



# ALUMINIUM OF GREECE S.A.

**Interim Financial Statements  
for the six month period from  
1<sup>st</sup> January to 30<sup>th</sup> June 2006**

We confirm that the attached Interim Financial Statements, for the period 01/01 – 30/06/2006, are those approved by the Board of Directors of “ALUMINIUM OF GREECE S.A.” at 01/08/2006 and have been published to the electronic address [www.alhellas.gr](http://www.alhellas.gr). It is noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company’s and Group’s financial results and position, according to International Accounting Standards. It is also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures.

Jason STRATOS

Chairman of the Board of Directors of

ALUMINIUM OF GREECE S.A.

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## **1. Review Report**

**To the shareholders of ALUMINIUM OF GREECE S.A.**

We have reviewed the accompanying interim financial statements and the Consolidated Financial Statements of ALUMINIUM OF GREECE S.A., as of and for the six-month period ended 30 June 2006. These interim financial statements are the responsibility of the Company's management.


We conducted our review in accordance with the Greek Review Standard, which is based on the International Standard on Review Engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as well as the accompanying interim consolidated financial statements do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with the International Financial Reporting Standards that have been adopted by the European Union (IAS 34).

Athens, 01 August 2006  
Chartered Accountants

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## 2. Balance sheet at 30<sup>th</sup> June 2006

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>30/06/2006</b>	<b>31/12/2005</b>	<b>30/06/2006</b>	<b>31/12/2005</b>
<b>ASSETS</b>				
Property, plant and equipment	362.587.214	324.507.217	359.054.561	320.759.655
Intangible assets	4.985.043	5.100.627	813.755	920.403
Investments in subsidiaries	-	-	19.213.937	19.213.937
Deferred tax asset	1.291.296	1.316.854	-	-
Available-for-sale financial assets	-	11.236.326	-	11.236.326
Other non current assets	383.992	392.769	314.486	323.562
<b>Non-Current Assets</b>	<b>369.247.544</b>	<b>342.553.793</b>	<b>379.396.739</b>	<b>352.453.883</b>
Inventories	66.256.537	62.705.339	64.896.293	60.763.704
Trade and other receivables	78.670.761	68.042.303	78.574.627	68.030.055
Other receivables	45.274.629	62.042.392	44.045.450	60.439.061
Cash and cash equivalents	17.974.101	41.187.551	15.251.410	38.931.752
<b>Current Assets</b>	<b>208.176.028</b>	<b>233.977.585</b>	<b>202.767.780</b>	<b>228.164.572</b>
<b>Total Assets</b>	<b>577.423.573</b>	<b>576.531.378</b>	<b>582.164.519</b>	<b>580.618.455</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	201.606.243	210.585.182	201.606.243	210.585.182
Share premium	170.725	230.489	170.725	230.489
Fair value reserves	(8.269.015)	5.720.962	(8.269.015)	5.720.962
Other reserves	71.675.941	46.221.001	76.418.031	53.287.725
Retained earnings	180.633.189	185.258.291	180.515.983	184.658.067
<b>Equity attributable to shareholders</b>	<b>445.817.081</b>	<b>448.015.925</b>	<b>450.441.966</b>	<b>454.482.426</b>
Minority interests	3.356	2.941	-	-
<b>Total Equity</b>	<b>445.820.437</b>	<b>448.018.866</b>	<b>450.441.966</b>	<b>454.482.426</b>
<b>LIABILITIES</b>				
<b>Long-Term Liabilities</b>				
Deferred tax liability	4.205.976	7.288.047	4.205.976	7.288.047
Pension plans	32.234.059	30.259.536	30.531.998	28.525.352
Other long-term liabilities	4.767.995	4.806.142	4.767.995	4.806.142
Provisions	11.762.878	11.895.325	9.615.650	9.474.814
<b>Total Long-Term Liabilities</b>	<b>52.970.909</b>	<b>54.249.050</b>	<b>49.121.619</b>	<b>50.094.355</b>
<b>Short-Term Liabilities</b>				
Trade and other payables	33.941.444	35.843.702	39.067.692	38.160.457
Tax payable	19.687.926	21.960.235	19.162.402	21.802.198
Derivatives	11.646.501	564.730	11.646.501	564.730
Other payables	13.356.356	15.894.795	12.724.340	15.514.289
<b>Total Short-Term Liabilities</b>	<b>78.632.227</b>	<b>74.263.463</b>	<b>82.600.934</b>	<b>76.041.674</b>
<b>Total Liabilities</b>	<b>131.603.136</b>	<b>128.512.512</b>	<b>131.722.553</b>	<b>126.136.029</b>
<b>Total Equity and Liabilities</b>	<b>577.423.573</b>	<b>576.531.378</b>	<b>582.164.519</b>	<b>580.618.455</b>



