



ALUMINIUM OF GREECE S.A.

**Annual Financial Statements
for the period from
1st January to 31st December 2006**

It is certified that the attached Annual Financial Statements for the period 01/01 - 31/12/2006 are those that were approved by the Board of Directors of ALUMINIUM OF GREECE S.A. on the 23/02/2007 and they have been publicised with their suspension in the internet, in the address www.alhellas.gr. It is pointed out that the published in the press summary of financial statements aim is to provide the reader with certain financial data, but does not provide a complete picture of the financial position and the results of Company and the Group, according to the International Accounting Standards.

Iason Stratos
Chairman of the Board of Directors

ALUMINIUM OF GREECE S.A.

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1. Board of Directors Management Report

A. GENERAL REVIEW

BUSINESS ENVIRONMENT

THE ALUMINA MARKET

After the intense deficit year in 2005, during 2006 the world alumina market became, as expected, surplus as a result of its impressive productive capacity and mainly in the production of China **(+70%)**. **This development was reflected in the dramatic drop of spot prices from 600\$/T in the first semester of the year, to 210\$/T in the last semester. Long-term prices suffered similar corrections – however rather smaller in absolute figures.**

However, in the beginning of 2007 a significant increase in prices is observed (from 210\$/T to 350/T for spot prices). The most important causes of this unpredictable recovery are the following:

- The restriction of the production increase rate of alumina in China;
- The sustainability of the high demand pace due to increased production of primary aluminium;
- The general and continuous strike that is observed in Guinea, the 2nd greatest producer bauxite.

The above factors are estimated to be decisive for the development of the alumina market in the near future.

THE ALUMINIUM MARKET

Since the beginning of 2006 the market price of aluminium followed a rather intense increasing rate reaching levels of 3200/3300\$ /T for the first time in May. Afterwards, and for a few months, it recoiled at levels around 2500\$/T only to recover during the last semester and in the beginning of 2007, fluctuating in the zone of 2600-2900\$/T.

This impressive development was based on substantive facts (increasing demand rate, positive prospects, low inventories, increasing cost of production), however, investment funds that massively entered the basic metal market, had an important influence already from 2005 causing an increasing “wave” that is still evolving.

The very positive current circumstances for aluminium producers – and despite the rather high current energy prices that dramatically increase the cost of production – have probably a very special nature. On the other hand their duration is impressive (>12 months), for both aluminium as well as the other basic metals, like bronze, zinc and nickel. This is undoubtedly related to the general (world) economic development that is proceeding with rather high rate: current predictions for 2007 aim at a relative balanced primary aluminium market. However, relative

developments that will concern first the investment funds in the basic metal markets and then the booming markets – India and mainly China.

ALUMINIUM OF GREECE S.A. in 2006

The positive course, as a result of the higher aluminium prices in the London Metal Exchange (LME) as well as the effort for continuous improvement of the cost elements as well as the satisfactory technical and operational performance of the factory (ATE-2 cost reduction program), which was reflected in our financial outcome for 2006. 2006 was also a very good year for the Group that demonstrated an increase in sales by 23,23%, a significant increase in profit before interest, tax and financial results by 46,42% and an equally important increase in profit after tax and minority interests by 48,64% compared to 2005.

The production hydrated aloumina for 2006 amounted 789 '000 tones compared to 782 '000 tones in 2005, while the production of primary aluminium was during 2006 to 165 '000 tones compared 165,3 '000 tones in 2005.

The sales of hydrated aloumina for 2006 amounted to 443,6 '000 tones compared to 455,4 '000 tones in 2005, while the aluminium product sales for 2006 amount:

- 111,7 kt in billets (2005: 107,6 kt tones)
- 47,7 kt in slab (2005: 52 kt tones)
- 3,8 kt in ingot (2005: 3,5 kt tones)

B. PERSPECTIVES FOR THE NEW YEAR

2007 is expected to be a very good year for the ALUMINIUM OF GREECE Group as according to indications prices of aluminum and alumina seem to retain high levels along with the promising current market perspectives overcoming the results of the first six months. The recent developments in the aloumina market, despite being rather positive, they remain vulnerable under the recent market conditions and at the same time Euro is not expected to be revaluated significantly compared to dollar. At the same time the implementation/ completion of the ATE-2 cost reduction program, is expected to have a positive effect on the company's results and cash flows.

The above should be considered along with the counterbalancing strategy which is being implemented by the Group. Based on that strategy the stock exchange equivalent of the highest percentage of our primary aluminium production for 2007 had been predetermined through future contracts during the last six months at relatively high price levels.

C. FACTORS CREATING VALUE AND MEASURING PERFORMANCE

ALUMINIUM OF GREECE Group monitors performance by analyzing specific financial, technical and operational indices.

It is the Group's policy to assess results and performance on a monthly basis thus identifying timely and effectively any deviations from its goals in order to take the respective corrective measures.

Key performance indices:

A. Financial

- ROCE: Return on Capital Employed: the index divides profits before taxes and financial results by total employed capital of the Group which is the aggregate of net equity, total loans and long term provisions.
- ROE: Return on Equity: the index divides profits after taxes by the company's net equity.
- EVA: Economic Value Added: this index is calculated by multiplying total employed capital by the difference (ROCE – cost of capital) and it constitutes the amount by which the company's financial value increases.

	31/12/2006	31/12/2005
ROCE	18,93%	12,65%
ROE	16,70%	11,22%
EVA	2.920 '000 €	905 '000 €

B. Operational and technical indices

- *Index measuring interruption of employment:* in 2006 the index was 0,51 as opposed to 3,88 in 2005.
- *Index measuring frequency of accidents:* in 2006 the index was 2,05 as opposed to 4,86 in 2005.
- % of operation of wash basin: 98,8 in 2006 compared to 99,4 in 2005.

D. CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Principles, according to the Greek Law and the International Practices. The Corporate Governance is the sum rules, principles and controls, which is the basis of the company's management and organization and aims to provide transparency to the investors as well as to secure the shareholder's interests.

The General Shareholders Meeting is the depository of the Corporate Governance Principles. Today, it is represented by 2 non-independent and 12 independent members. The independent members fulfil 3 preconditions, according to the law 3016/2002 for the Corporate Governance, are called "Independent".

The Audit Committee is represented by non-independent members of the Board of Directors and aims to conduct independent internal and external controls as well as the effective communication between the control participants and the Board of Directors. It is responsible for the compliance with the Corporate Governance rules and the indemnity of the correct operation of the Internal Control System and the supervising of the Internal Control Department operation.

The Internal control constitutes the basic and necessary condition of the Corporate Governance. The ALUMINIUM OF GREECE Internal Control Department consists an independent organized unit which is reported in the company's Board of Directors. Its responsibilities include the measurement and improvement of the Risk Management Systems and Internal Control, as well as the verification of the compliance with legislative policies and procedures, as they are determined by the company's Internal Control Operation, the current law and normative terms.

ALUMINIUM OF GREECE S.A. has 01/02/2002 Internal Control Department. Head of this department is Mr. Ioannis Nikolaidis having full and exclusive employment.

E. DIVIDEND POLICY

As far as it Concerns the dividend policy, the company's management takes into consideration the effectiveness, the prospects and the investors' plans and proposes dividend distribution of 0,80 €/ per share compared to 0,60 €/per share in 2005.

Information regarding the issues of paragraph 1 of article 11α L.3371/2005 of

Aluminum of Greece S.A.

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

I. Company's Share Capital Structure

The share capital of Aluminum of Greece S.A amounts to 228.727.224 euro, divided into 43.156.080 common registered shares with voting right and a par value of 5,30 euro each. Each share provides one voting right. The shares of Aluminum of Greece S.A are listed on the Securities Market of the Athens Exchange.

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

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves or 6% of the paid in capital (and in particular the larger of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting.. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions. The payment date and the payment method of the dividend are available through the Athens Exchange's website, the Company's official website and is also released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.
- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,
- The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.
- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

- Shareholders participate in the Company's General Meeting which constitute the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
- The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 3 of article 41 of the Articles of Association).

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

II. Restrictions for transferring Company shares

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

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

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

Name	Percentage
Mytilineos Holding S.A.	47.08

IV. Shares with special control rights

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

V. Restrictions on voting rights

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

VI. Agreements between Company shareholders

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

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

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

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

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

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

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

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

According to the decision of the B' Repeated of General Meeting of the Shareholder at 16.6.2006 was established a plan for the acquisition of shares by the members of BoD and employees, which are going to last from three to five years, in the form of options for the acquisition of shares (stock option), on the basis of which, a maximum of 3% of the existing number of shares, up to 1.294.682 shares may be granted for the acquisition of shares at a price equivalent with the 80% of the antedate six month average stock exchange price of the approval. With the above decision the BoD is entitled to specify, according to the decision of the General Assembly, the details for the

execution of the program along with the prerequisites for the stock options release and the beneficiaries. As of today no decision has been taken by the Board of Directors of the company.

C) According to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920, the listed companies may acquire own shares through the Athens Stock Exchange, according to decision of the General Meeting until the 10% of total shares, in order to support the stock exchange price. In the Meeting held on 16.5.2006 the General Meeting of Shareholders, making use of the above possibility provided by the Law, decide that the Company should acquire, during the period 5.6.2006 - 15.5.2007 no more than 4.315.608 shares, equivalent to 10% of total existing shares, in order to support the stock exchange price of its share, in a price range between € 5 (minimum) and € 30 (maximum). In the context of implementing the aforementioned General Meeting decision, the Company's BoD defines by resolution, prior to the start of the individual trading period, the principal trading terms, in particular the maximum number of own shares to be acquired, maximum and minimum price and time period that shares shall be acquired..

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

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

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

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

The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to 21.603 '000 € on 31.12.2006. From the above amount the 795 '000 € concerns the members of the BoD and 2.213 '000 € concerns the members of staff held the General Director, the Deputy General Director and the Assistant General Director positions.

2. Auditor's Report

AUDITORS' REPORT

To the Shareholders of **ALUMINIUM OF GREECE**

Report on the Financial Statements

We have audited the financial statements of ALUMINIUM OF GREECE S.A. (the "Company"), and the consolidated financial statements of the Company and its subsidiary (the "Group"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in shareholders' 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 statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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.

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.

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 plan and perform the audit to obtain reasonable, but not absolute, assurance whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's assessment of the risks of material misstatement

of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements as a basis for designing 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 significant estimates made by management, as well as evaluating the overall financial statement presentation and disclosures. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on the financial statements.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the company and the Group 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 that have been adopted by the European Union.

