BOARD OF DIRECTORS MANAGEMENT REPORT
OF ELVAL SA
ON CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
FOR THE 2006 FISCAL YEAR

TO THE
GENERAL SHAREHOLDERS MEETING
ON 13/6/2007

Dear Shareholders,

We are honored to submit for approval the Financial Statements of our company, as well as the Management Report for the year from January, 1 till December, 31 2006.

GENERAL COMMENTS

The production output of the factory in 2006, as in previous years, was about 194 thousand tones utilizing approximately the overall production capacity. The problems that occurred in the country's harbors at the end of the year (due to the well-known strikes) did not allow the shipment of the whole production, and as a result the volume turnover stood at 187 thousand tones, the same level as in 2005.
However, the increased conversion prices prevailing in international markets, the positive effect from the aluminum price and the reduction of energy cost, in conjunction with the productivity gains led to the increase of turnover's value and the profitability of the company. Specifically, turnover reached 551.7 million euro, compared to 466.7 million euro in 2005, higher by 18.2%, while earnings before interest, tax depreciation and amortization (EBITDA) reached 46 million euro, therefore expanding by 31.8%. The earnings before tax amounted to 18.3 million euro, increased by 115% compared to 2005.
Consolidated turnover reached 860 million euro, increased by 21.8% compared to 2005, with EBITDA advancing by 24% to 82.6 million euro, resulting to earnings before tax of 29.7 million euro, higher by 85% compared to 2005.

MARKET INFORMATION – INTERNATIONAL ECONOMIC ENVIRONMENT

2006 was characterized by the increased price volatility of raw aluminum. The average price was 2,038€/tonne increased by 33.3% compared to 2005 (1,529€/tonne). This increase affected the results of the company, positively due to the valuation of part of the inventories, and negatively due to increased working capital needs.
During the second half of 2006, the conversion prices of our products followed an upward trend, mainly in European markets and this trend seems to continue during the first months of the current year. In contrary, the US market remained in 2005 levels, a trend that worsens because of the low dollar/euro exchange rate.
Finally, in 2006 the oil price dropped resulting to lower energy cost compared to 2005, a positive development for the results of the company.

PRODUCTION-TURNOVER

At a company level, the production of 2006 amounted to 194.3 thousand tones compared to 192.4 thousand tones in 2005, while the total turnover in value marginally decreased to 186,505 tones compared to 186,783 tones in 2005, because of the delays in shipping (due to strikes in harbors) at the end of the year, with increased inventories of the finished products. In contrary, the turnover's value, due to increased prices of the raw aluminum in 2006, amounted in to 551,737.4 thousand euro compared to 466,740.3 thousand euro in 2005, higher by 18.2 %. The turnover breakdown for the year is presented in the following table.

TURNOVER BREAKDOWN OF THE COMPANY						
TURNOVER CATEGORY	AMOUNT IN TONES		AMOUNT IN THOUSAND EURO		DIFFERENCE (%) IN VOLUME AND VALUE	
	2005	2006	2005	2006	2006/2005	2006/2005
1. PRODUCT TURNOVER	-					
DOMESTIC	38,399	40,209	96,023.07	126,956.78	4.71%	32.21%
EXPORTS	148,384	146,296	346,099.57	404,476.94	-1.41%	16.87%
TOTAL	**186,783**	**186,505**	**442,122.64**	**531,433.72**	**-0.15%**	**20.20%**
2. OTHER SALES & OTHER INCOME FROM SERVICES AND INVOICED SHIPPING EXPENSES	--	--	24,617.63	20,303.71	--	-17.52%
GRAND TOTAL	**186,783**	**186,505**	**466,740.27**	**551,737.43**	**-0.15%**	**18.21%**

The consolidated turnover of 860 million euro resulted from the deletion of intra-company turnover of 64.6 million euro, increased by 21.8% compared to 2005. Approximately 60% of the consolidated turnover derived from the parent company ELVAL SA, and the remaining mainly from ETEM SA and BRIDGNORTH ALUMINUM, with 147 million euro and 134 million euro respectively excluding the intra-company turnover.

EXPORTS

Also in 2006, approximately three quarters of the turnover (78.44 %) was exported in about 65 countries. Specifically, in EU countries (47.55 %), Far-East (3.84 %), with major markets those of China (1.8 %), and Taiwan (0.8%), Middle-East countries (6.09 %), mainly Saudi Arabia (4.17 %), and other countries (19.57 %) mainly US and Canada (14.06 % in total), and Central European countries (1.4 %).

At consolidated level, the turnover in the Greek market amounted to 160.7 million euro compared to 137.5 million euro in 2005 and the turnover abroad to 699 million euro. Turnover to EU countries (including the Greek market) represented 65% of total consolidated turnover.

REAL ESTATE-INVESTMENTS

The company operates a modern factory in Oinofyta of Viotia, on a land of 377.8 thousand square meters valued at 23.51 million euro, which is partly covered with industrial buildings, warehouses and infrastructure buildings, covering 125 thousand square meters, valued at approximately 46 million euro. Also, the Company owns a field of 2.3 thousand square meters in Elefsina, valued at 227.7 thousand euro, a field of approximately 87 thousand square meters in Thisvi of Viotia, valued at 552.18 thousand euro and a field in Municipality of Oinofyta covering 2,364 square meters in which houses for workers have been built covering 728 square meters, valued at 502.8 thousand euro. Finally, in Maroussi, the Company operates an Aluminum Recycling Centre.

The total investment in Oinofyta factory in 2006 amounted to approximately 8.05 million euro, while investments of 11.9 million euro were also made. These investments refer to the modernization of the existing production lines.

Consolidated investments amounted to 27 million euro. Further to the aforementioned investments of ELVAL, the investments of ETEM SA amounted to 12.8 million euro, with the most important ones the investment in a new dyeing production line in Bulgaria, in a new kiln and a new production line for artificial wood in Magoula.

NOTES OF THE BALANCE SHEET

The consolidated financial statements resulted from the consolidation of the individual accounts of the parent company ELVAL SA and its subsidiaries VIEXAL LTD, ETEM SA, ELVAL COLOUR SA, SYMETAL SA and KANAL SA based in Athens, VIOMAL SA based in Artaki of Chalkida, STEELMET ROMANIA based in Romania, BLYTHE LIMITED based in Cyprus and BRIDGNORTH Ltd based in UK.

Also, during the compilation of the consolidated financial statements, the associated companies DIAPEM EMPORIKI SA, ANAMET SA, STILMET SA, EL.K.E.ME SA, VEPEM SA, METAL GLOBE, and TEPRO METAL A.G. were also consolidated using the net equity method.

The participation in other companies HELLENIC CABLES SA, ALPHA TRUST SA, based in Athens, EVETAM SA based in Volos, DIA.BI.PE.THI.B SA based in the industrial area of Thisvi in Viotia and ALURAME SRL based in Italy is also included in the consolidated Financial Statements as available for sale financial assets because the participations in these companies was below 20%.

The consolidated accounts and the inclusion of the accounts using the net equity method resulted into Minority Interests of 19 million euro in Capital, and in Reserves and Earnings of 27.4 million euro (therefore total amount of 46.5 thousand euro), which appear as liabilities.

