. for the nine-month period of 2005 (transition date January 1st of 2004) covering the period from the 1st of January to the 30th of September of 2005, have been prepared based on the principals of the historic cost, adjusted for certain assets and liabilities to fair value and going concern. They are in accordance with the International Financial Reporting Standards (I.F.R.S.) and more specifically with International Accounting Standard (I.A.S.) 34 "Interim financial statements.

International Accounting Standards Board (I.A.S.B.) has issued a series of I.F.R.S. and I.A.S. which is referred to as "the I.F.R.S. Stable Platform 2005". The Group applies the I.F.R.S. Stable Platform 2005 from 1st January of 2005. This includes the following new and revised standards:

*Interim Financial Statements for the nine-month period
from the 1st of January to the 30th of September 2005*

I.A.S. 1	Presentation of financial statements
I.A.S. 2	Inventories
I.A.S. 7	Cash Flow Statements
I.A.S. 8	Accounting Policies, Changes in Accounting Estimates and Errors
I.A.S. 10	Events after the Balance Sheet Date
I.A.S. 11	Construction Contracts
I.A.S. 12	Income Taxes
I.A.S. 14	Segment Reporting
I.A.S. 16	Property, Plant and Equipment
I.A.S. 17	Leases
I.A.S. 18	Revenue
I.A.S. 19	Employee Benefits
I.A.S. 20	Accounting for Government Grants and Disclosure of Government Assistance
I.A.S. 21	The Effects of Changes in Foreign Exchange Rates
I.A.S. 23	Borrowing Costs
I.A.S. 24	Related Party Disclosures
I.A.S. 26	Accounting and Reporting by Retirement Benefit Plans
I.A.S. 27	Consolidated and Separate Financial Statements
I.A.S. 28	Investments in Associates
I.A.S. 29	Financial Reporting in Hyperinflationary Economies
I.A.S. 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
I.A.S. 31	Interests in Joint Ventures
I.A.S. 32	Financial Instruments: Disclosure and Presentation
I.A.S. 33	Earnings per Share
I.A.S. 34	Interim Financial Reporting
I.A.S. 36	Impairment of Assets
I.A.S. 37	Provisions, Contingent Liabilities and Contingent Assets
I.A.S. 38	Intangible Assets
I.A.S. 39	Financial Instruments: Recognition and Measurement
I.A.S. 40	Investment Property
I.A.S. 41	Agriculture
I.F.R.S. 1	First-time Adoption of International Financial Reporting Standards
I.F.R.S. 2	Share-based Payment
I.F.R.S. 3	Business Combinations
I.F.R.S. 4	Insurance Contracts
I.F.R.S. 5	Non-current Assets Held for Sale and Discontinued Operations

The financial statements are consistent with I.F.R.S. 1 “First time adoption of International Financial Reporting Standards” as they comprise the first financial statements to be prepared and published on this basis.

The preparation of the financial statements according to I.F.R.S. requires the use of estimates and assertions. Major assumptions made by the management in order to apply certain accounting policies have been highlighted where appropriate.

The accounting policies used on the preparation of the interim financial statements for the nine-month period are consistent to those used in the interim consolidated financial statements for the first semester of 2005 and have been applied consistently in all the periods that are presented. In order to gain a more thorough opinion the financial statements should be read in conjunction with the interim consolidated financial statements for the semester of 2005.

7.2 Group’s structure and consolidation method

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

Subsidiaries	Headquarters	Participation Percentage	Relation that dictated the consolidation
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	VOLOS	99,98%	The participation percentage
EKME A.E.	IONIA THESSALONIKIS	40,00%	Control over the entity
RODAX ATEE	N.IRAKLION, ATTIKIS	100,00%	The participation percentage
3KP ATEE	ATHENS	40,00%	Control over the entity

In the Consolidated Balance Sheet are included the following affiliated companies with the Equity Method:

Companies	Headquarters	Participation Percentage
MYTILINEOS – POWER GENERATION AND SUPPLIES S.A.	MAROUSI	33,00%
MYTILINEOS – HELLENIC WIND POWER S.A.	MAROUSI	24,00%

The financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 60,61% of METKA Group.