Report on other legal claims

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

Athens, 26 February 2007

Chartered Accountants

Vassilis Kazas

SOEL R.N. 13281

Giorgos Deligiannis

SOEL R.N. 15791

Grant Thornton 

A.M. SOEL 127

Chartered Accountants

Vassileos Konstantinou 44

116 35 Athens

3. Balance sheet at 31st December 2006

	Note	THE GROUP		THE COMPANY	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS					
Property, plant and equipment	9.5	407.264.941	324.507.217	404.012.282	320.759.655
Intangible assets	9.7	5.124.856	5.100.627	1.024.037	920.403
Investments in subsidiaries	9.8	-	-	19.213.937	19.213.937
Deferred tax asset	9.10	6.691.780	1.316.854	5.165.490	-
Available-for-sale financial assets	9.9	-	11.236.326	-	11.236.326
Other non current assets	9.13	381.176	392.769	316.445	323.562
Non-Current Assets		419.462.754	342.553.793	429.732.191	352.453.883
Inventories	9.11	66.651.299	62.705.339	65.506.470	60.763.704
Trade and other receivables	9.12	73.588.855	68.042.303	73.458.802	68.030.055
Other receivables	9.13	60.707.073	62.042.392	59.187.060	60.439.061
Cash and cash equivalents	9.14	5.373.214	41.187.551	2.696.891	38.931.752
Current Assets		206.320.441	233.977.585	200.849.223	228.164.572
Total Assets		625.783.195	576.531.378	630.581.414	580.618.455
EQUITY & LIABILITIES					
EQUITY					
Share capital		180.889.296	210.585.182	180.889.296	210.585.182
Share premium		170.725	230.489	170.725	230.489
Fair value reserves	9.15	(28.122.482)	5.720.962	(28.122.482)	5.720.962
Other reserves	9.15	71.675.941	46.221.001	76.418.031	53.287.725
Retained earnings		212.224.579	185.258.291	209.979.514	184.658.067
Equity attributable to shareholders		436.838.059	448.015.925	439.335.084	454.482.426
Minority interests		3.809	2.941	-	-
Total Equity		436.841.868	448.018.866	439.335.084	454.482.426
LIABILITIES					
Long-Term Liabilities					
Long-term debt		-	-	-	-
Derivatives	9.19	3.555.701	-	3.555.701	-
Deferred tax liability	9.10	-	7.288.047	-	7.288.047
Pension plans	9.23	31.820.235	30.259.536	29.936.544	28.525.352
Other long-term liabilities	9.16	18.746.907	4.806.142	18.746.907	4.806.142
Provisions	9.21	18.271.825	11.895.325	16.289.511	9.474.814
Total Long-Term Liabilities		72.394.669	54.249.050	68.528.664	50.094.355
Short-Term Liabilities					
Trade and other payables	9.17	32.189.651	35.843.702	39.377.392	38.160.457
Tax payable	9.18	37.897.137	21.960.235	37.239.453	21.802.198
Derivatives	9.19	33.940.941	564.730	33.940.941	564.730
Other payables	9.20	12.518.929	15.894.795	12.159.881	15.514.289
Total Short-Term Liabilities		116.546.659	74.263.463	122.717.666	76.041.674
Total Liabilities		188.941.327	128.512.512	191.246.330	126.136.029
Total Equity and Liabilities		625.783.195	576.531.378	630.581.414	580.618.455

4. Income statement

	Note	THE GROUP		THE COMPANY	
		<u>01/01 - 31/12/2006</u>	<u>01/01 - 31/12/2005</u>	<u>01/01 - 31/12/2006</u>	<u>01/01 - 31/12/2005</u>
Sales	8	470.935.239	382.158.471	470.910.849	382.139.177
Cost of sales	9.22	(364.666.660)	(316.702.517)	(369.730.029)	(320.884.788)
Gross profit		106.268.579	65.455.954	101.180.821	61.254.390
Other operating income	9.27	8.854.636	17.064.218	8.434.180	16.856.323
Distribution expenses	9.22	(1.374.095)	(1.226.558)	(1.190.065)	(1.123.032)
Administrative expenses	9.22	(7.266.194)	(6.133.597)	(6.265.372)	(4.830.186)
Other expenses	9.27	(9.735.996)	(9.083.045)	(9.547.113)	(8.796.760)
Profit before tax, borrowings and investments results		96.746.930	66.076.973	92.612.451	63.360.734
Financial Income	9.25	1.070.807	2.310.877	1.023.767	2.285.404
Financial Expenses	9.25	(1.777.890)	(164.120)	(1.677.874)	(161.637)
Other financial results	9.26	10.506.083	7.255.701	10.506.083	8.555.408
Profit before Tax		106.545.930	75.479.431	102.464.427	74.039.909
Income tax expense	9.34	(29.166.308)	(23.421.231)	(29.055.149)	(23.060.614)
Fiscal Year Net Operating Profit		77.379.622	52.058.200	73.409.278	50.979.294
<u>Distributed at :</u>					
Equity holders of the parent		77.378.754	52.057.657	73.409.278	50.979.294
Minority interest		868	543	-	-
		<u>77.379.622</u>	<u>52.058.200</u>	<u>73.409.278</u>	<u>50.979.294</u>
Basic earnings per share	9.35	1,91	1,22	1,81	1,20
Profit before tax, borrowings and investments results		96.746.930	66.076.973	92.612.451	63.360.734
Profit before tax, borrowings investments results and depreciation		110.225.860	79.229.631	103.528.362	73.830.466

5. 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			
Balance at 1 January 2005 according to IFRS	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							-		-
Available for sale financial assets							-		-
Gains (losses) directly recognised in equity			13.585.753				13.585.753		13.585.753
Gains (losses) recognised at the income statement at the sale			(7.463.833)				(7.463.833)		(7.463.833)
Cash flow hedges							-		-
Gains (losses) directly recognised in equity				(564.730)			(564.730)		(564.730)
Deferred tax on gains (losses) which are recognised in equity				163.772			163.772		163.772
							-		-
Period Result 1.1 - 31.12.2005						52.057.657	52.057.657	543	52.058.200
Total Period Profit / Losses	-	-	6.121.921	(400.959)	-	52.057.657	57.778.619	543	57.779.162
- 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	(17.710.481)						(17.710.481)		(17.710.481)
Equity Balance at 31th December 2005	210.585.182	230.489	6.121.921	(400.959)	46.221.001	185.258.291	448.015.925	2.941	448.018.866

	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			
Balance at 1 January 2006 according to IFRS	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							-		-
Available for sale financial assets							-		-
Gains (losses) directly recognised in equity			353.968				353.968		353.968
Gains (losses) recognised at the income statement at the sale			(6.475.889)				(6.475.889)		(6.475.889)
Cash flow hedges							-		-
Gains (losses) directly recognised in equity				(61.541.208)			(61.541.208)		(61.541.208)
Gains (losses) recognised at the income statement at the sale				18.434.383			18.434.383		18.434.383
Deferred tax on gains (losses) which are recognised in equity				15.385.302			15.385.302	-	15.385.302
							-		-
Period Result 1.1 - 31.12.2006						77.378.754	77.378.754	868	77.379.622
Total Period Profit / Losses	-	-	(6.121.921)	(27.721.523)	-	77.378.754	43.535.310	868	43.536.178
- Dividends						(24.585.730)	(24.585.730)		(24.585.730)
- Profit distribution for the period 2004					25.454.940	(25.454.940)	-		-
- Own Shares	(30.127.447)						(30.127.447)		(30.127.447)
- Capital increase	431.561	(59.765)				(371.796)	-		-
Equity Balance at 31th December 2006	180.889.296	170.725	-	(28.122.482)	71.675.940	212.224.579	436.838.059	3.809	436.841.868

6. Company Statement of changes in equity

	Share capital	Share premium	Fair value reserves	Hedging Reserves	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2005 according to IFRS	228.295.663	230.489	-	-	49.568.349	158.976.190	437.070.691
Net Profit/Losses directly booked in Equity							-
Available for sale financial assets							-
Gains (losses) directly recognised in equity			13.585.753				13.585.753
Gains (losses) recognised at the income statement at the sale			(7.463.833)				(7.463.833)
Cash flow hedges							-
Gains (losses) directly recognised in equity				(564.730)			(564.730)
Deferred tax on gains (losses) which are recognised in equity				163.772			163.772
Period Result 1.1 - 31.12.2005						50.979.294	50.979.294
Total Period Profit / Losses	-	-	6.121.921	(400.959)	-	50.979.294	56.700.256
- Dividends						(21.578.040)	(21.578.040)
- Profit distribution for the period 2004					3.719.376	(3.719.376)	-
- Own Shares	(17.710.481)					-	(17.710.481)
Equity Balance at 31th December 2005	210.585.182	230.489	6.121.921	(400.959)	53.287.725	184.658.067	454.482.426

	Share capital	Share premium	Fair value reserves	Hedging Reserves	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2006 according to IFRS	210.585.182	230.489	6.121.921	(400.959)	53.287.725	184.658.067	454.482.426
Net Profit/Losses directly booked in Equity							-
Available for sale financial assets							-
Gains (losses) directly recognised in equity			353.968				353.968
Gains (losses) recognised at the income statement at the sale			(6.475.889)				(6.475.889)
Cash flow hedges							-
Gains (losses) directly recognised in equity				(61.541.208)			(61.541.208)
Gains (losses) recognised at the income statement at the sale				18.434.383			18.434.383
Deferred tax on gains (losses) which are recognised in equity				15.385.302			15.385.302
Period Result 1.1 - 31.12.2006						73.409.278	73.409.278
Total Period Profit / Losses	-	-	(6.121.921)	(27.721.523)	-	73.409.278	39.565.834
- Dividends						(24.585.730)	(24.585.730)
- Profit distribution for the period 2004					23.130.306	(23.130.306)	-
- Own Shares	(30.127.447)					-	(30.127.447)
- Capital increase	431.561	(59.765)				(371.796)	-
Equity Balance at 31th December 2006	180.889.296	170.725	-	(28.122.482)	76.418.031	209.979.514	439.335.084

7. Cash Flow Statement

	THE GROUP		THE COMPANY	
	01/01 - 31/12/2006	01/01 - 31/12/2005	01/01 - 31/12/2006	01/01 - 31/12/2005
Cash flows from operating activities	93.632.452	54.517.896	91.399.499	48.695.688
Interest Paid	(231.495)	(164.120)	(230.373)	(161.637)
Income Tax	(16.539.771)	(34.000.845)	(16.414.587)	(33.400.531)
Net Cash flows from Operating activities	76.861.185	20.352.931	74.754.538	15.133.520
Cash flows from Investing activities				
Purchases of tangible assets	(98.521.344)	(61.037.998)	(98.300.492)	(60.657.093)
Purchases of intangible assets	(2.124.396)	(2.933.017)	(349.499)	(857.684)
Sales of tangible assets	12.158.111	184.150	11.900.000	120.750
Dividends received	-	153.540	-	1.453.247
Sales of financial assets available for sale	15.620.488	7.457.432	15.620.488	7.457.432
Interest Received	1.067.705	2.302.862	1.020.665	2.277.389
Grants Received	14.024.754	185.282	14.024.754	185.282
Increase in the Long-Term Receivables	11.593	(270.218)	7.117	(215.921)
Net Cash flows from Investing activities	(57.763.089)	(53.957.967)	(56.076.966)	(50.236.599)
Cash flows from Financing activities				
Acquisition of own shares	(30.127.447)	(17.710.481)	(30.127.447)	(17.710.481)
Dividends paid to parent's shareholders	(24.784.986)	(21.527.296)	(24.784.986)	(21.527.003)
Net Cash flows from Financing activities	(54.912.433)	(39.237.777)	(54.912.433)	(39.237.484)
Net (decrease)/ increase in cash and cash equivalents	(35.814.337)	(72.842.813)	(36.234.861)	(74.340.563)
Cash and cash equivalents at beginning of year	41.187.551	114.030.364	38.931.752	113.272.315
Cash and cash equivalents at end of year	5.373.214	41.187.551	2.696.891	38.931.752

8. Financial information by sector

A business sector is defined as a group of assets and operations that provide goods and services, which are open to various risks and returns from those of other business sectors. As a geographical sector, we define a geographical area, in which goods and services are provided and which is subject to different risks and returns compared to other areas.