The trade receivables account of 149,589 thousand euro and the Suppliers of 62,148 thousand euro appearing in consolidated Assets and Liabilities respectively, resulted following the deletion of intra-company receivables-liabilities of 29,523 thousand euro.

In the Company Financial Statements, in F i x e d A s s e t s a reduction of tangible assets by 19.82 million euro is recorded, forming the difference between depreciation and investments as described above. The participations and the securities did not alter.

In the C u r r e n t A s s e t s, the value of inventories on 31.12.2006 was increased by 28 million euro compared to 31.12.2005 and the receivables by 20.4 million euro due to the increase in aluminum price.

In L i a b i l i t i e s, Share Capital increased by 15.1 million euro due to earnings after tax for the year and due to the valuation of financial derivatives used for risk hedging purposes, and reduced by 2.48 million euro due to distributed dividends.

Bank loans were restructured issuing new corporate loans of 65 million euro. At the end of the year, long-term debt amounted to 113 million euro, increased by 40 million euro, while in contrary, short-term bank debt was reduced by 23 million euro to 28 million euro that refer to installments of long-term loans that would be paid in full in 2007.

FINANCIAL POSITION

The ratios that show the financial position of the Company and the ELVAL Group of Companies between 2005 and 2006 were as follows.

RATIOS	COMPANY		ELVAL GROUP	
	2006	2005	2006	2005
-LIQUIDITY : Current Assets / Current Liabilities =	3.89	2.65	2.79	2.26
-Debt : Share Capital / Total Liabilities =	1.85	1.93	1.26	1.35
-FIXED ASSETS TURNOVER : Share Capital / Non-Current Assets =	1.17	1.09	1.12	1.05

DEPRECIATION

Depreciation for 2006 amounted to 28.5 million euro increased by 1.6 million euro compared to 2005, while consolidated depreciation increased by 9.2% amounting to 46.8 million euro.

RESULTS AND DISTRIBUTION OF EARNINGS

Earnings after tax for 2006, as appeared in Company's Profit and Loss account emerged based on the following accounts.
Total turnover of 551.74 million euro includes the turnover of products reported in the relevant turnover table and belong to the STAKOD category – 91 274.2 (production of aluminum), and other income of 20.3 million euro.
Excluding the cost of goods sold, gross profit amounted to 32.65 million euro.
Excluding Administrative expenses of 9.38 million euro and Distribution expenses of 6.92 million euro, therefore 16.3 million euro in total, earnings amounted to17.64 million euro, including also other income.
Adding the difference of 698.27 thousand euro between the income from participations, securities, debt and credit interest, earnings before tax amounted to 18.33 million euro. This amount does not include the provision for the distribution of earnings to BoD members and members of the management (an expense item in accordance with IFRS) amounting to 1.417 million euro that is to be approved by you. Earnings after tax available for distribution amounted to 15.83 million euro, which we propose to be distributed as follows:

DISTRIBUTION OF NET EARNINGS FOR 2006	
Statutory Reserve..	650,840.00
Suggested Dividend..	4,962,432.60
Tax-Free Reserve. L.2601/98...	9,848,521.53
Tax-Free Reserve from one-off Tax payment……………………..	1,836.58
Profit carried forward..	363,660.30
TOTAL	**15,827,291.00**

Net dividend is 0.04 euro per share for 124,060,815 shares compared to 0.02 euro per share in 2005.

CONCLUSION AND OUTLOOK

The production in 2007 is expected to remain at the same levels as in 2006 as we operate at full production capacity. The conversion prices in European Markets stand at satisfactory levels at the moment, the shipping of the remaining part of last years production and the maintenance of the energy cost in low levels are factors that are expected to positively affect the results of the first months of 2007. In contrary, the markets of raw metal are characterized by increased backwardation, a development that will affect the results negatively, especially if this lasts for a longer period of time.
Setting the base for the future development of the company, in 2007 a new investment plan of 28 million € initiates, in an effort to improve the quality, to reduce the length of the production cycle and to secondarily increase the production capacity. Also, the announced strategic partnership with the leading Japanese company Furukawa Sky will commence, and is expected to lead us to the production of new products and the penetration in new markets.
Also, the personnel training program in new technologies continues.
BRIDGNORTH ALUMINUM Ltd, focuses on the production of lithographic tapes aiming to strengthen its position in the market. Also, the pre-requisites needed for the expansion of the range of products are examined.
ETEM strengthens its position in the Greek market and currently materializes the announced expansion in Libya.

Based on the aforementioned, dear Shareholders you are kindly asked to approve the Financial Statements of the Company as well as the current management report for the period January, 1 to December, 31 2006 and to decide on the remaining issued of the agenda.

ATHENS, MARCH 8, 2007
THE BOARD OF DIRECTORS

THE CHAIRMAN OF THE BOARD OF DIRECTORS

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IOANNIS PANAGIOTOPOULOS

Annual Financial Statements (Corporate and Consolidated) according to the International Financial Reporting Standards ("I.F.R.S.")

as of 31 December 2006

The Chairman of the Bo.o.D.	Member of the B.o.D.	The General Manager	The Finance Director
IOANNIS V. PANAGHIOTOPOULOS	GR. DIM. KONSTANTAKOPOULOS	LAMBROS DIM. VAROUCHAS	NIK. Z. PSIRAKIS Reg. No. 9239 CLASS A'

ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.

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Balance sheet as of 31 December 2006

Amounts in Euros	Note	CONSOLIDATED 31/12/2006	CONSOLIDATED 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
ASSETS					
Non-current assets					
Tangible fixed assets	6	487,703,738	505,121,436	314,997,859	334,820,471
Intangible assets	8	1,503,809	3,194,291	918,192	1,807,646
Investments in real estate	7	5,448,711	5,637,258	-	-
Investments in companies that are consolidated based on the net worth	10	7,635,257	6,827,361	4,361,423	4,361,423
Investments in companies that are consolidated based on the integrated	9	-	-	81,362,181	81,362,181
Financial assets available for sale	11	1,211,870	1,029,477	407,875	404,082
Deferred tax claims	12	848,369	37,250	-	-
Derivatives	15	1,142,904	540,236	375,084	-
Other receivables	14	2,979,746	3,861,882	2,315,512	2,258,761
		508,474,404	**526,249,191**	**404,738,126**	**425,014,564**
Current assets					
Stocks	13	261,115,749	218,932,845	174,046,468	146,040,589
Commercial and other receivables	14	216,046,811	179,810.,59	136,295,327	115,827,581
Derivatives	15	5,401,831	19,839,519	4,163,056	11,953,814
Cash on hand and equivalent cash accounts	16	27,485,119	13,712,643	10,960,528	1,291,962
		510,049,510	**432,295,166**	**325,465,379**	**275,113,946**
Total assets		**1,018,523,914**	**958,544,357**	**730,203,505**	**700,128,510**
OWNER'S EQUITY					
Capital and reserves attributable to the company's equity holders					
Share capital	17	37,218,245	37,218,245	37,218,245	37,218,245
Above par reserve	17	158,654,004	158,654,004	158,654,004	158,654,004
Foreign exchange differences due to the consolidation of foreign subsidiaries		1,521,343	759,489	-	-
Other reserves		150,779,507	154,056,497	125,762,449	126,112,080
Profits/(losses) carried forward		172,420,302	155,554,709	152,433,532	139,448,236
Total		520,593,401	506,242,944	474,068,230	461,432,565
Minority interest		**46,531,053**	**44,553,398**	-	-
Total owner's equity		**567,124,454**	**550,796,342**	**474,068,230**	**461,432,565**
LIABILITIES					
Long-term liabilities					
Loans	19	192,013,463	136,762,780	113,079,869	73,250,108
Liabilities from leasing activities	19	57,452	34,836	-	-
Derivatives	15	202,610	323,903	64,230	45,375
Deferred tax liabilities	12	57,739,394	60,365,083	43,952,274	45,666,145
Liabilities for personnel compensation due to retirement	20	7,915,326	7,544,136	5,914,479	5,782,021
Government grants	21	10,415,519	11,388,927	9,526,781	10,190,374
Provisions	23	130,146	154,776	-	-
		268,473,910	**216,574,441**	**172,537,633**	**134,934,023**
Short-term liabilities					
Suppliers and other liabilities	22	89,565,817	73,119,866	49,677,254	47,068,994
Current tax liabilities	27	6,264,783	1,775,948	2,848,972	707,278
Loans	19	83,844,929	110,673,989	28,153,795	51,825,329
Liabilities from leasing activities	19	66,341	69,457	-	-
Derivatives	15	3,072,970	5,499,694	2,821,911	4,160,321
Provisions	23	110,710	34,620	95,710	-
		182,925,550	**191,173,574**	**83,597,642**	**103,761,922**
Total liabilities		**451,399,460**	**407,748,015**	**256,135,275**	**238,695,945**
Total owner's equity and liabilities		**1,018,523,914**	**958,544,357**	**730,203,505**	**700,128,510**