7.3 Commitments

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

<i>Amounts in €</i>	THE COMPANY		THE GROUP	
	30 September 2005	31 st December 2004	30 September 2005	31 st December 2004
Commitments due to construction contracts				
Value of unexecutable construction contracts	423.359.924	387.153.123	493.121.922	442.312.587
Granted guarantees of good performance	95.504.585	126.823.727	97.639.404	128.896.702

7.4 Gains from the sale of financial assets available for sale

During the nine-month period of 2005 (01/01-30/09/2005) the group sold financial assets available for sale and as a result transferred in profit and loss accounts the amount of € 3.499.579. The abovementioned profit is analyzed as follows:

	01.01-30.09.2005	01.01-30.06.2005	01.07-30.09.2005
Net profit from the sale of financial assets available for sale	8.546.581	8.546.581	0
Less: Book Value of financial assets available for sale	(6.318.099)	(6.318.099)	0
Plus: Gains from Sale	2.228.482	2.228.482	0
Plus: Revaluation Reserve	1.271.097	1.271.097	0
Net Profit of sale tranfered to Profit and Loss accounts of the period	3.499.579	3.499.579	0

7.5 Pledges on Group's Assets

There are no pledges on Group's assets.

7.6 Litigation

There are no substantial disputes in courts or in arbitration procedure that can influence the operation and the financial results of the Company and the Group of Companies.

7.7 Tax unaudited fiscal years

The company has been tax audited until the fiscal year 2000. Consequently company's tax liabilities for the fiscal years 2001 – 2004 have not been finalized.

The non audited fiscal years for the Group, are presented as follows:

- SERVISTEEL AE : 2003-2004
- RODAX A.T.E.E. : 2001-2004
- EKME. AE : 2001-2004
- 3 KP A.T.E.E. : 2003-2004

7.8 Contingent Liabilities and Contingent Assets

Contingent Liabilities

There are no substantial disputes in courts or in arbitration procedure that can influence the operation and the financial results of the company and the group.

Contingent Assets

The Group has accumulated claims amounting to € 2.200 th. from insurance companies, relating to damages incurred at the construction process. The outcome of the above mentioned claims are in the stage of finalization by the insurance companies. In addition the Group has submitted demands to its construction customers, amounting to € 1.500 th. for executed work that is not related to Contractual Obligations.

7.9 Number of employees & employees benefits

The number of employees at the end of the reporting period for the Group and for the parent company are presented at the table below:

	THE GROUP		THE COMPANY	
	30/9/05	30/9/04	30/9/05	30/9/04
Full time employees	293	299	210	221
Daily – wage employees	253	370	91	132
Total	546	669	301	353

	THE GROUP		THE COMPANY	
	30/9/05	30/9/04	30/9/05	30/9/04
Wages, daily-wages and benefits	8.909.683	12.532.840	5.411.973	7.544.452
Social Security funds	2.214.694	3.086.338	1.292.725	1.766.246
Severance payments	650.165	1.451.650	572.005	1.345.456
Cost for retirement benefits	78.506	39.630	46.019	0
Other benefits	278.140	373.574	107.825	180.874
Total	12.131.188	17.484.033	7.430.547	10.837.029
Amount transferred in profit and loss accounts	11.336.820	15.353.326	6.712.007	8.744.483
Amounts capitalized	794.368	2.130.707	718.540	2.092.546
Total	12.131.188	17.484.033	7.430.547	10.837.029

7.10 Related party transactions (Purchases – Sales) 30/09/2005

		BUYING COMPANY													TOTAL	
		METKA S.A. (Trade)	METKA S.A. (Loan)	MYTILINEOS S.A.	RODAX A.T.E.E.	EKME S.A.	3 KP S.A.	SERVIST EEL S.A.	ELVO S.A.	STALK O	ELEMKA	STANMED	RDA	EUR. ANTIPRO SOPEIES METALLO N		MYTILINEOS – POWER GENERATION AND SUPPLIES S.A.
METKA S.A. (Trade)	-					160.000	142.365	31.625	289.350	413				11.577		635.330
METKA S.A. (Loan)	-											258.921				258.921
MYTILINEOS S.A.	Parent Company	792.096			209.941											1.002.037
RODAX A.T.E.E.	Subsidiary	28.975.094														28.975.094
EKME S.A.	Subsidiary	230.312		21.068	769.795											1.021.175
3 KP S.A.	Subsidiary															0
SERVISTEEL S.A.	Subsidiary	1.408.033							0	0						1.408.033
ELVO S.A.	Affiliate	382.082														382.082
STALKO	Affiliate	1.741														1.741
ELEMKA	Company of Mytilineos Group of Companies	(6.627)														(6.627)
STANMED	Company of Mytilineos Group of Companies															0
RDA	Company of Mytilineos Group of Companies															0
EUR. ANTIPROSOPEI ES METALLON	Company of Mytilineos Group of Companies															0
MYTILINEOS – POWER GENERATION AND SUPPLIES S.A.	Company of Mytilineos Group of Companies															0
TOTAL		31.782.730	0	21.068	979.737	160.000	142.365	31.625	289.350	413	0	258.921	0	11.577	0	