Primary information sector – Business segments

On the 31st December 2006, the Group is active in two business segments:

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

The Group's results for each Business segment for the twelve months ending on **December 31st 2006** were the following:

	Aloumina	Aluminium	Others	Non allocated	Total
Total gross sales per segment	190.947.202	347.557.216	557.203	-	539.061.621
In house sales	(68.126.382)	-	-	-	(68.126.382)
Net Sales	122.820.820	347.557.216	557.203	-	470.935.239
Operating profit	20.940.466	75.806.464	-	-	96.746.930
Financing income	-	-	-	1.070.807	1.070.807
Financing expenses	-	-	-	(1.777.890)	(1.777.890)
Other Financing Results	-	-	-	10.506.083	10.506.083
Profit before taxes	20.373.582	74.856.301	-	11.316.047	106.545.930
Income Tax	-	-	-	(29.166.308)	(29.166.308)
Net profit	20.373.582	74.856.301	-	(17.850.261)	77.379.622

The allocation of consolidated assets and liabilities per Business segment as at **December 31st 2006** is analyzed as follows:

	Aloumina	Aluminium	Others	Non allocated	Total
Segments Assets	215.008.781	391.484.000	-	-	606.492.781
Non allocated elements of Asset	-	-	-	19.290.414	19.290.414
Consolidated Asset	215.008.781	391.484.000	-	19.290.414	625.783.195
Segments Liabilities	43.659.997	114.368.000	-	-	158.027.997
Non allocated elements of Liabilities	-	-	-	30.913.330	30.913.330
Consolidated Liabilities	43.659.997	114.368.000	-	30.913.330	188.941.327

Secondary information sector – Geographic segments

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

The Group's sales by Geographic segment for the period from 1st of January to 31st of December 2006 are analyzed as follows:

	<u>1/1 - 31/12/2006</u>	<u>1/1 - 31/12/2005</u>
Greece	216.612.137	170.799.239
European zone	232.542.239	182.002.533
Other countries	21.780.863	29.356.699
Total	<u>470.935.239</u>	<u>382.158.471</u>

Follows, the group sales by item:

	<u>1/1 - 31/12/2006</u>	<u>1/1 - 31/12/2005</u>
Commodity of sales	263.508	25.130
Sales of goods	468.889.014	381.307.564
Sales of other inventories	1.782.717	825.777
Total	<u>470.935.239</u>	<u>382.158.471</u>

9. Additional Information and explanations

9.1 General Information

ALUMINIUM OF GREECE S.A. was established in 1960 by Legislative Decree 4110/8-9 Oct. 1960.

The Company's head offices are in the municipality of Athens (16, Kifisias Avenue, Marousi 151 25).

The Company is registered with the Ministry of Development, General Secretariat of Trade, Department of Societes Anonymes and Credit, S.A. Registration Number: 6045/06/B/86/102.

The Company's aims, according to Article 2 of the Articles of Association, are the following:

"To produce and manufacture alumina and aluminium in Greece and to market these products in other countries as well as to produce and to market any form of energy".

The Company may also perform research, extraction and processing of any other mineral materials and metals in Greece and market them in other countries.

The Company's shares have been traded on the Athens Stock Exchange since January 2.1.1974.

ALUMINIUM OF GREECE S.A. holds equity of 99.98% of Delphes & Distomon S.A.M., which operates in bauxite production. The Group operates both in Greece and other countries.

The company's web page is www.alhellas.gr

The financial statements for the period ending on December 31st 2006 were approved by the Board of Directors of the company ALUMINIUM OF GREECE S.A. on 23/02/2007.

9.2 Basis for preparation of the financial statements

The consolidated financial statements of ALUMINIUM OF GREECE S.A. as of December 31st, 2006 covering the period up to December 31st 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 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.

9.2.1 Basic accounting principles

The accounting principles that provide the basis for the preparation of the attached financial statements, and which are systematically adopted by the Group, are consistent with those that were adopted during the previous accounting period, excluding the following cases:

9.2.2 New accounting standards and interpretations of the IFRIC

(With effect from 2006 and in relation to the activities of the Group)

- **IFRS 6 (amendment) – Exploration for and Evaluation of Mineral Resources (mandatory effect from 1/1/2006)**

The purpose of IFRS 6 is to determine the way financial items for exploration for and evaluation of mineral resources are presented. The amendment guides companies to make limited improvements in their accounting practices, which concern expenses on exploration and evaluation, without imposing the need for major changes. Also it demands from the economic entities that are active in exploration and evaluation of mineral resources to disclose information concerning assets from exploration and evaluation, the level in which these assets are tested for impairment and the recognition of any impairment losses.

- **IAS 19 (Amendment) - Employee Benefits (mandatory effect from 1/1/2006)**

This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. The Group does not intend to change its accounting policy in relation to the recognition of actuarial gains and losses and hence its financial statements are not expected to be affected.

- **IAS 21 (Amendment) – Net Investment in a foreign operation (mandatory effect from 1/1/2006)**

The amendment clarifies that the monetary items between any subsidiaries of the Group with a foreign operation can be considered as a part of the Group's investment in that operation. The resulting exchange differences are transferred during the consolidation in equity, if the settlement of the monetary item is not expected to occur in the foreseeable future. The amendment is not expected to affect the Group's financial statements, since there are not any monetary items for which settlement is not expected to occur in the foreseeable future.

- **IAS 39 (amendment) – The fair value option**

This amendment limits the classification of financial instruments as financial instruments measured in fair value through the income statement. The group is not expected to be affected from the adoption of this amendment since all the financial instruments which are classified as measured in fair value through the income statement and are held for trading.

- **IFRIC 4. Determining whether an Arrangement contains a Lease**

This interpretation determines whether a lease is contained in an agreement which does not have the legal form of a lease. Every agreement that gives the right to use an asset in return of payment will be considered as a lease.

The application of IFRIC 4 is not expected to change the accounting of any of the existing contracts of the Group.

- **IFRIC 10, Interim Financial Reporting and Impairment**

This interpretation determines that the certain requirements of IAS 36 (in relation to goodwill) and of IAS 39 (in relation to the available for sale financial instruments) are preceding the general requirements of IAS 34 and as a result impairment losses that are recognized for these instruments in an interim period cannot be reversed at later period. The group was not affected by the adoption of the interpretation since it has proceeded in reversing impairment losses.

- **IFRIC 8, Scope of IFRS 2**

This interpretation requires the application of IFRS 2 in relation to all transactions related to the issue of equity instruments, where the realizable value it receives is lower than the fair value of the equity instruments that are issued. The Group was not affected by the adoption of this interpretation.

- **IAS 39 and IFRS 4 (amendment), Financial Guarantee Contracts**

Financial guarantee contracts are classified by the publisher as financial instruments. They are initially recognised at fair value on the day the guarantee was issued and their subsequent measurement in the higher value between, (a) their initial value, less accumulated depreciation, in order to be recognised using the straight line method in the income statement, the accrued income from commissions during the contract (IAS 18) and (b) the optimum estimation of the required expense at the balance sheet date (IAS 37). If the issuer considers that such contracts are financial guarantee contracts then he must choose whether to apply IAS 39 «Financial Instruments: Recognition and Measurement» or IFRS 4 «Insurance contracts».

9.2.3 Standards, amendments and interpretations with mandatory effect from 2006

(Which are not related with the activities of the Group)

- IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards;
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;

- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment;
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies;
- IFRIC 9, Reassessment of Embedded Derivatives;

9.2.4 Standards, amendments and interpretations on existing standards

(With a future date of implementation and the Group has not proceeded to voluntary implementation).

The International Accounting Standards Board has already published a series of new accounting standards that are not mandatory for the Group's accounting periods beginning on or after 1 January 2006. The group estimates that these new standards and interpretations will affect it in the following way:

- **IAS 1 (amendment) Presentation of Financial Statements**

Due to the issuance of IFRS 7 some amendments were added to IAS 1 that an entity should disclose information that enables users of its financial statements to evaluate the aims, policies and procedures of managing its equity. The group will apply the amendment of IAS 1 from the 1/1/2007.

- **IFRS 7 Financial Instruments: Disclosures**

IFRS 7 demands in addition to IAS 32 disclosures for all the financial instruments (apart from those related to other standards – e.g. IAS 27, 28, 31). IFRS 7 demands to disclose the importance of financial instruments for the performance and the financial position of the company. Also it demands the disclosure of quality and quantity information in relation to existing risks arising from using financial instruments. The group will apply IFRS 7 from 1/1/2007.

- **IFRS 8 Operating Segments**

IFRS 8 replaces IAS 14 and sets different disclosure requirements in relation to the disclosure of segment information. IFRS 8 will be effective from 1/1/2009 and it is then expected to be adopted from the Group.

- **IFRIC 11 IFRS 2 - Group and Treasury Share Transactions of the company or companies of the group**

IFRIC 11 provides guidance on whether specific share-based payment arrangements based on the value of the shares of the entity, which receives goods or services in return to its own equity instruments, should be accounted for as equity-

settled or cash-settled schemes. IFRIC 11 is effective from 1/1/2007 and is not expected to affect the financial statements of the Group.

- **IFRIC 12 Service Concession Arrangements**

IFRIC 12 provides guidance on the way operators of service concession arrangements should apply IFRS in order to account for the obligations and the rights that are granted to them in the concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the financial statements of the Group.

9.2.5 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting decisions

During the process of applying the accounting policies of the company certain decisions are made by management in relation to:

- Investment classification
- Recoverability of accounts receivable
- Obsolescence in inventory
- Whether a lease entered into with an external lessor is a financial lease or an operational lease.

Estimates and assumptions

The representation of the value of certain assets and liabilities in the financial statements demands the use of estimations based on assumptions with respect to values and conditions which cannot be known with certainty at the time the financial statements are prepared. Group evaluates such estimates on an ongoing basis, based on historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances as well as our forecasts as to how these might change in the future.

Assumptions and estimates are required for the representation of:

- Impairment of goodwill
- Provision for income tax and deferred tax

- Fair value of derivatives and other financial instruments
- Provisions
- Contingencies

Consolidation

(α) Subsidiaries

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

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

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

Segment reporting

A business segment is defined as a group of assets and activities that provide goods and services that are 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 is subject to different risks and returns than other regions.

Foreign currency conversion

(a) Operating Currency and Reporting Currency.