The notes on pages 5 to 41 constitute an integral part of these financial statements,

Income Statement

Amounts in Euros	Note	CONSOLIDATED 12μήνες έως 31/12/2006	CONSOLIDATED 12μήνες έως 31/12/2005	COMPANY 12μήνες έως 31/12/2006	COMPANY 12μήνες έως 31/12/2005
Sales		**859,914,171**	**706,067,800**	**551,737,437**	**466,740,272**
Cost of sales	24	(783,297,287)	(641,309,683)	(519,083,156)	(444,016,745)
Gross profit		**76,616,884**	**64,758,117**	**32,654,281**	**22,723,527**
Distribution expenses	24	(28,810,175)	(25,969,654)	(6,918,473)	(6,469,701)
Administrative expenses	24	(18,984,182)	(18,527,850)	(9,376,065)	(9,426,913)
Other operating income/(expenses) (net)	28	6,816,073	3,298,475	1,275,505	1,316,613
Operating results		**35,638,600**	**23,559,088**	**17,635,248**	**8,143,526**
Financial income	26 (A)	6,192,260	4,164,270	4,198,061	2,737,286
Financial expenses	26 (B)	(13,928,695)	(12,206,739)	(6,999,318)	(6,497,070)
Income from dividends	28	505,177	506,617	3,499,530	4,136,598
Profits/losses from related companies	10 & 28	1,260,394	(34,173)	-	-
Profits before taxes		**29,667,736**	**15,989,063**	**18,333,521**	**8,520,340**
Income tax	27	(6,382,138)	(3,975,308)	(2,506,230)	(938,003)
Net profits of the period from ongoing activities		**23,285,598**	**12,013,755**	**15,827,291**	**7,582,337**
Distributed to:					
Shareholders of the parent company		20,734,749	9,936,883	15,827,291	7,582,337
Minority interest		2,550,849	2,076,872	-	-
		23,285,598	**12,013,755**	**15,827,291**	**7,582,337**
Profits per share attributable to the shareholders of the parent company for the period (expressed in Euros per share)					
Basic	33	0.167	0.080	0.128	0.061
Depreciation of the period	6,7 & 8	46,808,398	42,843,386	28,440,836	26,819,638

The notes on pages 5 to 41 constitute an integral part of these financial statements.

Statement of changes in equity

Amounts in Euros	Share capital (note. 17)	Reserves at reasonable value (note. 18)	Other reserves (note. 18)	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority Interest	Total Equity
	Attributable to the shareholders of the parent company							
CONSOLIDATED								
Balance as of 1 January 2005	**195,872,249**	**4,812,000**	**138,100,755**	**153,601,261**	**(15,313)**	**492,370,952**	**43,463,675**	**535,834,627**
Foreign exchange differences			92	18,304	774,802	793,198	80,758	873,956
Profit/ (loss) recognized directly in equity	-	5,623,127	-	-	-	5,623,127	156,152	5,779,279
Net profit of the period				9,936,883	-	9,936,883	2,076,872	12,013,755
Total recognized net profit of the period	-	5,623,127	92	9,955,187	774,802	16,353,208	2,313,782	18,666,990
Increase in holdings percentage in subsidiary companies						-	12,362	12,362
Transfer of reserves	-	-	5,520,523	(5,520,523)	-	-		-
Dividends (note. 34)	-	-	-	(2,481,216)	-	(2,481,216)	(1,236,421)	(3,717,637)
	-	-	5,520,523	(8,001,739)	-	(2,481,216)	(1,224,059)	(3,705,275)
Balance as of 31 December 2005	**195,872,249**	**10,435,127**	**143,621,370**	**155,554,709**	**759,489**	**506,242,944**	**44,553,398**	**550,796,342**
Balance as of 1 January 2006	**195,872,249**	**10,435,127**	**143,621,370**	**155,554,709**	**759,489**	**506,242,944**	**44,553,398**	**550,796,342**
Foreign exchange differences	-	129,387	-	(30,754)	761,854	860,487	144,079	1,004,566
Profit/ (loss) recognized directly in equity	-	(4,848,297)	-	97,391	-	(4,750,906)	220,068	(4,530,838)
Net profit of the period	-	-	-	20,734,749	-	20,734,749	2,550,849	23,285,598
Total recognized net profit of the period	-	(4,718,910)	-	20,801,386	761,854	16,844,330	2,914,996	19,759,326
Increase in holdings percentage in subsidiary companies	-	-	(50,419)	37,762	-	(12,657)	108,115	95,458
Transfer of reserves	-	-	1,492,339	(1,492,339)	-	-	-	-
Dividends (note. 34)	-	-	-	(2,481,216)	-	(2,481,216)	(1,045,456)	(3,526,672)
	-	-	1,441,920	(3,935,793)	-	(2,493,873)	(937,341)	(3,431,214)
Balance as of 31 December 2006	**195,872,249**	**5,716,217**	**145,063,290**	**172,420,302**	**1,521,343**	**520,593,401**	**46,531,053**	**567,124,454**
COMPANY								
Balance as of 1 January 2005	**195,872,249**	**4,625,250**	**117,457,875**	**137,190,233**	**-**	**455,145,607**		**455,145,607**
Profit/ (loss) recognized directly in equity	-	1,185,837	-	-	-	1,185,837		1,185,837
Net profit of the period				7,582,337		7,582,337		7,582,337
Total recognized net profit of the period	-	1,185,837	-	7,582,337	-	8,768,174		8,768,174
Transfer of reserves (from distribution)	-	-	2,843,118	(2,843,118)	-	-		-
Dividends (note. 34)	-	-	-	(2,481,216)	-	(2,481,216)		(2,481,216)
						-		-
								-
	-	-	2,843,118	(5,324,334)	-	(2,481,216)		(2,481,216)
Balance as of 31 December 2005	**195,872,249**	**5,811,087**	**120,300,993**	**139,448,236**	**-**	**461,432,565**		**461,432,565**
Balance as of 1 January 2006	**195,872,249**	**5,811,087**	**120,300,993**	**139,448,236**	**-**	**461,432,565**		**461,432,565**
Profit/ (loss) recognized directly in equity	-	(710,410)	-	-	-	(710,410)		(710,410)
Net profit of the period	-	-	-	15,827,291	-	15,827,291		15,827,291
Σ Total recognized net profit of the period	-	(710,410)	-	15,827,291	-	15,116,881		15,116,881
Transfer of reserves	-	-	360,779	(360,779)	-	-		-
Dividends (note. 34)	-	-	-	(2,481,216)	-	(2,481,216)		(2,481,216)
	-	-	360,779	(2,841,995)	-	(2,481,216)		(2,481,216)
Balance as of 31 December 2006	**195,872,249**	**5,100,677**	**120,661,772**	**152,433,532**	**-**	**474,068,230**		**474,068,230**