### 3. Income Statement at 30<sup>th</sup> June 2006

	THE GROUP				THE COMPANY			
	01/01 - 30/06/2006	01/01 - 30/06/2005	01/04 - 30/06/2006	01/04 - 30/06/2005	01/01 - 30/06/2006	01/01 - 30/06/2005	01/04 - 30/06/2006	01/04 - 30/06/2005
Sales	235.447.632	180.325.036	125.316.639	94.694.261	235.440.708	180.325.036	125.310.829	94.694.261
Cost of sales	(182.373.788)	(145.692.298)	(95.996.586)	(77.644.516)	(184.740.850)	(147.918.907)	(97.369.329)	(79.066.034)
<b>Gross profit</b>	<b>53.073.843</b>	<b>34.632.738</b>	<b>29.320.052</b>	<b>17.049.745</b>	<b>50.699.859</b>	<b>32.406.129</b>	<b>27.941.500</b>	<b>15.628.226</b>
Other operating income	3.265.054	4.036.082	1.894.313	2.126.986	3.013.121	3.913.302	1.678.715	2.009.114
Distribution expenses	(581.682)	(527.508)	(395.842)	(302.127)	(529.298)	(474.292)	(374.163)	(271.464)
Administrative expenses	(2.009.772)	(2.691.331)	(1.203.551)	(1.499.119)	(1.750.480)	(2.133.021)	(1.015.036)	(1.080.940)
Other expenses	(3.242.213)	(1.313.169)	(841.426)	46.714	(3.112.365)	(1.278.937)	(758.905)	48.650
<b>Profit before tax, borrowings and investments results</b>	<b>50.505.230</b>	<b>34.136.813</b>	<b>28.773.546</b>	<b>17.422.199</b>	<b>48.320.837</b>	<b>32.433.181</b>	<b>27.472.111</b>	<b>16.333.586</b>
Financial Income	854.116	1.200.581	568.547	635.694	823.278	1.197.545	550.569	633.956
Financial Expenses	(119.440)	(48.928)	(55.748)	(34.736)	(118.932)	(48.103)	(55.433)	(34.397)
Other financial results	10.506.083	4.399.139	1.101.416	4.399.139	10.506.083	5.698.846	1.101.416	5.698.846
<b>Profit before Tax</b>	<b>61.745.989</b>	<b>39.687.604</b>	<b>30.387.761</b>	<b>22.422.297</b>	<b>59.531.265</b>	<b>39.281.469</b>	<b>29.068.663</b>	<b>22.631.991</b>
Income tax expense	(15.850.292)	(16.677.384)	(6.888.576)	(7.583.702)	(15.477.600)	(16.101.938)	(6.734.551)	(7.214.683)
<b>Fiscal Year Net Operating Profit</b>	<b>45.895.697</b>	<b>23.010.220</b>	<b>23.499.185</b>	<b>14.838.594</b>	<b>44.053.665</b>	<b>23.179.531</b>	<b>22.334.113</b>	<b>15.417.308</b>
<b>Distributed at :</b>								
Equity holders of the parent	45.895.282	23.009.903	23.498.931	14.838.423	44.053.665	23.179.531	22.334.113	15.417.308
Minority interest	415	317	254	171	-	-	-	-
	45.895.697	23.010.220	23.499.185	14.838.594	44.053.665	23.179.531	22.334.113	15.417.308
<b>Basic earnings per share</b>	<b>1,12</b>	<b>0,53</b>	<b>0,57</b>	<b>0,34</b>	<b>1,07</b>	<b>0,54</b>	<b>0,55</b>	<b>0,36</b>
<b>Profit before tax, borrowings and investments results</b>	<b>50.505.230</b>	<b>34.136.813</b>	<b>28.773.546</b>	<b>17.422.199</b>	<b>48.320.837</b>	<b>32.433.181</b>	<b>27.472.111</b>	<b>16.333.586</b>
<b>Profit before tax, borrowings investments results and depreciation</b>	<b>57.041.075</b>	<b>40.450.966</b>	<b>31.983.944</b>	<b>20.548.801</b>	<b>53.602.125</b>	<b>37.544.920</b>	<b>30.096.053</b>	<b>19.576.717</b>

#### 4. Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent						Total Equity	Minority interest	Total Equity
	Share capital	Share premium	Fair value reserves	Hedging Reserves	Other reserves	Retained earnings			
<b>Balance at 1 January 2005 according to IFRS</b>	228.295.663	230.489	-	-	42.501.624	158.498.050	429.525.827	2.691	429.528.518
Net Profit/Losses directly booked in Equity	-	-	4.172.625	-	-	155.149	4.327.774	-	4.327.774
Period Result 1.1 - 30.06.2005	-	-	-	-	-	23.009.903	23.009.903	317	23.010.220
<b>Total Period Profit / Losses</b>	-	-	<b>4.172.625</b>	-	-	<b>23.165.052</b>	<b>27.337.677</b>	<b>317</b>	<b>27.337.994</b>
- Dividends	-	-	-	-	-	(21.578.040)	(21.578.040)	(293)	(21.578.333)
- Profit distribution for the period 2004	-	-	-	-	3.719.376	(3.719.376)	-	-	-
- Own Shares	(938.645)	-	-	-	-	-	(938.645)	-	(938.645)
<b>Equity Balance at 30th June 2005</b>	<b>227.357.019</b>	<b>230.489</b>	<b>4.172.625</b>	-	<b>46.221.001</b>	<b>156.365.686</b>	<b>434.346.819</b>	<b>2.716</b>	<b>434.349.535</b>