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

(b) Transactions

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results, apart from the cases that concern exchange differences from the valuation of derivative instruments that are used as cash flow hedges. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

Tangible Assets

Fixed assets are reported in the financial statements at acquisition cost or implied cost, as such were determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Fixed assets cost includes the costs of some spare parts of these fixed assets, which require frequent replacement.

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

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

- Buildings	30-40 years
- Machineries	8-20 years
- Vehicles	4-5 years
- Other Equipment	4-10 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date.

When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

Financial expenses concerning the construction of fixed assets are capitalized for the period that it is required to complete their construction. All other financial expenses are recognised in the income statement.

Intangible Assets

(a) Signals and Licences

Signals and Licences are valued at their acquisition cost less depreciation. Depreciations are conducted with the straight line method over their useful lives

(b) Software Programs

The Software licences are valued at their acquisition cost less depreciation. Depreciations are conducted with the straight line method over their useful lives, which range from 3 to 5 years.

Expenses required for the development and the maintenance of the software are recognised as expenses when they occur.

(c) Research and Development Expenses

Research and Development expenditures are recognised as expenses when they are realised. The expenses which arise from the developing programs (related to the design and the test of new or improved products) are capitalized if it is possible to produced future economic benefit. The other development expenditures are booked as an expense in the results when they are realised. Previous years' development expenditures recognised as expenses, can not be capitalized in the future fiscal years. The capitalized development expenses are depreciated from the beginning of

the product's economic life using the straight line method during the period of the product's future economic benefits. The Group's depreciation period doesn't exceed the 5 years.

(d) Legal rights to explore mines

The legal rights to explore mines concern rights that the group has acquired mining mineral reserves in several geographical areas. In cost of the mining rights, apart from nominal value of the rights, any cost that relates to the initial evaluation of the rehabilitation cost of the area where work has been done, the commitment of the Group either during the acquirement of the right or as a result of its use for a certain time period. The depreciation time period that is adopted by the Group does not exceed 10 years.

Impairment of Assets

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

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

Investment instruments

An investment instrument is every contract that creates a financial asset in a business and financial liability or a participating title in any other business.

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

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

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement provided that they meet the criteria set by the amendment of IAS 39 «Fair Value Option».

ii) Loans and receivables

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

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

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

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity. The Group held no such investments.

iv) Financial assets available for sale

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

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

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

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

The loans and receivables are recognized in the net book value based on the real interest rate method. The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market have been classified in the category. Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

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

Impairment of assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for individually significant financial assets and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and

collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

In a subsequent period if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed. The reversal is recognised in the income statement to the extent that carrying amount of the financial asset does not exceed the amortised cost at the date the impairment is reversed.

Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. The cost is estimated with the weighted average method. The products cost or semi finished products cost includes the material cost, the direct labour cost and the proportional general production cost. The cost of inventories does not include financial expenses. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses and it is determined based on the current selling prices of inventories and in line with the normal activity of the Group less any sale expenses, where necessary.

Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement. In the event that the net book value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate. The relevant loss is immediately transferred to the period's results.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity of three months or less. Money market instruments are financial assets carried at fair value through profit or loss.

For consolidated cash flow statement purposes, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Share capital

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares are classified as equity. The share capital consists of common shares. Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

During the acquisition of own-shares, the cost incurred, including the relevant expenses is booked by charging the equity (reserve above par). No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own share capital.

Income tax & deferred tax

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

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

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

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

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset. The Group recognises previously unrecognised deferred tax asset are reassessed at each balance sheet date to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Retirement benefits and employee long-term benefits

Retirement benefits

Pensions to employees are provided through a defined benefit plan as well as several defined contribution plans. The company will have no legal obligation or inferred obligation to pay any further benefits, in the case that the conveyor possesses enough assets to pay all the benefits to the employees, for current or previous years rendered services.

A defined contribution plan is a pension plan that does not fall into a fixed contribution plan. Typically, a defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration.

The liability recognised in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation (DBO) 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 DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO 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.

The past service cost is directly recognised directly in the results, except if the changes in the pension plans are optional for the employees to remain in service for a certain time period (date of consolidation). In this case, the cost of previous service is depreciated in a straight line until the consolidation date of the benefits.

For defined benefits plans, the Group pays fixed contributions into public or private pension plans in mandatory, contractual or optional basis. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions are recognised as expenses for owed benefits to employees. Prepaid contributions are recognised as assets in the extent that a money return or reduction in future payments is possible.

Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date or when an employee agrees to voluntarily depart from service in return to these benefits.

The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed program for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted to their present value.

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

In the case of employment termination where there is an inability to assess the number of employees that will use such benefits, they are not accounting for but are disclosed as a contingent liability.

Grants

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

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

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

Provisions

Provisions for environmental retrieval restructure expenses and compensations are recognized when:

- 1) The Group has present obligations as a result of past events.
- 2) Their settlement through an outflow of resources is probable.
- 3) The exact amount of the obligation can be reliably estimated.

For similar liabilities, the possibility that the outflow will be claimed is estimated for the sum of each group of liabilities. Provisions are recognised even if the outflow probability, of a certain element that is included in the same group of liabilities, is small.

Where some or all of the expenditure is required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation and it is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

The expense relating to a provision is presented in the income statement, net of the amount recognised for a reimbursement.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount pre-tax rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost in the income statement.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

(α) Vacancy Right

The annual vacancy right and the employees' long-term service right are recognized at the time they result. The provision is recognized for the estimated liabilities of the annual vacancy right and the long-term service right, as a result of the services provided up to the financial statements date.

Financial liabilities

The Group's financial liabilities include bank loans and overdrafts, trade and other payables and finance leasing liabilities. Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument and derecognised when the obligation under the liability is discharged or cancelled or expires.

All interest related charges is recognised as an expense in "finance cost" in the income statement.

Trade payables are recognised initially at their nominal value and subsequently measured at amortised cost less settlement payments.

Dividend distributions to shareholders are included in 'other short term financial liabilities' when the dividends are approved by the shareholders' meeting.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Income and expense recognition

Income recognition

Revenue is recognized when, it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured

Revenue is measured at the fair value of the consideration received and is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The amount of revenue is considered to be reliably measurable when all contingencies relating to the sale have been resolved.

Sale of goods

Revenue from the sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income

Interest income is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When a receivable is impaired, the Group reduces the carrying amount to the amount expected to be recovered, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Expenses recognition

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

Leases

The assessment of whether an arrangement contains a lease is made at the inception date of the arrangement, on the basis of all of the facts and circumstances. A reassessment after the inception of the arrangement is made only if any one of the following applies:

- There is a change in the contractual terms, unless the change only renews or extends the arrangement
- A renewal option is exercised or an extension is agreed, unless the term of the renewal or extension was initially included in the lease term
- There is a change in the determination of whether fulfillment is dependent on a specified asset.
- There is a substantial change to the asset

If an arrangement is reassessed lease accounting is applied from the date when the change in circumstances gave rise to the reassessment for (a), (c) or (d), and at the date of renewal or extension period for scenario (b).

The Group as a lessee

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Subsequent accounting for assets held under finance lease agreements, ie depreciation methods and useful lives, correspond to those applied to comparable acquired assets. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. Finance charges represent a constant periodic rate of interest on the outstanding balance of the finance lease liability.

All other leases are treated as operating leases. Therefore lease agreements where the lessor transfers the right to use an asset for an agreed period of time, without, however, transferring the risks and the ownership rewards of the asset, is classified as operational leases. Payments on operating lease agreements are recognised as an expense to the income statement on a straight-line basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

The Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of the asset are classified as operating leases. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term as lease income.

9.3 Financial Risk Management

Financial Risk Factors

The Group is exposed to several financial risks such as market risks (exchanges in foreign exchange rates, market prices), credit risks, liquidity risks, cash flows risks and fair value risks from interest rates fluctuations. The Group's risk management program focuses on the financial markets unpredictability and intends to minimize any possible negative effect on the Group's financial performance. The Group makes use of derivatives such as futures, forwards and commodities with the intention to offset its exposure to certain risks.

The risk management is implemented by the Treasury Department which operates with certain rules that have already being approved by the Board of Directors. The Treasury department estimates and hedges the financial risks in cooperation with the departments that face these risks. The Board of Directors provides written instructions and guidelines for the risk management as well as special instruction for the risk management of certain risks such as foreign exchange risks and credit risks.

(a) Market Risk

(1) Foreign Exchange Risk

The Group operates in the market of Alumina and Aluminium and therefore its exposure to foreign exchange rates fluctuations derives from the US Dollar. This risk rises mainly due to the future commercial transactions, receivables and liabilities in foreign currencies.

ALUMINIUM OF GREECE S.A. enters into futures contacts in order to manage the foreign exchange risk.

(2) Price Risk

ALUMINIUM OF GREECE S.A. is exposed to the share prices fluctuations which are held either for trading or reserves. It is also exposed to the aluminium and other commodities prices which operate in commodities exchange. The Group uses futures to management these risks.

(b) Credit Risk

The Group has low credit risk. The sales are made mainly to customers with high credibility and simultaneously the Group insurances these credits.

(c) Liquidity Risk

The liquidity risk remains in low levels, maintaining adequate reserves and marketable shares

(d) Cash Flows Risk and Fair Value Change Risk due to interest rates fluctuation

The Group's revenues and cash flows are materially independent to the interest rates fluctuations. The Group has several important interest-bearing assets, placed in low risk investments. The Group has neither long-term nor short-term loans and therefore it is not subject to interest rates risks.

Accounting for hedging activities

Derivative financial instruments such as forward currency contracts, interest rate swaps, cross currency interest rate swaps and interest rate options are used to manage the financial risks arising from the business activities of the Group and the financing of those activities.

At the inception of a hedging transaction entailing the use of derivative financial instruments, the Group documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Group also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedge in offsetting movements in the fair values or cash flows of the hedged items.

All derivative financial instruments are initially recognised at fair value on settlement date and subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Where derivative financial instruments that cannot be recognized as hedging instruments, changes in their fair values are recognised in the income statement.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss. Currency derivatives embedded in committed purchase or sales contracts are not separated and fair valued if the currency in the contract is either the functional currency of one of the parties to the contract or is a commonly used currency for purchase or sales in the relevant country.

There are three kinds of hedging relationships:

Fair value hedges

A fair value hedge is 'a hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

If a fair value hedge meets the criteria for hedge accounting it should be accounted for as follows: The gain or loss from re-measuring the hedging instrument at fair value should be recognised in profit or loss.

For non-derivative hedging instruments used to hedge foreign currency risk, only the foreign currency component of its carrying amount should be taken to profit and loss - the whole of such an instrument need not be re-measured in its entirety. The gain or loss on the hedged item attributable to the hedged risk should be recognised in profit or loss immediately to offset the change in carrying value of the hedging instrument. This applies for items that are otherwise recognised at cost, and for available-for-sale financial assets. Any hedge ineffectiveness is recognised immediately in profit or loss.

Cash flow hedges

Cash flow hedges secure the Group against variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss.