The notes on pages 5 to 41 constitute an integral part of these financial statements.

Cash Flow Statement

	note	CONSOLIDATED		COMPANY	
Amounts in Euros		**1/1 to 31/12/2006**	**1/1 to 31/12/2005**	**1/1 to 31/12/2006**	**1/1 to 31/12/2005**
Cash flows from operating activities					
Cash flows from operating activities	29	25,775,448	45,098,263	2,746,136	22,745,385
Interest paid		(11,974,197)	(10,910,867)	(5,598,735)	(6,433,189)
Income tax paid		(2,227,446)	(2,439,560)	(554,379)	(260,569)
Net cash flows from operating activities		**11,573,805**	**31,747,836**	**(3,406,978)**	**16,051,627**
Cash flows from investment activities					
Purchase of tangible assets	6	(26,656,202)	(25,907,996)	(8,023,168)	(13,893,913)
Purchase of intangible assets	8	(246,176)	(452,616)	(29,600)	(70,435)
Investments in real estate	7	(101,798)	(3,539,404)	-	-
Sale of tangible fixed assets	6&29	502,536	778,904	478,812	417,147
Dividends received		9,865	238,758	2,777,905	4,442,739
Purchase of financial assets available for sale	11	(45,000)	(6,000)	-	-
Interest received	29	4,606,573	3,199,965	4,198,061	2,737,286
Increase in related company holdings	10	(20,040)	(427,134)	-	-
Increase in subsidiary company holdings	9	95,458	12,362	-	(233,100)
Other		(4,989)	-	(4,546)	(9,771)
Net cash flows from investment activities		**(21,859,773)**	**(26,103,161)**	**(602,536)**	**(6,610,047)**
Cash flows from financing activitie					
Dividends paid to the shareholders of the parent company		(2,480,147)	(2,470,205)	(2,480,147)	(2,470,205)
Loans received		117,316,032	8,750,000	65,000,000	-
Settlement of loans		(89,871,189)	(8,952,933)	(48,841,773)	(6,754,482)
Changes in leasing principle		19,499	89,061	-	-
Dividends paid to minority interest		(1,036,219)	(1,230,761)	-	-
Collections from share capital increase (proportion of minority)		-	-	-	-
Net cash flows from financing activities		**23,947,976**	**(3,814,838)**	**13,678,080**	**(9,224,687)**
Net increase in cash on hand and cash equivalent accounts		**13,662,008**	**1,829,837**	**9,668,566**	**216,893**
Cash on hand at beginning of period	16	13,712,643	11,729,864	1,291,962	1,075,069
Foreign exchange differences in cash on hand		110,468	152,942	-	-
Cash on hand at end of period	16	**27,485,119**	**13,712,643**	**10,960,528**	**1,291,962**

The notes on pages 5 to 41 constitute an integral part of these financial statements.

Notes to Financial Statements

1. General Information

The financial statements included herein include the corporate financial statement of ELVAL S.A. HELLENIC ALUMINIUM INDUSTRY (hereinafter "ELVAL" or the "Company") and the consolidated financial statement of the Company and of its subsidiaries (together the "Group"). The corporate names of the Company's subsidiaries are presented in Note 9 of the financial statements.

The present financial statements are subject to the approval of the Company's Ordinary General Meeting that is expected to convene on 13 June 2007.

The Group is active, in terms of production, in Greece, Great Britain and Bulgaria (through ETEM S.A.) and promotes its products internationally, primarily to the European Union, the United States of America and the Far East.

The Company is seated in Greece, 2-4 Mesogheion Ave., Athens, and its main facilities are located at the 57th kilometre of the Athens-Lamia National Road, Oinofyta, Voiotia. The Company's electronic address is www.elval.gr.

The Company's shares are listed on the Athens Stock Exchange. The Company is a member of the VIOCHALCO S.A. Group of companies.

The attached financial statements have been approved to be issued by the Board of Directors of the Company on March 8, 2007.

2. Brief presentation of the significant accounting principles

2.1 Framework for drawing the financial statements

The attached financial statements of the Company regard the fiscal year ended on December 31, 2006, they have been drawn up pursuant to the International Financial Reporting Standards (IFRS).

Pursuant to the European Legislation 1606/2002 and by virtue of the Law 3229/04 (as amended by the Law 3301/04) the Greek companies listed in any Stock Exchange (in Greece or abroad) are obliged to prepare their financial statements for the fiscal years starting from January 1st 2005 henceforth, pursuant to the International Financial Reporting Standards.

These statements have been drawn up based on the principle of historic cost (excluding grounds, buildings and important mechanical equipment, which have been estimated in their reasonable values which have been considered as deemed cost upon the transition date to the International Financial Reporting Standards).

The Group, by making use of the transitional provisions of the International Financial Reporting Standards 2 "Payments based on shares", did not recognise to the attached financial statements the programs for the provision of rights for the purchase of shares, as they have been assigned prior to November 7 2002.

The preparation of the financial statements pursuant to the attached financial statements requires the use of significant accounting estimates and the judgment by the Administration to the procedure for the application of accounting principles. Furthermore, the use of accounts and assumptions affecting the recorded amounts of assets and liabilities, the notification of eventual receivables and liabilities upon the date of drawing up the financial statements and the recorded amounts of receipts and expenses during the fiscal year regarded is required. Notwithstanding the fact that these estimates are based in the best possible knowledge of the Administration related to the current conditions and acts, the actual results may finally de different from these estimates. The areas containing great deal of subjectivity and they are complex or the assumptions and estimates that are important for the financial statements are referred to the Note 4.