	Attributable to equity holders of the parent						Total Equity	Minority interest	Total Equity
	Share capital	Share premium	Fair value reserves	Hedging Reserves	Other reserves	Retained earnings			
<b>Balance at 1 January 2006 according to IFRS</b>	210.585.182	230.489	6.121.921	(400.959)	46.221.001	185.258.291	448.015.925	2.941	448.018.866
Net Profit/Losses directly booked in Equity	-	-	(6.121.921)	(7.868.057)	-	-	(13.989.978)	-	(13.989.978)
Period Result 1.1 - 30.06.2006	-	-	-	-	-	45.895.282	45.895.282	415	45.895.697
<b>Total Period Profit / Losses</b>	-	-	<b>(6.121.921)</b>	<b>(7.868.057)</b>	-	<b>45.895.282</b>	<b>31.905.305</b>	<b>415</b>	<b>31.905.719</b>
- Dividends	-	-	-	-	-	(24.693.648)	(24.693.648)	-	(24.693.648)
- Profit distribution for the period 2005	-	-	-	-	25.454.940	(25.454.940)	-	-	-
- Own Shares	(9.410.501)	-	-	-	-	-	(9.410.501)	-	(9.410.501)
- Capital increase	431.561	(59.765)	-	-	-	(371.796)	-	-	-
<b>Equity Balance at 30th June 2006</b>	<b>201.606.243</b>	<b>170.725</b>	-	<b>(8.269.015)</b>	<b>71.675.941</b>	<b>180.633.189</b>	<b>445.817.081</b>	<b>3.356</b>	<b>445.820.437</b>

## 5. Company Statement of Changes in Equity

	Share capital	Share premium	Fair value reserves	Hedging Reserves	Other reserves	Retained earnings	Total Equity
<b>Balance at 1 January 2005 according to IFRS</b>	<b>228.295.663</b>	<b>230.489</b>	-	-	<b>49.568.349</b>	<b>158.976.190</b>	<b>437.070.691</b>
Net Profit/Losses directly booked in Equity	-	-	4.172.625	-	-	-	4.172.625
<b>Period Result 1.1 - 30.06.2005</b>	-	-	-	-	-	23.179.531	23.179.531
<b>Total Period Profit / Losses</b>	-	-	<b>4.172.625</b>	-	-	<b>23.179.531</b>	<b>27.352.156</b>
- Dividends	-	-	-	-	-	(21.578.040)	(21.578.040)
- Profit distribution for the period 2004	-	-	-	-	3.719.376	(3.719.376)	-
- Own Shares	(938.645)	-	-	-	-	-	(938.645)
- Capital increase	-	-	-	-	-	-	-
<b>Equity Balance at 30th June 2005</b>	<b>227.357.019</b>	<b>230.489</b>	<b>4.172.625</b>	-	<b>53.287.725</b>	<b>156.858.304</b>	<b>441.906.162</b>

	Share capital	Share premium	Fair value reserves	Hedging Reserves	Other reserves	Retained earnings	Total Equity
<b>Balance at 1 January 2006 according to IFRS</b>	<b>210.585.182</b>	<b>230.489</b>	<b>6.121.921</b>	<b>(400.959)</b>	<b>53.287.725</b>	<b>184.658.067</b>	<b>454.482.426</b>
Net Profit/Losses directly booked in Equity	-	-	(6.121.921)	(7.868.057)	-	-	(13.989.978)
<b>Period Result 1.1 - 30.06.2006</b>	-	-	-	-	-	44.053.665	44.053.665
<b>Total Period Profit / Losses</b>	-	-	<b>(6.121.921)</b>	<b>(7.868.057)</b>	-	<b>44.053.665</b>	<b>30.063.688</b>
- Dividends	-	-	-	-	-	(24.693.648)	(24.693.648)
- Profit distribution for the period 2005	-	-	-	-	23.130.306	(23.130.306)	-
- Own Shares	(9.410.501)	-	-	-	-	-	(9.410.501)
- Capital increase	431.561	(59.765)	-	-	-	(371.796)	-
<b>Equity Balance at 30th June 2006</b>	<b>201.606.243</b>	<b>170.725</b>	-	<b>(8.269.015)</b>	<b>76.418.031</b>	<b>180.515.983</b>	<b>450.441.966</b>