SELLING COMPANY			METKA S.A.	METKA S.A.	MYTILINEOS	RODAX	EKME S.A.	3 KP S.A.	SERVIS	ELVO S.A.	STAL	ELEMKA	STANMED	RDA	EUR.	MYTILINEOS –	TOTAL
			(Trade)	(Loan)	S S.A.	A.T.E.E.			TEEL		KO	A			ANTIPR	POWER	
									S.A.						OSOPEI	GENERATION	
															ES	AND SUPPLIES	
															METALL	S.A.	
															ON		
METKA S.A. (Trade)	-				1,099,734	7,975		46,400	22,069			9,162			2,012	6,228	1,193,581
METKA S.A. (Loan)	-												260,980				260,980
MYTILINEOS S.A. Parent Company		91,942				11,490											103,432
RODAX A.T.E.E. Subsidiary		14,288,583															14,288,583
EKME S.A. Subsidiary					0												0
3 KP S.A. Subsidiary		60,000															60,000
SERVISTEEL S.A. Subsidiary		1,112,370								10,243	0						1,122,612
ELVO S.A. Affiliate		1,280															1,280
STALKO Affiliate		474,324															474,324
ELEMKA Company of Mytilineos Group of Companies		256,070															256,070
STANMED Company of Mytilineos Group of Companies																	0
RDA Company of Mytilineos Group of Companies																	0
EUR. ANTIPROSOP EIES METALLON Company of Mytilineos Group of Companies		0															0
MYTILINEOS – POWER GENERATION AND SUPPLIES S.A. Company of Mytilineos Group of Companies																	0
TOTAL		16,284,568	0	1,099,734	19,465	0	46,400	22,069	10,243	0	9,162	260,980	0	2,012	6,228		

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DEBTS

		METKA S.A. (Trade)	METKA S.A. (Loan)	MYTILIN EOS S.A.	RODAX A.T.E.E.	EKME S.A.	3 KP S.A.	SERVISTEE EL S.A.	ELVO S.A.	STALKO	ELEMKA	STANMED	RDA	EUR. ANTIPROS SOPEIES METALLON	MYTILI NEOS – POWER GENERA TION AND SUPPLIE S S.A.	TOTAL
RECEIVABLES	METKA S.A. (Trade)	-					140.160	32.012	289.530	491			3.297.683	78.565	0	3.838.441
	METKA S.A. (Loan)	-										8.230.000				8.230.000
	MYTILINE OS S.A.	Parent Company	281.304			73.057										354.360
	ALUMINIUM DE GRECE	Company of Mytilneos Group of Companies	26.710.000													26.710.000
	RODAX A.T.E.E.	Subsidiary	21.164.607													21.164.607
	EKME S.A.	Subsidiary	62.239			432.107										494.346
	3 KP S.A.	Subsidiary														0
	SERVISTEE L S.A.	Subsidiary	1.907.987							0	0				0	1.907.987
	ELVO S.A.	Affiliate	104.258													104.258
	STALKO	Affiliate	0													0
	ELEMKA	Company of Mytilneos Group of Companies	(157)													(157)
	STANMED	Company of Mytilneos Group of Companies														0
	RDA	Company of Mytilneos Group of Companies														0
	EUR. ANTIPROS OPEIES METALLON	Company of Mytilneos Group of Companies														0
	MYTILINE OS – POWER GENERA TION AND SUPPLIES S.A.	Company of Mytilneos Group of Companies														0
	TOTAL		50.230.237	0	0	505.164	0	140.160	32.012	289.530	491	0	8.230.000	3.297.683	78.565	0