An issue of the new International Financial Reporting Standards has been effected, of modifications and interpretations which are obligatory for accounting years commencing on January 1st 2007 or thereafter. The estimate of the Administration of the Group and the Company related to the effect from the application of these new standards and interpretations is given below:

International Financial Reporting Standard 7, Financial means: Notifications **and additional adjustment to the *International Accounting Standard 1, Presentation of the Financial Statements –Notifications of Capital*** (applied for annual accounting periods commencing during or after January 1st, 2007)
The International Financial Reporting Standard 7 requires further notifications regarding the financial means aiming at the improvement of the provided information and specifically the notification of qualitative and quantitative information regarding the exposition to risks coming from financial means. More specifically, it predetermines minimum required notifications related to the credit risk, the liquidation risk and the market risk (imposes the analysis of sensitivity related to the market risk). The International Financial Reporting Standard 7 replaces the International Accounting Standard 30 (Notifications to the Financial Statements of Banks and Financial Institutions) and the requirements of notifications of the International Accounting Standard 32, (Financial Means: Notification and Presentation). It applies to all the companies drawing financial statements pursuant to the International Financial Reporting Standards.
The relevant adjustment of the International Accounting Standard 1 regards notifications related to the amount of the capital of a business as well as for the manner the management thereof is made. The group is in a process of examining the effects of the International Financial Reporting Standard 7 upon its financial statements.

International Financial Reporting Standard 8, Operating Fields (it applies for annual accounting periods commencing during or after January 1st 2009)
The International Financial Reporting Standard 8 replaces the International Accounting Standard 14 *Financial Information per field* and adopts an administrative approach regarding the financial information provided per field. The information provided will be the one used by the administration internally for the evaluation of the performance of the operating fields and the distribution of resources in these fields. This information may be different than the one presented in the balance and a statement of results and the companies should provide explanations and agreements regarding these differences. The Group is in the process of evaluating the effect of this standard in its account statements. The International Financial Reporting Standard 8 has not been adopted yet by the E.U.

Interpretation 7, *Application of the approach for the reform of International Accounting Standard 29- Financial Statements on hyperinflation economies* (it applies for annual accounting periods commencing during or after March 1st 2006)
The Interpretation 7 requires as in the period upon which a company finds the existence of hyperinflation in the economy of the currency of its operation, without having hyperinflation in the previous period, to apply the requirements of the International Accounting Standard 29 as if it was always an economy in a hyperinflation status.
Interpretation 7 does not apply to the Group.

Interpretation 8, *Application field of International Financial Reporting Standard 2* (it applies for annual accounting periods commencing during or after May 1st 2006)
The Interpretation 8 defines that the International Financial Reporting Standard 2 *Provisions depending on the value of the stocks* applies to transactions in which a company assigns shareholder stocks or undertakes the obligation to transfer cash or other assets (based on the price of its shares), when the determinable exchange taken seems to be lower than the reasonable value of the shares assigned or the liabilities undertaken.
The Interpretation 8 does not apply to the Group.

Interpretation 9, *Re-evaluation of the incorporated derivatives* (it applies for the annual accounting periods commencing during or after June 1st , 2006)
The Interpretation 9 requires from a company to evaluate whether a contract contains an incorporated derivative upon the drawing time of the contract, an event upon which it prohibits a further re-evaluation unless there is a modification in the terms of the contract which substantially change the cash flows.
The Interpretation 9 does not apply to the Group.

Interpretation 10, *Intermediate Financial Report and Devaluation* (it applies for the annual accounting periods commencing during or after November 1st 2006)
The Interpretation 10 may have an impact on the financial statements in the event that a damage of devaluation is found to an intermediary period regarding the over-value or investments on shares to be sold or not listed equity securities kept at the cost, as this devaluation can not be accounted to next intermediary or annual financial statements.
The Interpretation 10 has not been adopted yet by the E.U.

Interpretation 11, *International Financial Reporting Standard 2 – Transactions on Own Shares and between companies of the same Group* (it applies for annual accounting periods commencing during or after March 1st 2007)
This Interpretation requires that transactions in which an employee is assigned the right to shares, for purposes of accounting handling they are deemed as compensations defined by the value of the share and they are settled by shares, even in the event that the company selects or has the obligation to purchase these shares by third parties or the shareholders of the company provide the shares to be transferred. The Interpretation extends also to the manner by

which the affiliated companies handle to their financial statements programs where their employees have rights on shares of the parent company.
The Interpretation 11 does not apply to the Group. This Interpretation has not been adopted yet by the E.U.

Interpretation 12, *Service Concession Arrangements* (it applies for annual accounting periods commencing during or after January 1st 2008)
This Interpretation 12 deals with the manner by which the assignors should apply the existing International Financial Reporting Standards (IFRS) in order to record the obligations undertaken and the rights assigned in the relevant service concession arrangements. Based on the Interpretation the assignors should not recognize the relevant infrastructure as tangible fixed assets, but to recognize a financial asset of the assets or by an intangible asset.
The Interpretation 12 does not apply to the Group. This Interpretation has not been adopted yet by the E.U.

2.2 Principles of consolidation and holdings

(a) Subsidiary companies

Subsidiary companies are companies over which the Group, directly or indirectly, controls their financial policies. Subsidiary companies are fully consolidated (integrated consolidation) from the day control over them is acquired and cease to be consolidated from the day this control is no longer exercised.

Buy-outs of subsidiary companies are accounted for based on the buy-out method. The acquisition cost of a subsidiary company is estimated as the reasonable value of the assets that were acquired, of the shares that were issued and of the liabilities that were undertaken on the day the buy-out was effected, plus any cost that is directly associated with the buy-out. Assets, liabilities and potential liabilities that are recognised in a business combination are estimated at the time of the buy-out at their reasonable values regardless of the holding percentage. The buy-out cost that exceeds the reasonable value of the individual assets that were acquired is recorded as goodwill. If the total buy-out cost is less than the reasonable value of the individual assets that were acquired, the difference is recorded in the results.

Inter-company transactions, balances and non-realised profits from transactions between the Group's companies are not recorded. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been decreased. The accounting principles that are applied by the Group's subsidiary companies have been amended so that they may be consistent with those that have been adopted by the Group.

(b) Associated companies

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights of an associated company ranges between 20% and 50%. Investments in associated companies are accounted for according to the net worth method and are initially recognised at their acquisition cost. The account in which investments in associated companies are recorded also includes the goodwill that arises during the buy-out (decreased by possible devaluation losses).

In its corporate statements, the Company records its holdings in subsidiary and associated companies at their acquisition cost, less any possible devaluation of the value thereof.

2.3 Foreign exchange conversions

(a) Functional currency and presentation currency

The figures recorded in the financial statements of the Group's companies are expressed in the currency of the economic environment in which each company operates ("functional currency"). The consolidated financial statements are expressed in Euros, which constitutes both the parent company's functional currency and its presentation currency.

(b) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in the results.

(c) The Group's Companies

The figures recorded in the financial statements of the Group's companies (none of which as of 31 December 2006 operate in a hyperinflation economy) that are expressed in a different functional currency from the Group's presentation currency, are converted as follows:

i. Assets and liabilities are converted based on the exchange rates that are applicable on the balance sheet date,

ii. Income and expenses are converted based on the period's average exchange rates unless the average exchange rate is not a reasonable estimation of the accumulated affect of the exchange rates that were applicable on the day on which the transactions were carried out, in which case income and expenses are converted based on the actual exchange rates that were applicable on the day on which the transactions were carried out, and

iii. Any foreign exchange difference that may arise is recorded in an owner's equity reserve account and transferred to the results when these companies are sold.