## 6. Cash flow statement

	THE GROUP		THE COMPANY	
	01/01 - 30/06/2006	01/01 - 30/06/2005	01/01 - 30/06/2006	01/01 - 30/06/2005
<b>Cash flows from Operating activities</b>	44.381.347	25.063.759	42.836.293	22.939.607
Interest Paid	(117.032)	(48.928)	(116.524)	(48.103)
Income Tax	(15.742.290)	(30.263.655)	(15.664.809)	(30.113.699)
<b>Net Cash flows from Operating activities</b>	<b>28.522.025</b>	<b>(5.248.824)</b>	<b>27.054.960</b>	<b>(7.222.195)</b>
<b>Cash flows from Investing activities</b>				
Purchases of tangible assets	(33.935.066)	(8.548.797)	(33.778.326)	(8.514.170)
Purchases of intangible assets	(873.970)	(951.879)	-	-
Sales of tangible assets	-	183.400	-	120.000
Dividends received	-	-	-	1.299.707
Purchase / Sale of financial assets available for sale	15.620.488	4.622.611	15.620.488	4.622.611
Interest Received	853.156	1.200.581	822.318	1.197.545
Increase in the Long-Term Receivables	8.777	1.848	9.077	1.848
<b>Net Cash flows from Investing activities</b>	<b>(18.326.616)</b>	<b>(3.492.235)</b>	<b>(17.326.443)</b>	<b>(1.272.459)</b>
<b>Cash flows from Financing activities</b>				
Acquisition of own shares	(8.484.379)	(938.645)	(8.484.379)	(938.645)
Dividends paid to shareholders	(24.924.480)	(21.578.040)	(24.924.480)	(21.578.040)
<b>Net Cash flows from Financing activities</b>	<b>(33.408.859)</b>	<b>(22.516.685)</b>	<b>(33.408.859)</b>	<b>(22.516.685)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(23.213.450)</b>	<b>(31.257.744)</b>	<b>(23.680.342)</b>	<b>(31.011.338)</b>
Cash and cash equivalents at the beginning of the year	41.187.551	114.030.364	38.931.752	113.272.315
Foreign exchange differences in cash and cash equivalents	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>17.974.101</b>	<b>82.772.620</b>	<b>15.251.410</b>	<b>82.260.977</b>

## **7. Segment Reporting**

A business segment is defined as a group of assets and activities that provide goods and services, which subject to different risks and returns than other business segments. A geographical segment is defined as a geographical region in which goods and services are provided and which subject to different risks and returns than other regions.

### **Primary Reporting Format – Business Segments**

At the 30<sup>th</sup> of June 2006, the Group is separated in two business segments:

- (1) Alumina production and shipments.
- (2) Aluminium production and shipments.

The Group's results for the six months ending on **June 30<sup>th</sup> 2006** are as follows:

	<b>Alumina</b>	<b>Aluminium</b>	<b>Others</b>	<b>Non allocated</b>	<b>Total</b>
Total gross sales per sector	98.583.048	170.575.849	167.041	-	<b>269.325.939</b>
In house sales	(33.878.307)	-	-	-	<b>(33.878.307)</b>
<b>Net Sales</b>	<b>64.704.741</b>	<b>170.575.849</b>	<b>167.041</b>	-	<b>235.447.632</b>
Operating profit	14.757.499	35.747.732			<b>50.505.230</b>
Financing income	-	-	-	854.116	<b>854.116</b>
Financing expenses	-	-	-	(119.440)	<b>(119.440)</b>
Other Financing Results	-	-	-	10.506.083	<b>10.506.083</b>
<b>Profit before taxes</b>	<b>14.757.499</b>	<b>35.747.732</b>	-	<b>11.240.758</b>	<b>61.745.989</b>
Income Tax				(15.850.292)	<b>(15.850.292)</b>
<b>Net profit</b>	<b>14.757.499</b>	<b>35.747.732</b>	-	<b>(4.609.533)</b>	<b>45.895.697</b>

The allocation of consolidated assets and liabilities per Business segment at 30/06/06 is analyzed as follows:

	<b>Alumina</b>	<b>Aluminium</b>	<b>Others</b>	<b>Non allocated</b>	<b>Total</b>
Segments Assets	219.027.054	335.271.000	-	-	<b>554.298.054</b>
Non allocated elements of Asset	-	-	-	23.125.519	<b>23.125.519</b>
<b>Consolidated Asset</b>	<b>219.027.054</b>	<b>335.271.000</b>	-	<b>23.125.519</b>	<b>577.423.573</b>
Segments liabilities	37.902.582	77.973.000	-	-	<b>115.875.582</b>
Non allocated elements of Liabilities	-	-	-	15.727.553	<b>15.727.553</b>
<b>Consolidated Liabilities</b>	<b>37.902.582</b>	<b>77.973.000</b>	-	<b>15.727.553</b>	<b>131.603.136</b>

The sales of calcined alumina for the six months ending on **June 30<sup>th</sup> 2006** amounted to 221,5 kt compared to 223,7 kt for the same period in 2005, while the aluminium sales amounted to 81,7 kt compared to 78,8 kt in 2005.

### Secondary information sector – Geographic segments

The Group's domicile is Greece. The activity areas of the company are Greece, the Eurozone countries and the third countries.