Examples of Groups cash flows hedges include future transactions in foreign currencies that are subject to changing exchange rates and future interest payments subject to changing interest rates.

Changes in the carrying amount of the effective portion the hedging instrument are charged to the "revaluation reserve" in equity while the ineffective portion is recognised in the income statement. Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss such as when hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs.

When a cash flow hedging instrument expires or is sold, terminated or exercised without replacement 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 occurs. If the related transaction is not expected to occur, the amount is taken to profit or loss

Hedges of a net investment

Hedges of net investments in foreign operations are accounted for similarly to cash-flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to any ineffective portion is recognised immediately in the income statement. The accumulated profits and losses in equity are transferred to the results at time of the business sell.

The profit or losses, which are related with the non result hedging part, are recognized in the results.

Fair Value determination

The financial instruments fair value trade in active market (e.g. derivatives, shares, bonds, mutual funds) and it is determined by the published prices at the balance sheet date. The bid price is used for the financial assets and the ask price is used of the financial liabilities.

The fair value of the financial instruments that don't trade in active markets is determined with the use of valuation methods and assertions which are based on market conditions at the balance sheet date.

9.4 The Group Structure and the Consolidation Method

The companies which are included in the consolidated financial statements are the following:

COMPANY	PERCENTAGE
ALUMINIUM DE GRECE SA - Athens	Parent
DELPHEs - DISTOMON S.A.M. - Athens	99,98% (1)

Notes :

(1) Companies held directly - Full Consolidation Method

The financial statements of the Group ALUMINIUM OF GREECE S.A. are included in the consolidated financial statements of the Group Mytilineos S.A. that is located in Greece and possess 47,08% of the Group ALUMINIUM OF GREECE S.A. and are consolidated with the full consolidation method.

9.5 Tangible assets

The Group's tangible assets are analyzed as follows:

	Plots & Buildings	Vehicles & Mechanical Equipment	Furniture & Other Equipment	Tangible Assets under construction	Total
Gross Book Value	177.681.827	478.581.618	12.950.411	60.208.949	729.422.804
Accumulated depreciation and value impairment	(14.038.423)	(379.361.786)	(11.515.378)	-	(404.915.587)
Book Value as at 31 December 2005	163.643.404	99.219.832	1.435.033	60.208.949	324.507.217
Gross Book Value	167.588.257	496.578.185	13.424.860	145.737.327	823.328.629
Accumulated depreciation and value impairment	(15.442.354)	(388.796.338)	(11.824.995)	-	(416.063.687)
Book Value as at 31 December 2006	152.145.903	107.781.847	1.599.864	145.737.327	407.264.941

	Plots & Buildings	Vehicles & Mechanical Equipment	Furniture & Other Equipment	Tangible Assets under construction	Total
Book Value as at 31 December 2005	163.643.404	99.219.832	1.435.033	60.208.949	324.507.217
Additions	372.699	18.032.716	474.449	85.528.378	104.408.241
Depreciations	(1.686.874)	(9.466.261)	(309.617)	-	(11.462.752)
Sales / Reductions	(10.466.268)	(36.148)	-	-	(10.502.417)
Sales / Depreciation Reductions	282.942	31.709	-	-	314.652
Book Value as at 31 December 2006	152.145.903	107.781.847	1.599.864	145.737.327	407.264.941

The Company's tangible assets are analyzed as follows:

	Plots & Buildings	Vehicles & Mechanical Equipment	Furniture & Other Equipment	Tangible Assets under construction	Total
Gross Book Value	172.806.270	467.442.814	12.212.422	60.197.848	712.659.354
Accumulated depreciation and value impairment	(11.071.779)	(369.950.254)	(10.877.666)	-	(391.899.699)
Book Value as at 31 December 2005	161.734.492	97.492.559	1.334.756	60.197.848	320.759.655
Gross Book Value	162.732.087	485.380.040	12.668.456	145.619.317	806.399.900
Accumulated depreciation and value impairment	(12.341.793)	(378.900.661)	(11.145.163)	-	(402.387.618)
Book Value as at 31 December 2006	150.390.294	106.479.379	1.523.292	145.619.317	404.012.282

	Plots & Buildings	Vehicles & Mechanical Equipment	Furniture & Other Equipment	Tangible Assets under construction	Total
Book Value as at 31 December 2005	161.734.492	97.492.559	1.334.756	60.197.848	320.759.655
Additions	366.280	17.943.606	456.034	85.421.469	104.187.389
Depreciations	(1.534.190)	(8.952.347)	(267.498)	-	(10.754.035)
Sales / Reductions	(10.440.463)	(6.380)	-	-	(10.446.843)
Sales / Depreciation Reductions	264.176	1.941	-	-	266.116
Book Value as at 31 December 2006	150.390.294	106.479.379	1.523.292	145.619.317	404.012.282

9.6 Collateral on the fixed assets

The plots and the buildings were valued as at the transition date to IFRS (01/01/2004) at their implied cost according to the provisions of IFRS 1. The "implied" cost is considered as the fair value of the fixed assets as at the transition date to IFRS, which was defined after a study by an independent evaluator. The other tangible assets (machinery, other equipment) are recognized at the transition date at their acquisition cost minus accumulated depreciations.

There are no mortgages or collateral on the fixed assets for borrowing.

9.7 Intangible assets

The Group's intangible assets are analyzed as follows:

	Software	Mining rights	Total
Gross Book Value	6.160.585	53.881.393	60.041.978
Accumulated depreciation and value impairment	(5.218.408)	(49.722.943)	(54.941.351)
Book Value as at 31 December 2005	942.177	4.158.450	5.100.627
Gross Book Value	6.511.634	55.654.740	62.166.374
Accumulated depreciation and value impairment	(5.472.358)	(51.569.160)	(57.041.518)
Book Value as at 31 December 2006	1.039.276	4.085.580	5.124.856

	Software	Mining rights	Total
Book Value as at 31 December 2005	942.177	4.158.450	5.100.627
Additions	351.049	1.773.348	2.124.396
Depreciations	(253.950)	(1.846.218)	(2.100.167)
Sales / Reductions	-	-	-
Sales / Depreciation Reductions	-	-	-
Book Value as at 31 December 2006	1.039.276	4.085.580	5.124.856

The Company's intangible assets are analyzed as follows:

Gross Book Value	5.890.805	5.890.805
Accumulated depreciation and value impairment	(4.970.402)	(4.970.402)
Book Value as at 31 December 2005	920.403	920.403
Gross Book Value	6.240.303	6.240.303
Accumulated depreciation and value impairment	(5.216.266)	(5.216.266)
Book Value as at 31 December 2006	1.024.037	1.024.037

	Software	Total
Book Value as at 31 December 2005	920.403	920.403
Additions	349.499	349.499
Depreciations	(245.865)	(245.865)
Sales / Reductions	-	-
Sales / Depreciation Reductions	-	-
Book Value as at 31 December 2006	1.024.037	1.024.037

9.8 Investments on subsidiaries

Investments on subsidiaries are valued at their acquisition cost.

	<u>31/12/2006</u>	<u>31/12/2005</u>
Period beginning	19.213.937	19.213.937
Exchange difference	-	-
Additions	-	-
Other equity changes	-	-
Period ending	19.213.937	19.213.937

General information of subsidiaries

Name	Country	Total Sales	% Participation 31/12/2006	% Participation 31/12/2005
Delphes - Distomon S.A.M.	Greece	3099000	99,98%	99,98%

9.9 Financial Assets available for sale.

It includes non-derivative financial assets that can be either allocated in this category or they cannot be allocated in any other.

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Balance at the beginning of the period	11.236.326	5.469.676	11.236.326	5.469.676
Sale of participation	(11.590.294)	(7.819.104)	(11.590.294)	(7.819.104)
Revaluation at fair value	353.968	13.585.753	353.968	13.585.753
Balance at the end of the period	- 11.236.326		- 11.236.326	

The financial assets for sales include the following:

Non-current Assets	- 11.236.326	- 11.236.326
Current Assets	-	-
Total	- 11.236.326	- 11.236.326

9.10 Deferred tax

The deferred tax receivables and liabilities estimation takes place for each company of the Group and in cases where receivables or liabilities appear, they offset each other.

The offset of deferred tax receivables and liabilities takes place when there is an applicable legal right to offset the current tax receivables with the current tax liabilities and when the deferred income taxes refer to the same tax authority.

The Group's offset amount is analyzed as follows:

	<u>31/12/2006</u>		<u>31/12/2005</u>	
	D.T. Receivable	D.T. Liability	D.T. Receivable	D.T. Liability
<u>Non-Current Assets</u>				
Intangible Assets	27.679	-	-	8.472
Property, plant and equipment	744.998	15.486.548	890.736	17.005.915
Available-for-sale financial assets	-	-	33.545	-
<u>Long-Term Liabilities</u>				
Employee Benefits	5.871.714	-	6.072.018	-
Investment Grants	108.351	-	145.135	-
Other Non-Current Liabilities	4.382.747	-	2.747.696	-
<u>Short-Term Liabilities</u>				
Contingent Liabilities	-	-	-	-
Employee Benefits	1.668.678	-	990.292	-
Derivatives	9.374.161	-	163.772	-
<u>Offset</u>	(15.486.548)	(15.486.548)	(9.726.340)	(9.726.340)
Total D.T. Receivable	6.691.780	-	1.316.854	7.288.047

The Company's offset amount is analyzed as follows:

	<u>31/12/2006</u>		<u>31/12/2005</u>	
	D.T. Receivable	D.T. Liability	D.T. Receivable	D.T. Liability
<u>Non-Current Assets</u>				
Intangible Assets	27.679	-	-	8.472
Property, plant and equipment	744.998	15.486.548	890.736	17.005.915
Available-for-sale financial assets	-	-	33.545	-
<u>Long-Term Liabilities</u>				
Employee Benefits	5.871.714	-	6.072.018	-
Investment Grants	108.351	-	145.135	-
Other Non-Current Liabilities	4.382.747	-	2.747.696	-
<u>Short-Term Liabilities</u>				
Contingent Liabilities	-	-	-	-
Employee Benefits	1.668.678	-	990.292	-
Derivatives	9.374.161	-	163.772	-
<u>Offset</u>	(15.486.548)	(15.486.548)	(9.726.340)	(9.726.340)
Total D.T. Receivable	6.691.780	-	1.316.854	7.288.047

9.11 Inventories fair value

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

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Raw Material	9.262.165	8.573.574	9.334.393	8.760.681
Semi-finished Products	23.032.880	25.642.593	23.032.880	25.642.593
Finished Products	12.981.384	9.972.182	12.980.834	9.068.503
Other	22.666.435	19.687.879	21.329.251	18.462.815
Total	67.942.864	63.876.227	66.677.358	61.934.592

Less: Provisions for useless, belated and destroyed inventories:

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Raw Material	-	-	-	-
Semi-finished Products	-	-	-	-
Finished Products	-	-	-	-
Other	(1.291.565)	(1.170.888)	(1.170.888)	(1.170.888)
Total	(1.291.565)	(1.170.888)	(1.170.888)	(1.170.888)
Total net liquidation value	66.651.299	62.705.339	65.506.470	60.763.704