In the consolidated financial statements, foreign exchange differences that may arise due to the conversion of the Group's net investment in a foreign company are recorded in owner's equity. Upon the sale of a foreign company, any accumulated foreign exchange difference is transferred to the income statement as part of the sale's profit or loss.

Goodwill and adjustments of reasonable values that arise from the buy-out of foreign companies are regarded as the latter's assets and liabilities and are converted based on the exchange rate that is applicable on the balance sheet date.

2.4 Tangible fixed assets

Tangible fixed assets are recorded at their acquisition cost less accumulated depreciation and devaluation. The acquisition cost includes all the expenses that are directly attributable to the asset's acquisition. As noted in Note 2.1, the Company valuated fields, buildings and machinery at their reasonable values on 1 January 2004, which were used as a deemed cost on the date of transition to the I.F.R.S.

Expenses that are incurred after the purchase of a tangible fixed asset are recorded as an increase of the tangible fixed asset's book value or as a separate fixed asset only if the Group acquires future financial gains therefrom and the cost thereof may be estimated with a certain degree of reliability. Repair and maintenance costs are recorded in the results when these are incurred.

Lots are not depreciated. Other tangible fixed assets are depreciated based on the straight line method during their remaining useful lives, which are set as follows:

-	Buildings	10-20	years
-	Machinery	2-25	years
-	Motor vehicles	4-6	years
-	Other equipment	5-7	years

The residual values and useful lives of tangible fixed assets may be revaluated in any balance sheet.

When the book value of a tangible fixed asset exceeds its recoverable value, the difference (devaluation) is immediately recorded in the results as an expense.

During the sale of a tangible fixed asset, any difference that may arise between the price that is received and the book value thereof is recorded in the results as a profit or loss (note 2.6).

Investments in real estate are recorded at their acquisition value and are estimated at cost less the relative depreciation and any possible devaluation. During the periods noted herein no devaluation was necessary. The reasonable value of these real estates as of 31 December 2006 does not differ significantly from the value that is noted in the balance sheet based on the Management's estimations.

2.5 Intangible assets

(a) Concessions and industrial property rights

Concessions and industrial property rights include trade marks and licenses and are estimated at their acquisition cost less depreciation. These assets are depreciated base don the straight line method during their useful life, which ranges between 10-15 years.

(b) Software

Software licenses are estimated at their acquisition cost, less depreciation. These assets are depreciated based on the straight line method during their useful life, which ranges between 3 to 4 years.

Expenditures that are required for the development and maintenance of software programs are recognised as an expense when these programs are developed. Expenditures that are undertaken for the development of specific software programs that are controlled by the Group are recognised as intangible assets. Such expenditures include personnel fees and a proportion of general expenses. Software programs that are developed by the Company are depreciated during their useful lives, which range between 3-4 years.

2.6 Devaluation of assets

Assets that have an indefinite useful life are not depreciated, but are subject to a devaluation control on an annual basis and when certain facts indicate that their book value may not be recovered. Assets that are depreciated are subject to control regarding their devaluation when there are indications that their book value will not be recovered. The recoverable value is the greater amount between an asset's reasonable value, less the cost that is required for the sale thereof and the value due to usage. Losses due to an asset's devaluation are recorded in the income statement as an expense in the year in which they are incurred.

2.7 Financial assets

Accounting Principles from 1 January 2005
The Group's financial assets are classified into the categories noted below based on the purpose for which they were acquired. The Group's Management decides on the investment's classification at the time the asset was initially recognised and re-examines its classification on every publication date.

(a) Financial assets estimated at their reasonable value with changes to results

This category includes financial assets that were acquired in order to be resold in a short period of time. Financial assets of this category are recorded in a current asset account if they are held for commercial purposes or if they are expected to be sold within 12 months of the balance sheet date.

(b) Loans and receivables

This category includes non-derivates with fixed or designated payments, which are neither traded in active markets nor intended to be sold. These financial assets are recorded in a current asset account, with the exception of those financial assets that have a term greater than 12 months from the balance sheet date. These latter assets are recorded in a non-current asset account.

(c) Investments held until maturity

This category includes non-derivates with fixed or designated payments and with a specific maturity, and which the Group intends and has the capacity to hold onto until they mature. During the year the Group did not have any investments in this category.

(d) Financial assets available for sale

This category includes non-derivatives that are either classified in this category or cannot be classified in any of the aforementioned categories. These assets are recorded in non-current asset accounts provided the Management does not intend to liquidate them within 12 months of the balance sheet date.

The purchase and sale of an investment is recognised on the day the transaction is carried out, which is also the day on which the Group is bound to purchase or sell the asset. Investments are initially recorded at their reasonable value plus any expense associated with the transaction. Investments are written off when the right to collect the cash flows that arise therefrom expires or is transferred and the Group has substantially transferred all the risks and benefits that ownership thereof entails.

Subsequently, assets that are available for sale are valuated at their reasonable value and the relative profit or loss is recorded in an owner's equity reserve account until they are sold or sustain a devaluation. Upon the sale or devaluation of these assets the profit or loss is transferred to the results. Devaluation losses that have been recognised in the results may not be reversed through the results.

Loans and receivables are recognised at their undepreciated cost based on the true interest rate method.

(e) Derivative Financial Products

It includes contracts of futures to cover the financial risk by the modification of the stock exchange price of the aluminum, as well as of the parity of Dollar or the British Pound and contracts for the exchange of the rates of interest to cover the risk of future cash flows of the company from the modification of the rates of interest.

The results from the liquidated acts of management of the financial risk are recorded in the statement of results when effected (difference of interest on contracts of the exchange of rate of interest and stock exchange results on acts in aluminum and foreign currency).

The Group regularly defines the effectiveness of the compensating acts of the expected cash flows, on a business and an accounting basis, and records in the net worth the result of the evaluation of the open worth in each balance date to the part evaluated as effective.

2.8 Stocks

Stocks are estimated at the lesser value between their acquisition cost and their net liquid value. The acquisition cost is determined based on the annual average weighted cost method. The cost of finished products and semi-finished stocks includes design expenses, cost of materials, direct labour cost, depreciation and a proportion of the general production expenses. The net liquid value is estimated based on the stock's current sales price within the framework of usual business activities, less any possible selling expenses, wherever such a case concurs.

2.9 Commercial receivables

Receivables from customers are initially recorded at their reasonable value and are subsequently estimated at their undepreciated cost with the use of the true interest rate, less any devaluation loss. Devaluation losses are recognised when there is an objective indication that the Group is not in a position to collect all the amounts that are due pursuant to relative contractual terms. The amount of the devaluation loss is equal to the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted with the true interest rate. The amount of the devaluation loss is recorded as an expense in the results.

2.10 Cash on hand and equivalent cash accounts

Cash on hand and equivalent cash accounts include cash on hand, sight deposits, short-term (up to 3 months) high-liquid and low-risk investments and bank overdrafts.

2.11 Share capital

Direct costs for the issue of shares appear after the subtraction of the relevant income tax as a reduction of the above par reserve.

Acquisition cost of own shares, including the direct expenses thereof, appears in a separate account as a negative figure in the Company's Equity, till these own shares are sold, cancelled or re-issued. Any profit or loss from the sale of own shares net of other direct expenses and taxes on the transaction appear as a Reserve in Equity.