The Group's sales by Geographic segment are analyzed as follows:

	<u>1/1 - 30/06/2006</u>	<u>1/1 - 30/06/2005</u>
Greece	104.672.057	80.577.512
European zone	118.564.742	88.298.482
Other countries	12.210.833	11.449.042
<b>Total</b>	<b>235.447.632</b>	<b>180.325.036</b>

Follows, the Group's sales analysis by item:

	<u>1/1 - 30/06/2006</u>	<u>1/1 - 30/06/2005</u>
Commodity sales	263.508	15.222
Sales of goods	234.394.908	179.927.203
Other inventories sales	789.215	382.611
<b>Total</b>	<b>235.447.632</b>	<b>180.325.036</b>

## **8. Additional information and explanations**

### **8.1 Basis of financial statements preparation**

The consolidated financial statements of ALUMINIUM OF GREECE S.A. as of June 30<sup>th</sup>, 2006, covering the period from January 1<sup>st</sup> up to June 30<sup>th</sup> 2006, have been compiled based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and they are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and especially IAS 34 “Interim Financial Reporting”.

The interim financial statements don’t contain all information and notes are required at annual financial statements of group at 31<sup>st</sup> December 2005 and they must be read in regard with the group financial statements of 31<sup>st</sup> December 2005.

The accounting principles and computations in which the financial statements were based on, are consistent with those were used for the preparation of annual financial statements of 2005 and applied in all periods they presented consistently.

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

### **Adoption of new revised International Financial Reporting Standards and interpretations**

**IFRS. 6 “Exploration and evaluation of mineral resources”** is implemented for the periods starting from 01/01/06. The Group has chosen the policy of capitalizing exploration and evaluation of mineral resources and fully depreciating them the period they occur.

The adoption of **IFRIC 4 “Determination whether a arrangement contains a lease”** and **IFRIC 5 “Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds”** didn’t have a material effect of financial statements of Group.

## **New accounting principles and interpretations of IFRIC**

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

The group’s estimation in relation with new standards and interpretations is presented below:

### **IFRS 7. “Financial means announcements”**

*The Group will implement IFRIC 7 from 01/01/2007.*

### **Amendment to ias 1 Capital Disclosures**

*The group will apply the amendment to ias 1 from 1/1/2007*

### **IFRIC 7. Financial Statements Rewrite Implementation according to IAS 29 “Financial Reporting in Hyperinflationary Economies”.**

*The above IFRIC is not expected to affect the Group’s Financial Statements.*

### **IFRIC 8. “IFRS 2 Aim”**

*The above IFRIC is not expected to affect the Group’s Financial Statements.*

### **IFRIC 9. “Reassessment of Embedded Derivatives”**

*The above IFRIC is not expected to affect the Group’s Financial Statements.*

### **IFRIC 10. “Interim Financial Reporting and Impairment”**

*The group will apply the IFRIC 10 from 1/11/2006*



## 8.2 Group's structure and consolidation method

Group companies which are included in the consolidated financial statements are:

<u>Company</u>	<u>% Participation</u>
ALUMINIUM OF GREECE - ATHENS	<b>Parent</b>
DELPHES – DISTOMON ATHENS	99,98%(1)

**Notes:**

(1) Imminent Participation – Line by line Consolidation method

The financial statements of ALUMINIUM OF GREECE S.A. - Group of Companies are included in the consolidated financial statements of MYTILINEOS HOLDINGS S.A., a Group of Companies, with registered offices in Greece and a 47,06% holding in the ALUMINIUM OF GREECE S.A. - Group of Companies and they consolidate using the full consolidation method.

## 8.3 Encumbrances

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

## 8.4 Contingent Assets

There are no cases under dispute or arbitration nor any decisions of courts or arbitrations which might have a material effect on the company's financial position or operation.

## 8.5 Tax unaudited fiscal years

ALUMINIUM OF GREECE S.A. has not been controlled by the tax authorities control for fiscal years 2004 and 2005. Delphes-Distomon has not been controlled for the fiscal year 2005.

The current fiscal year, the tax authorities finalised the previous years' related tax obligations for the subsidiary company Delphes-Distomon. The total amount of this obligation is 181 (in 000€) and it is fully booked in the 01/01-30/06/2006 results. The total of the above difference was covered by the reverse of provisions made for tax unaudited fiscal years.

There is the possibility of additional tax implementation for the non-controlled fiscal year when the authorities complete their control. The Group has made provisions for the non-controlled fiscal years to the amount of 1.330 (in 000 €).

## 8.6 Changes in accounting estimates

There are no changes in the accounting methods or the accounting estimates.