9.12 Customers and other trade receivables

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

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Customers	71.843.160	66.372.237	71.713.107	66.359.989
Notes Receivable	-	-	-	-
Checks Receivable	1.745.695	1.670.066	1.745.695	1.670.066
Minus: Impairment Provisions	-	-	-	-
Net Trade Receivables	73.588.855	68.042.303	73.458.802	68.030.055
Prepaid Inventory Purchases	-	-	-	-
Total	73.588.855	68.042.303	73.458.802	68.030.055
Non-Current Assets	-	-	-	-
Current Assets	73.588.855	68.042.303	73.458.802	68.030.055
Total	73.588.855	68.042.303	73.458.802	68.030.055

The fair value receivables are the following:

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Customers	71.843.160	66.372.237	71.713.107	66.359.989
Notes Receivable	-	-	-	-
Checks Receivable	1.745.695	1.670.066	1.745.695	1.670.066
Prepaid Inventory Purchases	-	-	-	-
Total	73.588.855	68.042.303	73.458.802	68.030.055

9.13 Other Receivables

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

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Sundry Debtors	1.668.598	1.216.394	1.616.976	1.159.101
Receivables from the Greek State	58.257.491	53.782.765	56.789.085	52.275.803
Other receivables	1.183.654	7.457.496	1.106.218	7.332.660
Disputed Debtors	-	-	-	-
Receivables from associated parties	-	-	12.720	16.553
Loans to associated parties	-	-	-	-
Minus: Bad debtors provision	(21.494)	(21.494)	(21.494)	(21.494)
Net debtors receivables	61.088.249	62.435.161	59.503.505	60.762.624
Non-Current Assets	381.176	392.769	316.445	323.562
Current Assets	60.707.073	62.042.392	59.187.060	60.439.061
Total	61.088.249	62.435.161	59.503.505	60.762.624

The fair value receivables are the following:

	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Sundry Debtors	1.647.104	1.194.900	1.595.482	1.137.607
Receivables from the Greek State	58.257.491	53.782.765	56.789.085	52.275.803
Other receivables	1.183.654	7.457.496	1.106.218	7.332.660
Receivables from associated parties	-	-	12.720	16.553
Loans to associated parties	-	-	-	-
Total	61.088.249	62.435.161	59.503.505	60.762.624

9.14 Cash and Cash Equivalents

The Group's and the Company's cash and cash equivalents include the following:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand	5.373.214	13.187.551	2.696.891	10.931.752
Short-term bank deposits	-	28.000.000	-	28.000.000
Total	5.373.214	41.187.551	2.696.891	38.931.752

The cash in hand and the bank over-withdrawals for the purpose of the cash flow statement, include the following:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash and Cash Equivalents	5.373.214	41.187.551	2.696.891	38.931.752
Bank over-withdrawals	-	-	-	-
Total	5.373.214	41.187.551	2.696.891	38.931.752

9.15 Fair Value Reserves

The Group's fair value reserves are analyzed as follows:

	Fair Value Reserves	Hedging Reserves	Foreign currency translation reserves	Other reserves	Total
Balance at 1/1/2005				42.501.624	42.501.624
Gains (losses) directly recognised in equity		-564.730			-564.730
Gains (losses) recognised at the income statement at the sale		163.772			163.772
Deferred tax on gain (losses) which are recognised at equity					
Gains (losses) directly recognised in equity	13.585.753				13.585.753
Gains (losses) recognised at the income statement at the sale	-7.463.833				-7.463.833
Reserves from allocation of earnings				3.719.376	3.719.376
Balance at 31/12/2005	6.121.921	-400.959	0	46.221.001	51.941.963
Gains (losses) directly recognised in equity		-61.541.208			-61.541.208
Gains (losses) recognised at the income statement at the sale		18.434.383			18.434.383
Deferred tax on gain (losses) which are recognised at equity		15.385.302			15.385.302
Gains (losses) directly recognised in equity	353.968				353.968
Gains (losses) recognised at the income statement at the sale	-6.475.889				-6.475.889
Reserves from allocation of earnings				25.454.940	25.454.940
Balance at 31/12/2006	0	-28.122.482	0	71.675.941	43.553.459

The Company's fair value reserves are analyzed as follows:

	Fair Value Reserves	Hedging Reserves	Other reserves	Total
Balance at 1/1/2005			49.568.349	49.568.349
Gains (losses) directly recognised in equity		-564.730		-564.730
Gains (losses) recognised at the income statement at the sale		163.772		163.772
Deferred tax on gain (losses) which are recognised at equity				0
Gains (losses) directly recognised in equity	13.585.753			13.585.753
Gains (losses) recognised at the income statement at the sale	-7.463.833			-7.463.833
Reserves from allocation of earnings			3.719.376	3.719.376
Balance at 31/12/2005	6.121.921	-400.959	53.287.725	59.008.688
Gains (losses) directly recognised in equity		-61.541.208		-61.541.208
Gains (losses) recognised at the income statement at the sale		18.434.383		18.434.383
Deferred tax on gain (losses) which are recognised at equity		15.385.302		15.385.302
Gains (losses) directly recognised in equity	353.968			353.968
Gains (losses) recognised at the income statement at the sale	-6.475.889			-6.475.889
Reserves from allocation of earnings			23.130.306	23.130.306
Balance at 31/12/2006	0	-28.122.482	76.418.031	48.295.550

9.16 Other Long-Term Liabilities and Grants

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Grants				
Balance at the beginning of the period	4.806.142	4.849.353	4.806.142	4.849.353
Additions	14.024.754	185.282	14.024.754	185.282
Transfer to results	(83.988)	(228.493)	(83.988)	(228.493)
Balance at the end of the period	18.746.907	4.806.142	18.746.907	4.806.142

9.17 Suppliers

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	32.189.651	35.843.702	39.377.392	38.160.457
Notes Payable	-	-	-	-
Checks Payable	-	-	-	-
Total	32.189.651	35.843.702	39.377.392	38.160.457

9.18 Current Tax Liabilities

The balances of the current tax liabilities of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax for the current period	33.596.173	12.907.572	33.142.913	12.907.572
Tax control differences Liabilities	2.253.157	5.876.470	2.197.504	5.876.470
Other Tax Liabilities	2.047.807	3.176.193	1.899.036	3.018.156
Total	37.897.137	21.960.235	37.239.453	21.802.198

9.19 Derivatives as hedging instruments

Derivatives are classified as assets or liabilities. Provided that the maturity date of the derivatives is within 12 months, the derivatives are recognized as current assets or short-term liabilities and in the case that their maturity date is over twelve months, they are recognized as long-term assets or long-term liabilities. The balances of derivatives as at 31/12/2006 are analyzed as follows:

	31/12/2006		31/12/2005	
	Assets	Liabilities	Assets	Liabilities
Commodity future	-	43.890.790	-	564.730
Currency forward	6.394.147	-	-	-
Total	6.394.147	43.890.790	-	564.730
Classified as:				
Long-term liabilities	-	3.555.701	-	-
Short-term liabilities	-	33.940.941	-	564.730
Total	-	37.496.642	-	564.730

Cash flow hedges

As at 31/12/2006, the Group had entered into derivative contracts that concerned commodity futures and currency forwards, that were intended from the business as hedging instruments against cash flow risks from changes in aluminium prices and the risk of a decrease in the liabilities value as a result of exchange rates changes between the Euro (€) and the Dollar (\$).

• Commodity Futures

Cash flow hedges that concern commodity futures were designed and is expected to be very effective during the accounting periods of 2007 and 2008. The valuation of the open contracts was at 43.890.790 €. The amount that was recognized over equity after tax was at 2.918.092,31 €.

• Currency Forwards

Cash flow hedges that concern currency forwards was designed and is expected to be very effective during the accounting periods of 2007 and 2008. The valuation of the open contracts was at 6.394.148 €. The amount that was recognized at the benefit of equity after deferred tax was at 4.795.610,61 €.

The group uses currency forward contracts as hedging instrument for the collection of receivables, due to foreign currency. Therefore, the Group hedges cash flow risks related to that particular asset and not the exposure in the fair value fluctuation of the asset.

9.20 Other Short-Term Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Accrued Expenses	6.704.060	5.008.033	6.704.060	5.008.033
Insurance organizations and other taxes	2.470.851	2.808.072	2.210.660	2.533.574
Other Liabilities	3.344.018	8.078.690	3.245.161	7.972.682
Total	12.518.929	15.894.795	12.159.881	15.514.289

9.21 Provisions

The Group's provisions are analyzed as follows.

	Environmental retrieval	Tax liabilities	Other	Total
31 December 2005	7.480.511	1.200.000	3.214.814	11.895.325
Fiscal Year Additional Provisions	(24.045)	2.150.000	6.353.519	8.479.474
Reversed non-used provisions	-	-	(1.479.658)	(1.479.658)
Foreign exchange differences	-	-	-	-
Period's provisions	(423.316)	(200.000)	-	(623.316)
31 December 2006	7.033.150	3.150.000	8.088.675	18.271.825

The Company's provisions are analyzed as follows.

	Environmental retrieval	Tax liabilities	Other	Total
31 December 2005	5.260.000	1.000.000	3.214.814	9.474.814
Fiscal Year Additional Provisions	-	2.100.000	6.353.519	8.453.519
Reversed non-used provisions	-	-	(1.479.658)	(1.479.658)
Foreign exchange differences	-	-	-	-
Period's provisions	(159.164)	-	-	(159.164)
31 December 2006	5.100.836	3.100.000	8.088.675	16.289.511

9.22 Expenses per category

The Group's expenses per category are as analyzed as follows:

1/1 - 31/12/2006

	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension Benefits	2.751.307	82.227	199.125	3.032.659
Other employee benefits	60.598.367	511.463	1.215.797	62.325.626
Cost of inventories recognised as an expense	138.389.347	-	-	138.389.347
<i>Tangible Assets Depreciation</i>				
-Owned Assets	11.384.378	-	78.374	11.462.752
Intangible assets depreciations	2.057.904	42.263	-	2.100.167
Third party remuneration and expenses	3.712.060	338.658	3.544.832	7.595.551
Third party benefits	131.607.505	120.551	1.106.580	132.834.636
Other	14.165.791	278.933	1.121.486	15.566.210
Total	364.666.660	1.374.095	7.266.194	373.306.949

1/1 - 31/12/2005

	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension Benefits	4.736.991	528	2.021	4.739.540
Other employee benefits	71.206.258	602.689	1.060.007	72.868.954
Cost of inventories recognised as an expense	118.988.570	-	-	118.988.570
<i>Tangible Assets Depreciation</i>				
-Owned Assets	11.314.375	-	125.085	11.439.460
Intangible assets depreciations	1.899.470	42.221	-	1.941.691
Third party remuneration and expenses	4.230.778	275.248	2.879.227	7.385.253
Third party benefits	94.691.816	110.903	834.327	95.637.046
Other	9.634.259	194.968	1.232.930	11.062.158
Total	316.702.517	1.226.558	6.133.597	324.062.672