2.12 Loans

Loans are initially recorded at their reasonable value, decreased by any possible direct expenses that are required in order to complete the transaction. They are subsequently valuated at their undepreciated cost based on the true interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the true interest rate method.

Loans are classified as short-term obligations unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date.

The debit interests of loans are directly recorded in the statement of results of the period in question even if they regard a construction period of fixed assets.

2.13 Deferred income tax

Deferred income tax is determined with the method of liability that arises from temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it arises from an asset's or liability's initial recognition in a transaction, with the exception of a business combination, which, when the transaction was effected, did not affect the accounting or tax profit or loss. Deferred income tax is determined based on the tax rates that are applicable on the balance sheet date.

Deferred tax claims are recognised to the extent that a future taxable profit will arise from the use of the temporary difference that creates the deferred tax claim.

Deferred income tax is recognised for the temporary differences that arise from investments in subsidiary and related companies, with the exception of the case in which inversion of temporary differences is controlled by the Group and it is possible that the temporary differences will not invert in the foreseeable future.

2.14 Personnel fringe benefits

(a) Short-term fringe benefits

Short-term personnel fringe benefits in the form of cash or in kind are recorded as an expense when these accrue.

(b) Fringe benefits following withdrawal from the service

Fringe benefits following withdrawal from the service include pre-determined benefit plans.

The working cost of the programs of defined contributions is recorded as expenses in the period in question.

The liability that is recorded in the balance sheet with regard to predetermined fringe benefit plans is the present value of the commitment to the pre-determined fringe benefit less the reasonable value of the plan's assets, the changes that arise from non-recognised actuarial profits and losses and the cost of past service. The commitment of the pre-determined fringe benefit is calculated by an independent actuary with the projected unit credit method.

Actuarial profits and losses that arise from adjustments on the basis of historic data and are above or below the margin of 10% of the accumulated liability are recorded in the results within the expected average insurance term of the plan's participants. The cost of past service is recorded directly in the results, with the exception of the case in which changes to the plan depend on the remaining term of the employee's past service. In this case, the cost of past service is recorded in the results based on the fixed method within the maturing period.

(c) Employment termination fringe benefits

Employment termination fringe benefits are paid when employees decide to retire prior to their respective date of retirement. The Group records these fringe benefits when it is bound, or when it terminates the employment of existing employees based on a detailed schedule for which there is no possibility of withdrawal or when it offers these fringe benefits as an incentive for voluntary retirement. Employment termination fringe benefits that are due in 12 months after the balance sheet date are discounted.

In the case of employment termination in which the Group is not able to determine the number of employees who will take advantage of this incentive, these fringe benefits are not accounted for but are recorded as a potential liability.

2.15 Government grants

Government grants are recognised at their reasonable value when it is certain that the grant will be received and that the Group will comply with all stipulated terms.

Government grants that concern operating expenses are recognised in the results so that these will match the expenses that they will cover. Government grants regarding the purchase of tangible fixed assets are recorded in long-term liability accounts as deferred income and are transferred as income to the income statement based on the fixed method over the expected useful lives thereof.

2.16 Provisions

Provisions are recognised when:

i. There is a present legal or inferred commitment as a result of past events.
ii. Outflow of funds may be demanded for the commitment's settlement.
iii. The amount in question may be reasonably estimated.

Wherever there are various similar liabilities, the possibility that an outflow shall be required for settlement thereof is designated by examining the liability category overall.

Provisions are calculated at the present value of expenses that, based on the Management's best possible estimate, are required to cover the present liability on the balance sheet date (Note 4). The discount rate that is used in determining the present value reflects the current market estimations for the temporal value of money and increases that concern the specific liability.

2.17 Recognition of income

Income includes the reasonable value of the sale of goods and the provision of services, net of Value Added Tax, discounts and returns. Inter-company income within the Group is deleted in full. Income is recognised as follows:

(a) Sale of goods

Sales of goods are recognised when the Group delivers the goods to its customers and when collection of the claim is reasonably guaranteed. . In events of guarantee for the return of money for sales of goods, the returns are accounted to each date of balance as reduction of receipts, based on statistic data.

(b) Provision of services

Income from the provision of services is accounted for in the period in which the services are rendered, based on their stage of completion in relation to all the services that shall be rendered.

(c) Income from interest

Income from interest is recognised based on time proportion and with the use of the true interest rate. When receivables are devaluated, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial true interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied on the decreased (new book) value.

(d) Dividends

Dividends are accounted for as income, when a right to collect has been established, with the approval of the General Meeting of the subsidiary companies.

2.18 Leases

Leases of fixed assets, in which the Group substantially maintains all the risks and remunerations that ownership thereof entails, are classified as leasing. Leasing is capitalised from the moment the lease begins at the lesser amount between the fixed asset's reasonable value and the present value of the minimum rents. Each rent is allocated between the liability and financial expenses so that a fixed interest rate can be applied on the financial liability's balance. The corresponding liabilities that arise from the rents, net of financial expenses, are recorded in liability accounts. The part of financial expenses that concerns leasing is recorded in the results during the term of the lease. Fixed assets that were acquired through leasing are depreciated over the shorter period between the useful lives thereof and the term of their lease.

Leases, in which the lessor substantially maintains all the risks and remunerations that ownership thereof entails, are classified as operating leases. Payments that are made with regard to operating leases are recognised in the results proportionately during the term of the lease.

2.19 Distribution of dividends

The distribution of dividends to the parent company's shareholders is recognised as a liability in the financial statements when the distribution thereof is approved by the General Meeting of the shareholders.

3. Management of financial risks

3.1. Financial risk factors

The Group is exposed to financial risks, such as market risks (changes to foreign exchange rates, interest rates, market prices), credit risks and liquidity risks. The Group's general risk management program focuses on the fact that financial-credit markets cannot be forecasted and seeks to minimise the potential negative affect thereof on the Group's financial performance.

Risk management is carried out centrally by the competent service of the VIOCHALO S.A. Group of companies, which operates with specific rules that have been approved by the Operating Regulations. The Board of Directors provides instructions and guidelines on the general management of risks, as well as special instructions on the management of specific risks, such as foreign exchange risks, interest rate risks and credit risks.

(a) Market risk

The Group is active in Europe, and consequently a large part of its transactions are denominated in Euros. All purchases of raw materials (aluminium) are denominated in US Dollars. The Group pre-purchases foreign currency and mainly concludes currency futures with foreign contracting parties in order to face the risk of changes in these foreign exchange rates.

(b) Credit risk

The Group does not face a significant credit risk, whereas it is active in many countries and has an extensive clientele. Any retail sales, which are limited in number and volume, are carried on a cash basis. Goods and services are provided on a wholesale basis primarily to clients with a creditable credit history and almost all sales are covered with credit insurance policies.

(c) Liquidity risk

Liquidity risk is kept at a low level due to the fact there is sufficient cash on hand and sufficient credit limits with collaborating banks.

(d) Interest rate fluctuation risk

The Group's loan obligations are associated with floating interest rates that, depending on market conditions, may either remain floating or may become fixed. In addition, the Group has concluded a bond loan with a fluctuating interest rate, part of which has been covered with a Euribor contract that covers exposure to the risk of future changes in loan interest rates.