## 8.7 Share Capital

The current period (after the Board of Directors' decision at 09/02/2006), the company proceeded to the share capital increase capitalizing: a) Retained Earnings, amounted to 371.796,24 € and b) Share Premium valuation differences, amounted to 59.764,56 €, increasing the company's nominal share price by 0,02€. Each share price increased from 10,58€ to 10,60€ (after the above increase, the share capital amounted to 228.727.224 €). Thereafter, the company's nominal common share price decreased from 10,60 € to 5,30 € with a simultaneous increase of the total number of shares from 21.578.040 to 43.156.080 common shares (split). The above 21.578.040 new shares proportionally distributed to the company's shareholders for free, providing them one new common share for each old one common share.

	Number of common shares (items)	Number of own shares (items)	Common shares	Share Premium	Own shares	Total
<b>Balance at 31 December 2005</b>	<b>21.578.040</b>	<b>(1.000.000)</b>	<b>228.295.663</b>	<b>230.489</b>	<b>(17.710.481)</b>	<b>210.815.671</b>
Share Capital Increase	-	-	431.561	(59.765)	-	<b>371.796</b>
New Shares Issuance	21.578.040	(1.000.000)	-	-	-	-
Parent Shares Purchase (Own Shares)		(600.149)	-	-	(9.410.501)	<b>(9.410.501)</b>
<b>Balance at 30 June 2005</b>	<b>43.156.080</b>	<b>(2.600.149)</b>	<b>228.727.224</b>	<b>170.725</b>	<b>(27.120.981)</b>	<b>201.776.967</b>

## 8.8 Own Shares Purchase

During the period from 01/01/2006 to 21/03/2006, which is before the nominal price decrease and the simultaneous doubling of the shares number, which was decided by the Board of Directors at 09/02/2006, the company ALUMINIUM OF GREECE S.A. accessed 89.932 own shares, valued 3.063 (.000€).

The total number of the company's own shares at 21/03/2006 amounted to 1.089.932 shares.

Therefore, at 22/03/2006 and afterwards the nominal price decrease and the simultaneous doubling of the shares number, which was decided by the Board of Directors at 09/02/2006, the total number of own shares possessed by the company was 2.179.864.

During the period from 22/03/2006 to 30/06/2006, the company ALUMINIUM OF GREECE S.A. accessed 420.285 own shares, valued 6.348 (.000€).

Date		Number of common shares (items)	Number of own shares (items)	Own shares
31/12/2005	Balance at 31 December 2005	21.578.040	(1.000.000)	(17.710.481)
01/01-21/03/2006	Parent Shares Purchase (Own Shares)	-	(89.932)	(3.062.983)
22/03/2006	Nominal Prices decrease and shares doubling	21.578.040	(1.089.932)	-
22/03-30/06/2006	Parent Shares Purchase (Own Shares)	-	(420.285)	(6.347.517)
30/06/2006	Balance at 30 June 2006	43.156.080	(2.600.149)	(27.120.981)

## 8.9 Derivatives

Derivatives purchases regarding Futures fall into IAS 39 «Financial Instruments: Recognition and Measurement» and they are related with Future Indexes which are contracts for sale or purchase of certain items on a specific index in a future date, in London Metal Exchange (LME). These contracts are standardized, with predefined duration, daily negotiation and settlement. Income is considered to be the received difference at the date of the contract expiration and it is estimated from the difference between the current level and the agreed level, multiplied by each item's price. The final result is determined at the expiration date. The company considers the above derivatives as cash flows hedging and as a result the evaluation result, of the open positions at the balance sheet date, is transferred directly to the equity. Respectively, the position result settlement is transferred to the period's result that settlement takes place.

Derivatives regarding Currency Swaps fall into IAS 39 «Financial Instruments: Recognition and Measurement» as well and they are contracts between two parts for an exchange of values or capital, in a future date and in terms that are agreed before. Currency Swaps are not negotiable in organized markets. With Currency Swaps, the group hedges the risk of the value range of its financial instruments (receivables in foreign currency) because of changes in exchange differences (exchange risk).

Income (cost) is considered to be the received (payable) difference at the expiration date of the contract and it is estimated from the difference between the current and the agreed level of exchange rate. The group considers the above derivatives as cash flows hedging and as a result the evaluation outcome at the reporting date, is recognized directly to the equity.

The company valued the open sale positions (Index future & Currency Swaps) from which a negative valuation of € 19.391.195 was transferred to equity as a hedging reserve. Respectively, the amount that affected both the company's and the Group's results and affected the positions settlement result during the period 01/01-30/06/2006 amounted to € 11.523.138.

The following table shows the movement of the equity account as a result of valuation of derivatives which are used as a hedging:

	<b>Hedging Reserves</b>
<b>Balance at 31 December 2005</b>	<b>(400.959)</b>
Revaluation during reporting period	(19.391.195)
Hedging Results recognized in the period's results	11.523.138
Sales Profit / Losses transferred to the period's results	-
<b>Balance at 30 June 2006</b>	<b>(8.269.015)</b>

The item "Derivatives" at the balance sheet date of amount € 11.646.501 consist of liability from valuation of derivatives which are being used as hedging instruments.