The Company's expenses per category are as analyzed as follows:

1/1 - 31/12/2006

	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension Benefits	3.032.659			3.032.659
Other employee benefits	55.633.969	497.958	1.164.313	57.296.240
Cost of inventories recognised as an expense	158.313.188		-	158.313.188
<i>Tangible Assets Depreciation</i>				
-Owned Assets	10.676.075	-	77.960	10.754.035
Intangible assets depreciations	203.601	42.263	-	245.865
Third party remuneration and expenses	1.671.221	310.840	3.081.109	5.063.170
Third party benefits	130.952.347	88.976	1.062.345	132.103.667
Other	9.246.969	250.028	879.645	10.376.642
Total	369.730.029	1.190.065	6.265.372	377.185.465

1/1 - 31/12/2005

	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension Benefits	4.481.409	-	-	4.481.409
Other employee benefits	66.197.469	587.266	931.373	67.716.107
Cost of inventories recognised as an expense	136.868.985			136.868.985
<i>Tangible Assets Depreciation</i>				
-Owned Assets	10.509.271	-	118.229	10.627.499
Intangible assets depreciations	28.505	42.221	-	70.727
Third party remuneration and expenses	2.317.083	246.500	2.064.732	4.628.315
Third party benefits	94.088.894	66.901	783.569	94.939.364
Other	6.393.172	180.145	932.285	7.505.601
Total	320.884.788	1.123.032	4.830.186	326.838.007

9.23 Benefits for employment termination

The amounts that are recognized in the balance sheet and the income statement concern defined benefit plans and pension plan are as follows:

The Group

	2006	2005
Long-term pension obligations	31.820.235	30.259.536
Short-term pension obligations	-	-
Total	31.820.235	30.259.536

The amounts recognised in the income statement are as follows:

	2006			2005		
	Non-financed obligation plans	Defined benefit plans	Total	Non-financed obligation plans	Defined benefit plans	Total
Current service costs	2.518.348	2.852.620	5.370.967	2.468.552	2.774.868	5.243.419
Interest costs on benefit obligation	1.233.060	696.478	1.929.538	1.112.824	700.342	1.813.166
Expected return on plan assets	-	268.968	268.968	-	214.156	214.156
Recognition of past service costs	-	-	-	-	-	-
Actuarial gain/loss recognised in the year	2.380.745	36.516	2.417.260	993.753	1.220.355	2.214.108
Losses (gains) on curtailments and settlements	-	-	-	-	-	-
Expense recognised in profit or loss	6.132.152	3.316.646	9.448.798	4.575.129	4.481.409	9.056.537
Expected return on plan assets	-	268.968	268.968	-	214.156	214.156
Actuarial gain (loss) on plan assets	-	143.524	143.524	-	-	-
Actual return on plan assets	-	412.491	412.491	-	214.156	214.156

The amounts recognised in the balance sheet are as follows:

	2006			2005		
	Non-financed obligation plans	Defined benefit plans	Total	Non-financed obligation plans	Defined benefit plans	Total
Present value of funded benefit obligation	-	13.929.560	13.929.560	-	13.339.852	13.339.852
less: Fair value of plan assets	-	(5.596.183)	(5.596.183)	-	(4.283.120)	(4.283.120)
	-	8.333.377	8.333.377	-	9.056.732	9.056.732
Present value of unfunded obligations	23.486.857	-	23.486.857	21.202.804	-	21.202.804
Net actuarial gain or loss not recognised	-	-	-	-	-	-
Past service cost not yet recognised	-	-	-	-	-	-
	23.486.857	-	23.486.857	21.202.804	-	21.202.804
Net Pension obligation in the balance sheet	23.486.857	8.333.377	31.820.235	21.202.804	9.056.732	30.259.536

Changes in the present value of the defined benefit obligation are as follows:

	2006			2005		
	Non-financed obligation plans	Defined benefit plans	Total	Non-financed obligation plans	Defined benefit plans	Total
Defined benefit obligation at 1 January 2006	21.202.804	13.339.852	34.542.656	25.524.552	16.608.277	42.132.828
Service cost	2.518.348	2.852.620	5.370.967	2.468.552	2.774.868	5.243.419
Interest cost	1.233.060	696.478	1.929.538	1.112.824	700.342	1.813.166
Actuarial losses (gains)	2.380.745	854.714	3.235.459	993.753	1.220.355	2.214.108
Losses (gains) on curtailments	-	-	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-	-	-
Liabilities assumed in a business combination	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-	-
Benefits paid	3.848.099	3.814.104	7.662.203	8.896.877	7.963.989	16.860.866
Defined benefit obligation at 31 December 2006	23.486.857	13.929.560	37.416.418	21.202.804	13.339.852	34.542.656

The movement in the fair value of plan assets of the year is as follows:

	2006	2005
	Defined benefit plans	Defined benefit plans
Balance at the beginning of year	4.283.120	3.952.954
Expected return on plan assets	268.968	214.156
Actuarial (losses)/gains	818.199	-
Exchange differences on foreign plans	-	-
Employee contributions	-	-
Employer contributions	4.040.000	8.080.000
Benefits paid	3.814.104	7.963.989
Liabilities assumed in a Business combinations	-	-
Balance at the end of year	5.596.183	4.283.120
	2006	2005
Discount rate	5,25%	5,25%
Expected rate of return on plan assets	5,00%	5,00%
Expected rate of salary increases	4,00%	3,50%
Expected rate of pension increases	4,00%	3,50%

The Company

	2006	2005
Long-term pension obligations	29.936.544	28.525.352
Short-term pension obligations	-	-
Total	29.938.550	28.527.357

The amounts recognised in the income statement are as follows:

	2006			2005		
	Non-financed obligation plans	Defined benefit plans	Total	Non-financed obligation plans	Defined benefit plans	Total
Current service costs	2.293.486	2.852.620	5.146.106	2.260.175	2.774.868	5.035.043
Interest costs on benefit obligation	1.134.166	696.478	1.830.644	1.022.103	700.342	1.722.445
Expected return on plan assets	-	268.968	268.968	-	214.156	214.156
Recognition of past service costs	-	-	-	-	-	-
Actuarial gain/loss recognised in the year	2.167.293	36.516	2.203.809	984.603	1.220.355	2.204.958
Losses (gains) on curtailments and settlements	-	-	-	-	-	-
Expense recognised in profit or loss	5.594.946	3.316.646	8.911.591	4.266.881	4.481.409	8.748.289
Expected return on plan assets	-	268.968	268.968	-	214.156	214.156
Actuarial gain (loss) on plan assets	-	143.524	143.524	-	-	-
Actual return on plan assets	-	412.491	412.491	-	214.156	214.156

The amounts recognised in the balance sheet are as follows:

	2006			2005		
	Non-financed obligation plans	Defined benefit plans	Total	Non-financed obligation plans	Defined benefit plans	Total
Present value of funded benefit obligation	-	13.929.560	13.929.560	-	13.339.852	13.339.852
less: Fair value of plan assets	-	(5.596.183)	(5.596.183)	-	(4.283.120)	(4.283.120)
	-	8.333.377	8.333.377	-	9.056.732	9.056.732
Present value of unfunded obligations	21.603.167	-	21.603.167	19.468.620	-	19.468.620
Net actuarial gain or loss not recognised	-	-	-	-	-	-
Past service cost not yet recognised	-	-	-	-	-	-
	21.603.167	-	21.603.167	19.468.620	-	19.468.620
Net Pension obligation in the balance sheet	21.603.167	8.333.377	29.936.544	19.468.620	9.056.732	28.525.352

Changes in the present value of the defined benefit obligation are as follows:

	2006			2005		
	Non-financed obligation plans	Defined benefit plans	Total	Non-financed obligation plans	Defined benefit plans	Total
Defined benefit obligation at 1 January 2006	19.468.620	13.339.852	32.808.472	23.840.485	16.608.277	40.448.761
Service cost	2.293.486	2.852.620	5.146.106	2.260.175	2.774.868	5.035.043
Interest cost	1.134.166	696.478	1.830.644	1.022.103	700.342	1.722.445
Actuarial losses (gains)	2.167.293	854.714	3.022.007	984.603	1.220.355	2.204.958
Losses (gains) on curtailments	-	-	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-	-	-
Liabilities assumed in a business combination	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-	-
Benefits paid	3.460.399	3.814.104	7.274.503	8.638.745	7.963.989	16.602.734
Defined benefit obligation at 31 December 2006	21.603.167	13.929.560	35.532.727	19.468.620	13.339.852	32.808.472

The movement in the fair value of plan assets of the year is as follows:

	2006	2005
	Defined benefit plans	Defined benefit plans
Balance at the beginning of year	4.283.120	3.952.954
Expected return on plan assets	268.968	214.156
Actuarial (losses)/gains	818.199	-
Exchange differences on foreign plans	-	-
Employee contributions	-	-
Employer contributions	4.040.000	8.080.000
Benefits paid	3.814.104	7.963.989
Liabilities assumed in a Business combinations	-	-
Balance at the end of year	5.596.183	4.283.120
	2006	2005
Discount rate	5,25%	5,25%
Expected rate of return on plan assets	5,00%	5,00%
Expected rate of salary increases	4,00%	3,50%
Expected rate of pension increases	4,00%	3,50%

9.24 Employee Benefits

	THE GROUP		THE COMPANY	
	01/01-31/12/2006	01/01-31/12/2005	01/01-31/12/2006	01/01-31/12/2005
Wages and Salaries including benefit plans	45.708.946	48.962.152	41.898.738	45.050.460
Social Security Expenses	10.769.382	11.394.286	9.626.732	10.237.835
Other employee benefits	5.535.581	12.489.816	5.459.052	12.146.980
Defined benefit plan payments	311.718	280.832	311.718	280.832
Defined benefit plan	3.032.659	4.481.409	3.032.659	4.481.409
	-	-	-	-
Total	65.358.285	77.608.494	60.328.899	72.197.516

9.25 Financial Cost – Net

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
-Banks	1.070.807	2.310.877	1.023.767	2.285.404
-Available-for-Sale Investments	-	-	-	-
Interest Revenue	1.070.807	2.310.877	1.023.767	2.285.404
	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
- Discounted Benefit Liabilities due to retirement.	(1.517.047)	-	(1.418.153)	-
-Bank Loans	-	-	-	-
- Overdrafts	(29.348)	-	(29.348)	-
- Letters of Guarantees commissions	(67.293)	(44.900)	(67.293)	(44.900)
- Other Bank Expenses	(164.202)	(119.220)	(163.080)	(116.736)
Interest Expenses	(1.777.890)	(164.120)	(1.677.874)	(161.637)

9.26 Available-for-sale financial assets

During the current accounting period the company sold stocks in the Athens Stock Exchange valued at € 11.590.294. The company had recognized as a fair value reserve the amount of € 6.475.889, which was recognized in the income statement during the sale of the stocks. The amount of the sale of the stocks was € 15.643.954. Therefore

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Bank Loans	-	-	-	-
Overdrafts	(29.348)	-	(29.348)	-
Letters of Guarantees commissions	(67.293)	(44.900)	(67.293)	(44.900)
Financial leasing	-	-	-	-
Other Bank Expenses	(164.202)	(119.220)	(163.080)	(116.736)
Interest Expenses	(260.843)	(164.120)	(259.721)	(161.637)

the profit recognized in the income statement of the accounting period was € 10.506.083.