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		DEBTS													TOTAL		
		METKA S.A. (Trade)	METKA S.A. (Loan)	MYTILIN EOS S.A.	RODAX A.T.E.E.	EKME S.A.	3 KP S.A.	SERVISTEE EL S.A.	ELVO S.A.	STALKO	ELEMKA	STANMED	RDA	EUR. ANTIPRO SOPEIES METALLO N	MYTILI NEOS – POWER GENERA TION AND SUPPLIE S S.A.	TOTAL	
RECEIVABLES	METKA S.A. (Trade)	-		8	8.850		54.752	41.205	0	0	0		3.200.153	71.005	7.349	3.383.321	
	METKA S.A. (Loan)	-										8.350.000				8.350.000	
	MYTILINE OS S.A.	Parent Company	122		13.558												13.679
	RODAX A.T.E.E.	Subsidiary	9.504.903		13.558												9.518.461
	EKME S.A.	Subsidiary	105.208		0												105.208
	3 KP S.A.	Subsidiary	32.003														32.003
	SERVISTEE L S.A.	Subsidiary	1.853.167		10.198				0	0						0	1.863.365
	ELVO S.A.	Affiliate	1.510														1.510
	STALKO	Affiliate	390.746														390.746
	ELEMKA	Company of Mytilneos Group of Companies	14.161														14.161
	STANMED	Company of Mytilneos Group of Companies															0
	RDA	Company of Mytilneos Group of Companies															0
	EUR. ANTIPROS OPEIES METALLO N	Company of Mytilneos Group of Companies															0
	MYTILINE OS – POWER GENERA TION AND SUPPLIES S A	Company of Mytilneos Group of Companies															0
	TOTAL		11.901.821	0	23.764	22.408	0	54.752	41.205	0	0	0	8.350.000	3.200.153	71.005	7.349	

The above transactions realized according the commercial terms of the market.

The transactions with Stanmed referring to a loan which is analyzed as following:

<i>Amounts in '000 €</i>	THE COMPANY	
	30/09/2005	30/09/2004
Beginning of the year	8.300	8.680
Proceeds from borrowing of affiliated parties	(70)	(200)
Interest charged	259	349
Interest received	(259)	(529)
End of the period	8.230	8.300

Except of the above no loans have been granted to related parties.

Benefits to management are described as follows:

	THE GROUP		THE COMPANY	
	30/9/05	30/9/04	30/9/05	30/9/04
Salaries and other short term employee benefits	1.975.918	624.342	1.756.876	406.698
Total	1.975.918	624.342	1.756.876	406.698

No loans have been granted to the Directors and Managers of the METKA Group (and their families).

7.11 Earnings per Share

Earnings per Share have been calculated on the basis of net profits distribution over the number of shares. The earnings per share (in cent / share) for the company and the group are as follows:

<i>Amounts in €</i>	THE GROUP				THE COMPANY			
	01/01 - 30/09/2005	01/07 - 30/09/2005	01/01 - 30/09/2004	01/07 - 30/09/2004	01/01 - 30/09/2005	01/07 - 30/09/2005	01/01 - 30/09/2004	01/07 - 30/09/2004
Profit before Tax	39.731.225	9.990.984	15.652.984	6.438.339	34.190.504	8.830.674	10.731.954	3.156.309
Less Taxes	-11.618.836	-3.197.020	-4.947.673	-2.627.735	-9.681.104	-2.824.860	-3.081.317	-1.051.358
Profit after Tax (1)	28.112.389	6.793.964	10.705.311	3.810.603	24.509.400	6.005.814	7.650.636	2.104.951
Distributed at:								
Shareholders of the Parent (2)	27.038.888	6.449.562	9.452.369	3.147.195				
Minority interests	1.073.501	344.403	1.252.942	663.409				
Weighted average number of shares (3)	28.112.389	6.793.964	10.705.311	3.810.603	51.950.600	51.950.600	51.950.600	51.950.600
Profit after Tax per Share (in cents / share)	(2)/(3): 52,05	(2)/(3): 12,41	(2)/(3): 18,19	(2)/(3): 6,06	(1)/(3): 47,18	(1)/(3): 11,56	(1)/(3): 14,73	(1)/(3): 4,05

7.12 Subsequent events

According to the 161/2005 order of the Tax Audit Authorities, the regular tax control for the unaudited years 2001-2004 has started for the mother company.

Up to the date of conclusion of the financial statements, the tax control is in progress and has not been completed yet.

Further to the decision of the extraordinary General Assembly of shareholders, the share capital has been reduced by € 70.133.310,00 with the reduction of nominal value per share by € 1,35 (from € 1,67 in € 0,32 per share). The abovementioned decision was approved by the Ministry of Development on 29/09/2005 (Decision No. K2-12347). The Athens Stock Exchange Board of Directors was informed on 18/10/2005 that the reduction of the share capital of the company was approved by the Ministry of Development, so the payment to the shareholders started on 31/10/2005.

Except of the above-mentioned events, there are no significant subsequent events which should be announced for the purposes of IFRS.