### 8.10 Financial Assets available for sale

The current period, the company sold quoted shares of € 11.590.294. The sales value amounted to € 15.643.954. The recognized profit in the results of the period amounted to € 10.506.083.

#### FINANCIAL ASSETS AVAILABLE FOR SALE

TRANSACTION VALUE	15.643.954
<i>Minus</i> TRANSACTION TAX	(23.466)
<i>Minus</i> SHARES ACCOUNTING VALUE	(11.590.294)
<i>Plus</i> FAIR VALUE RESERVES RECOGNISED IN RESULTS AT THE SALE	6.475.889
<b>RECOGNISED PERIOD PROFIT</b>	<b>10.506.083</b>

The company had recognized on Fair Value Reserves the amount of € 6.475.889, which was transferred at periods' results during the shares' sale.

### 8.11 Number of employees

The number of employees for the six months ending on June 30<sup>th</sup> 2006 and 2005:

<u>The Group</u>		<u>The Company</u>	
<u>30 June 2006</u>	<u>30 June 2005</u>	<u>30 June 2006</u>	<u>30 June 2005</u>
1.215	1.284	1.083	1.150

### 8.12 Related party transactions

The Company' transactions with related parties (according to IAS 24) as of the 30/06/06 for Purchases are: € 11.585 (in € 000).

The balance of the company's liabilities with its related parties at the end of the current period (according to IAS 24) is respectively € 6.603 (in € 000).

Sales and purchases from the beginning of the current period and the balances of the Group's receivables and liabilities, at the end of the current period which have resulted from transactions with related parties according to IAS 24, are: 64.563 (in € 000), 60.236 (in € 000), 30.283 (in € 000) and 18.454 (in € 000), respectively. The amount of € 16.304 (in € 000) has been given to a related company as a deposit fixed assets acquisition according to IAS 24.

INTERCOMPANIES SALES - PURCHASES 1/1 - 30/06/2006

*BUYER*

<i>SELLER</i>	<i>BUYER</i>							<b>TOTAL</b>
	ALUMINIUM OF GRECE	DELPHES DISTOMON	MYTILINEOS S.A.	ELECTRICITY PRODUCTION GROUP	METKA S.A.	EKME	MYTILINEOS FINANCE	
ALUMINIUM OF GRECE				12.366	4.869		64.546.146	64.563.381
DELPHES DISTOMON	11.584.874							11.584.874
MYTILINEOS S.A.	2.512							2.512
ELECTRICITY PRODUCTION GROUP								-
METKA S.A.	55.497.147							55.497.147
EKME	212.198							212.198
MYTILINEOS FINANCE	4.524.510							4.524.510
<b>TOTAL</b>	<b>71.821.241</b>	<b>-</b>	<b>-</b>	<b>12.366</b>	<b>4.869</b>	<b>-</b>	<b>64.546.146</b>	<b>136.384.621</b>

INTER-COMPANY RECEIVABLES - LIABILITIES 30/06/2006

*LIABILITY*

<i>RECEIVABLE</i>	<i>LIABILITY</i>							<b>TOTAL</b>
	ALUMINIUM OF GRECE	DELPHES DISTOMON	MYTILINEOS S.A.	ELECTRICITY PRODUCTION GROUP	METKA S.A.	EKME	MYTILINEOS FINANCE	
ALUMINIUM OF GRECE				12.366	16.309.085	135.654	13.825.899	30.283.003
DELPHES DISTOMON	6.602.917							6.602.917
MYTILINEOS S.A.	2.990							2.990
ELECTRICITY PRODUCTION GROUP								-
METKA S.A.	16.292.839							16.292.839
EKME	279.394							279.394
MYTILINEOS FINANCE	1.878.340							1.878.340
<b>TOTAL</b>	<b>25.056.479</b>	<b>-</b>	<b>-</b>	<b>12.366</b>	<b>16.309.085</b>	<b>135.654</b>	<b>13.825.899</b>	<b>55.339.482</b>

INTERCOMPANIES SALES - PURCHASES 1/1 - 30/06/2005

*BUYER*

<i>SELLER</i>	<i>BUYER</i>						<b>TOTAL</b>
	ALUMINIUM OF GRECE	DELPHES DISTOMON	ELECTRICITY PRODUCTION GROUP	METKA S.A.	EKME	MYTILINEOS FINANCE	
ALUMINIUM OF GRECE			7.213			26.285.674	26.292.888
DELPHES DISTOMON	10.604.880						10.604.880
ELECTRICITY PRODUCTION GROUP							-
METKA S.A.							-
EKME							-
MYTILINEOS FINANCE	5.292.223						5.292.223
<b>TOTAL</b>	<b>15.897.103</b>	<b>-</b>	<b>7.213</b>	<b>-</b>	<b>-</b>	<b>26.285.674</b>	<b>42.189.991</b>