9.27 Other Operating Income – Expenses

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Grants Income	506.807	18.312	317.032	18.312
Insurance compensation	-	3.405	-	3.405
Profit from foreign exchange differences	2.183.818	2.933.663	2.183.818	2.933.663
Income from concessions	1.458.958	1.566.880	1.458.958	1.566.880
Income from non-used provisions	242.120	8.741.107	238.821	8.638.745
Other	2.743.658	3.680.101	2.516.276	3.574.567
Profit from sale of fixed assets	1.719.274	120.750	1.719.274	120.750
Total	8.854.636	17.064.218	8.434.180	16.856.323
Losses from foreign exchange differences	4.440.010	1.208.593	4.440.010	1.208.593
Employees compensation provisions	-	4.496.854	-	4.266.881
Other provisions	5.084.666	2.810.000	4.953.519	2.810.000
Losses from sale of fixed assets	-	-	-	-
Other	211.319	567.597	153.584	511.286
Compensations	-	-	-	-
Total	9.735.996	9.083.045	9.547.113	8.796.760

9.28 Contingent Receivables – Liabilities

There are no disputed or liable to litigation differences of judicial or arbitration bodies that may have a significant effect on the Group's financial status or operation.

9.29 Tax Authorities Control

ALUMINIUM OF GREECE S.A. has not been controlled by the tax authorities control for fiscal year 2006. Delfoi-Distomon has not been controlled for the fiscal year 2005 up to fiscal year 2006.

The income tax for the period 01/01/ - 31/12/2006 includes tax audit differences from previous years of € 180.000. The total amount of the differences was covered from the reverse of the provisions for the non controlled future 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 € 2.150.000 and 2.100.000 respectively.

9.30 Accounting estimations changes

There was not change in the Group's accounting policies or accounting estimations.

9.31 Own Shares Purchase

During the period from 01/01/2006 to 21/03/2006, before the reduction of the nominal value and the simultaneous doubling of the total number of shares, that was decided at the Extraordinary General Meeting on the 09/02/2006, ALUMINIUM OF GREECE S.A. obtained eighty nine thousand nine hundred and thirty two (89.932) of its own shares at the amount of € 3.063.000.

The total number of the company's own shares was on the 21/03/2006 at 1.089.923 shares.

So from the 22/03/2006 and after the reduction of the nominal value and the simultaneous doubling of the total number of shares, that was decided at the Extraordinary General Meeting on the 09/02/2006 the total number of the company's own shares was at 2.179.864 shares.

During the period from 22/03/2006 to 30/09/2006, the company ALUMINIUM OF GREECE S.A. obtained one million fifteen thousand five hundred and two (1.628.128) own shares, valued at € 27.064.000.

Date		Number of common shares (items)	Number of own shares (items)	Own shares Value
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)	-
22/03-31/12/2006	Parent Shares Purchase (Own Shares)	-	(1.628.128)	(27.064.464)
31/12/2006	Balance at 31 December 2006	43.156.080	(3.807.992)	(47.837.928)

9.32 Number of Working Employees

The number of working employees in the Group and the Company for the fiscal years 2005 – 2006 is:

<u>The Group</u>		<u>The Company</u>	
<u>31 December 2006</u>	<u>31 December 2005</u>	<u>31 December 2006</u>	<u>31 December 2005</u>
1.171	1.190	1.047	1.061

9.33 Inter-Company Transactions

The Company' transactions with related parties according to IAS 24 «Related Parties Disclosures» are the following:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Sales of goods				
Parent	-	-	-	-
Subsidiaries	-	-	-	-
Other related parties	122.492.528	79.338.156	122.492.528	79.338.156
Total	122.492.528	79.338.156	122.492.528	79.338.156
Purchases of goods				
Parent	-	-	-	-
Subsidiaries	-	-	22.256.696	20.879.880
Other related parties	7.199.433	10.637.304	7.199.433	10.637.304
Total	7.199.433	10.637.304	29.456.129	31.517.184
Purchases of assets				
Parent	-	-	-	-
Subsidiaries	-	-	-	-
Other related parties	116.682.931	14.936.800	116.682.931	14.936.800
Total	116.682.931	14.936.800	116.682.931	14.936.800
Sales of services				
Parent	-	-	-	-
Subsidiaries	-	-	120.635	44.082
Other related parties	72.241	7.213	72.241	7.213
Total	72.241	7.213	192.876	51.295
Purchases of services				
Parent	5.617	-	5.617	-
Subsidiaries	-	-	3.903	-
Other related parties	6.902.038	120.208	6.902.038	120.208
Total	6.907.655	120.208	6.911.558	120.208
Guarantees from related parties				
Parent	-	-	-	-
Subsidiaries	-	-	-	-
Other related parties	819.368	22.680	819.368	22.680
Total	819.368	22.680	819.368	22.680
Customers/debtors				
Parent	-	-	-	-
Subsidiaries	-	-	12.720	-
Other related parties	16.425.731	43.883.616	16.425.731	43.883.616
Total	16.425.731	43.883.616	16.438.451	43.883.616
Suppliers/creditors				
Parent	3.695	-	3.695	-
Subsidiaries	-	-	8.226.755	3.245.046
Other related parties	15.915.653	6.429.844	15.915.653	6.429.844
Total	15.919.348	6.429.844	24.146.103	9.674.890

9.34 Income Tax

	THE GROUP		THE COMPANY	
	<u>1/1-31/12/2006</u>	<u>1/1-31/12/2005</u>	<u>1/1-31/12/2006</u>	<u>1/1-31/12/2005</u>
Fiscal year tax	26.403.482	15.270.833	26.113.724	15.233.635
Provision for future tax	2.130.837	3.979.080	2.100.000	3.779.080
Previous years tax differences	4.084.573		4.084.573	
Deffered Tax	(3.452.585)	4.171.318	(3.243.148)	4.047.899
Total	29.166.308	23.421.231	29.055.149	23.060.614

Tax implemented on profit before taxes differentiates from the theoretical amount that would derive from the use of each country's weighted average tax factor, as follows:

	THE GROUP		THE COMPANY	
	<u>1/1-31/12/2006</u>	<u>1/1-31/12/2005</u>	<u>1/1-31/12/2006</u>	<u>1/1-31/12/2005</u>
Accounting profit	106.545.930,20	75.479.430,57	102.464.426,54	74.039.908,56
Tax rate	29%	25%	29%	25%
Prospective tax expense	30.898.320	24.153.418	29.714.684	23.692.771
Adjustments at tax rate				
Tax effect on income that is not added in determining taxable profit				
Tax free income	-1.879.437	-8.720.107	-1.786.785	-8.720.107
Tax free reserves	-8.962.271	-5.042.146	-8.073.027	-4.248.885
Elimination of profit and losses resulting from intragroup inventory transactions	-33.315			
Adjustment for non-deductible expenses				
Goodwill impairment				
Non-deductible expenses	6.331.228	4.879.668	6.212.450	4.509.856
Withholding tax on dividends	48.958		46.402	
Prior year tax	4.084.573	3.979.080	4.084.573	3.779.080
Provision for future tax	2.130.837		2.100.000	
Deferred tax from temporary differences and change in the tax rate	-3.452.584	4.171.318	-3.243.148	4.047.899
Actual tax expense	29.166.309	23.421.231	29.055.149	23.060.614

9.35 Earnings per Share

The earnings per share were estimated using the earning distribution based on weighted average number of shares. Due to the reduction of the nominal value of the company's shares 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 that were distributed for free (bonus issue) to the company's shareholders, there was a retrospective adjustment of the calculated earnings per share index for all the periods that are presented in the financial statements.

	THE GROUP		THE COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Earnings that correspond to the parent's shareholders	77.378.754	52.057.657	73.409.278	50.979.294
Weighted average number of shares	40.455.473	42.547.746	40.455.473	42.547.746
Basic earnings per share (Euro per share)	1,91	1,22	1,81	1,20

9.36 Cash Flows from operating activities

	THE GROUP		THE COMPANY	
	01/01 - 31/12/2006	01/01 - 31/12/2005	01/01 - 31/12/2006	01/01 - 31/12/2005
Earnings for the period	77.379.622	52.058.200	73.409.278	50.979.294
<u>Adjustments for</u>				
Tax	29.166.308	23.421.231	29.055.149	23.060.614
Depreciation of tangible fixed assets	11.462.752	11.439.460	10.754.035	10.627.499
Depreciation of intangible assets	2.100.167	1.941.691	245.865	70.727
Fiscal year provisions	5.806.362	(6.690.339)	6.125.889	(6.740.456)
Profit/loss from sale of tangible assets	(1.970.346)	(182.067)	(1.719.274)	(120.750)
Interest income	(1.070.807)	(2.310.877)	(1.023.767)	(2.285.404)
Interest expenses	1.777.890	164.120	1.677.874	161.637
Dividend income - Financial items sales	(10.506.083)	(7.255.701)	(10.506.083)	(8.555.408)
Depreciation of grants	(83.988)	(228.493)	(83.988)	(228.493)
Foreign exchange profit/(loss) from evaluation	118.388	(205.682)	118.388	(205.682)
	114.180.265	72.151.542	108.053.366	66.763.579
<u>Changes in Working capital</u>				
Increase/(decrease) of inventories	(3.945.960)	(15.103.569)	(4.742.766)	(15.382.897)
Increase/(decrease) of receivables	(8.413.020)	(19.765.298)	(8.378.534)	(21.581.989)
Increase/(decrease) of liabilities	(8.188.833)	17.235.220	(3.532.568)	18.896.996
	(20.547.813)	(17.633.646)	(16.653.867)	(18.067.891)
Cash flows from operating activities	93.632.452	54.517.896	91.399.499	48.695.688

Profit from sale of tangible assets includes:

	THE GROUP		THE COMPANY	
	01/01 - 31/12/2006	01/01 - 31/12/2005	01/01 - 31/12/2006	01/01 - 31/12/2005
Net book value	10.187.765	2.083	10.180.726	-
Profit/loss from sale of tangible assets	1.970.346	182.067	1.719.274	120.750
Revenue from sale of tangible assets	12.158.111	184.150	11.900.000	120.750

9.

9.37 Events after the balance sheet date

- The tax audit for the company ALUMINIUM OF GREECE S.A. has been completed for the years 2004 up to 2005.
- The "First Instance Court" with its 4872/07 decision, released on 5/1/2007, accepted the 4872/2006 application of the company and therefore temporarily postponed the results of the termination of electricity supply contract until the discussion of the main trial. Based on the above mentioned decision the Public Power Company (PPC) must fulfill, in the mean time and until the final trial discussion, all the obligations that arise from the 25/6/1960 power supply contract, as amended and applied.