INTER-COMPANY RECEIVABLES - LIABILITIES 31/12/2005

*LIABILITY*

<i>RECEIVABLE</i>	<i>LIABILITY</i>						<b>TOTAL</b>
	ALUMINIUM OF GRECE	DELPHES DISTOMON	ELECTRICITY PRODUCTION GROUP	METKA S.A.	EKME	MYTILINEOS FINANCE	
ALUMINIUM OF GRECE			7.213	33.468.000		10.408.402	43.883.616
DELPHES DISTOMON	3.245.046						3.245.046
ELECTRICITY PRODUCTION GROUP							-
METKA S.A.	4.332.536						4.332.536
EKME	46.336						46.336
MYTILINEOS FINANCE	2.073.653						2.073.653
<b>TOTAL</b>	<b>9.697.570</b>	<b>-</b>	<b>7.213</b>	<b>33.468.000</b>	<b>-</b>	<b>10.408.402</b>	<b>53.581.186</b>

### 8.13 Income Taxes

The income tax for the period 1/1 – 30/06/2006 contains prior year's tax differences 181 (in 000 €). The total of the above difference was covered by the reverse of provisions. For the unaudited fiscal years, the Group and the Company recognized at the income statement an additional provision of 311 (.000€) respectively.

	THE GROUP		THE COMPANY	
	<u>01/01 - 30/06/2006</u>	<u>01/01 - 30/06/2005</u>	<u>01/01 - 30/06/2006</u>	<u>01/01 - 30/06/2005</u>
Current period taxes	15.382.253,61	12.327.340,79	15.045.957,48	11.718.093,17
Tax control differences Liabilities	310.837,00	3.909.871,00	300.000,00	3.909.871,00
Differed Taxes	157.201,02	440.172,01	131.642,49	473.973,93
<b>Total</b>	<b>15.850.291,63</b>	<b>16.677.383,80</b>	<b>15.477.599,97</b>	<b>16.101.938,10</b>

### 8.14 Earnings per Share

The earnings per share were estimated using the earning distribution based on weighted average number of shares. Due to the company's nominal share price decrease and the simultaneous increase of the total number of shares from 21.578.040 to 43.156.080 with the distribution of 21.578.040 new shares, which were distributed to the company's shareholders for free, a retroactive readjustment of the computed ratio Earnings per Share of all the periods presented in the financial statements.

	THE GROUP		THE COMPANY	
	<u>01/01 - 30/06/2006</u>	<u>01/01 - 30/06/2005</u>	<u>01/01 - 30/06/2006</u>	<u>01/01 - 30/06/2005</u>
Earnings that correspond to the parent's shareholders	45.895.282	23.009.903	44.053.665	23.179.531
Weighted average number of shares	41.008.367	43.156.080	41.008.367	43.156.080
<b>Basic earnings per share (Euro per share)</b>	<b>1,12</b>	<b>0,53</b>	<b>1,07</b>	<b>0,54</b>

## 8.15 Cash Flows from Operating activities

	THE GROUP		THE COMPANY	
	1/1 - 30/06/2006	1/1 - 30/06/2005	1/1 - 30/06/2006	1/1 - 30/06/2005
<b>Period's Earnings</b>	<b>45.895.697</b>	<b>23.010.220</b>	<b>44.053.665</b>	<b>23.179.531</b>
<b><u>Adjustments for</u></b>				
Taxes	15.850.292	16.677.384	15.477.600	16.101.938
Depreciation of tangible fixed assets	5.584.438	5.526.324	5.212.787	5.090.859
Depreciation of intangible assets	989.554	787.830	106.648	20.880
Profit/(loss) from sale of tangible assets	-	(171.867)	-	(120.000)
Interest income	(854.116)	(1.200.581)	(823.278)	(1.197.545)
Interest expenses	119.440	48.928	118.932	48.103
Dividend income - Financial items sales	(10.506.083)	(4.399.139)	(10.506.083)	(5.698.846)
Grants Depreciation	(38.147)	(122.488)	(38.147)	(122.488)
Foreign exchange profit/(loss) from evaluation	236.769	-	236.769	-
	<b>57.277.844</b>	<b>40.156.611</b>	<b>53.838.894</b>	<b>37.302.432</b>
<b><u>Changes in Working capital</u></b>				
Increase/(decrease) of inventories	(3.551.198)	(16.447.091)	(4.132.589)	(16.211.297)
Increase/(decrease) of receivables	5.903.496	(3.246.308)	5.613.229	(2.802.018)
Increase/(decrease) of liabilities	(17.260.872)	4.315.259	(14.630.724)	4.650.491
Fiscal year provisions	2.012.077	285.288	2.147.482	-
	<b>(12.896.497)</b>	<b>(15.092.852)</b>	<b>(11.002.601)</b>	<b>(14.362.824)</b>
<b>Net cash flows from operating activities</b>	<b>44.381.347</b>	<b>25.063.759</b>	<b>42.836.293</b>	<b>22.939.607</b>

## 8.16 Subsequent Events

The Extraordinary General Shareholders Assembly of 13 July 2006 approved the transfer of the Company's registered office from Athens to Marousi and the corresponding modification of article 4 of the Company's Articles of Association.