(e) Raw material (aluminium) price fluctuating risk

The Group proceeds in hedging the risk that is associated with changes in the prices of metals that are incorporated in manufactured products, through acts of pre-purchase or pre-sale of amounts equal to those of natural acts.

3.1.1 Basic tools for the management of financial risk and followed accounting principles

As from January 1st 2005
The results from the liquidated acts of management of the financial risk are recorded in the statement of results when the compensating transactions are effected (difference of interest on contracts for the exchange of rate of interest and stock market results on acts in aluminum).
The Group on a regular basis defines the effectiveness of the compensating acts of the expecting cash flows, on a business and on an accounting basis, and records to the net worth the result of the valuation of the open worth in each date of balance, as to the part evaluated as effective.

3.2 Determining reasonable values

The reasonable values of financial assets that are traded in active markets (stock markets) (e.g. derivatives, shares, bonds, mutual funds) are set according to the published prices that are valid on the balance sheet date. The reasonable value of financial assets is determined by their offer price, while the reasonable value of financial liabilities is determined by their demand price.

The reasonable values of financial assets that are not traded in active markets are set through the use of evaluation techniques and standards that are based on market data on the balance sheet date.

The nominal value less provisions for doubtful commercial claims is deemed to approximate their actual value. The reasonable value of financial liabilities, for the purpose of being recorded in financial statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the current interest rate that is available for the Group for the use of similar financial-credit means.

Significant accounting estimations and judgments of the Management

The management's estimations and judgements are re-examined on a continuous basis and are based on historical figures and expectations of future events, which are deemed reasonable pursuant to that which is in force.

The Group proceeds in estimations and acknowledgements with regard to the development of future events. Estimations and acknowledgements that entail a significant probability that they will cause substantial adjustments to the book values of assets and liabilities in the following 12 months concern income tax.

The companies of the Group are subject to different legislations of income tax. In order to define the provision of the Group for income taxes a substantial concept of the above is required. Upon the normal flow of works of the business a lot of transactions and estimates take place for which the exact evaluation of the tax is uncertain. In the event that the final taxes arising after the tax audits are different than the amounts that were initially recorded, these differences will affect the income tax and the provisions for deferred taxes in the fiscal year that the determination of the tax differences took place.

The Group proceeds to estimates related to the evaluation of stocks to the lesser price between current and net liquidated value. The liquidated value may be different related to the one estimated upon the date of drawing of financial statements. Furthermore, the Company and the Group proceed to estimates related to the evaluation of investments businesses and in fixed equipment at the lesser price between the current and the recoverable value thereof. The actual amounts may be different than the estimates during the date of drawing the financial statements.

The provisions are estimated in the current value of the expenses which based on the best evaluation of the administration, they are required to cover the current liability in the date of the balance. The rate of discount used for the determination of the current value reflecting the current market estimates for the time value of the money and increases regarding the specific liability.

Re-classification of items

Certain items of the financial statements and certain notes of the fiscal year 2005 have been re-classified related to the issued financial statements in order to be comparable with those of the current fiscal year (see note 38).

5. Information per sector

Primary type of information – Business Sectors

The Group is divided into three business sectors

(1) Rolling aluminium
(2) Aluminium extrusion
(3) Paper and formation aluminium

Results per sector for 12 months until 31 December 2005

12 months until 31 December 2005 (Amounts in Euros)	Rolling	Extrusion	Paper and Formation Aluminium	Non-allocated	Total
Total gross sales per sector	**621,647,001**	**109,264,650**	**29,499,595**	**3,799,843**	**764,211,089**
Inter-company sales	(50,760,351)	(4,895,705)	(1,892,467)	(594,766)	**(58,143,289)**
Net sales	**570,886,650**	**104,368,945**	**27,607,128**	**3,205,077**	**706,067,800**
Operating profits	13,824,220	7,278,897	1,074,474	1,444,326	**23,621,917**
Financial income-expenses (note 26)	(5,922,251)	(2,012,819)	(103,008)	(4,391)	**(8,042,469)**
Share of results of related companies				409,615	**409,615**
Profits before taxes	**7,901,969**	**5,266,078**	**971,466**	**1,849,550**	**15,989,063**
Income tax (note 27)	(1,588,978)	(1,568,220)	(400,386)	(417,724)	**(3,975,308)**
Net profit	**6,312,991**	**3,697,858**	**571,080**	**1,431,826**	**12,013,755**

31/12/2005	Rolling	Extrusion	Paper and Formation Aluminium	Non-allocated	Total
Assets	710,509,799	188,263,887	30,360,758	1,136,072	**930,270,516**
Total liabilities	250,883,075	87,158,315	7,247,460	-289,368	**344,999,482**
Investments in tangible and intangible fixed assets and investments in real estate fixed assets	18,914,405	13,775,577	742,926	6,511	**33,439,419**

Other items per sector included in the results for the 12 months until 31 December 2005

12 months until 31 December 2005 (Amounts in Euros)	Rolling	Extrusion	Paper and Formation Aluminium	Non-allocated	Total
Depreciation of tangible fixed assets (note6)	(34,469,210)	(5,544,315)	(1,058,489)	(2,937)	**(41,074,951)**
Depreciation of intangible fixed assets (note 8)	(1,157,975)	(481,292)	(17,952)	(9,070)	**(1,666,289)**
Depreciation of investments in real estate (note 7)		(102,146			**(102,146)**
Total depreciation	**(35,627,185)**	**(6,127,753)**	**(1,076,441)**	**(12,007)**	**(42,843,386)**
Devaluation of receivables (note 29)	-	(519,000)	-	-	**(519,000)**
Devaluation of stocks (note 29)	-	(54,840)	-	-	**(54,840)**

Results per sector for 12 months until 31 December 2006

12 months until 31 December 2006 (Amounts in Euros)	Rolling	Extrusion	Paper and Formation Aluminium	Non-allocated	Total
Total gross sales per sector	**732,563,312**	**153,396,814**	**33,141,309**	**5,403,712**	**924,505,147**
Inter-company sales	(56,184,687)	(5,820,685)	(1,640,052)	(945,552)	**(64,590,976)**
Net sales	**676,378,625**	**147,576,129**	**31,501,257**	**4,458,160**	**859,914,171**
Operating profits	23,900,285	8,896,167	1,259,228	1,582,920	**35,638,600**
Financial income-expenses (note 26)	(4,403,101)	(3,198,788)	(144,375)	9,829	**(7,736,435)**
Share of results of related companies				1,765,571	**1,765,571**
Profits before taxes	**19,497,185**	**5,697,379**	**1,114,853**	**3,358,320**	**29,667,736**
Income tax (note 27)	(3,806,346)	(2,059,304)	(383,948)	(132,540)	**(6,382,138)**
Net profit	**15,690,838**	**3,638,075**	**730,905**	**3,225,781**	**23,285,598**

31/12/2006	Rolling	Extrusion	Paper and Formation Aluminium	Non-allocated	Total
Assets	751,683,034	214,331,315	33,939,153	2,330,183	**1,002,283,684**
Total liabilities	272,126,704	104,264,376	9,591,183	398,491	**386,380,754**
Investments in tangible and intangible fixed assets and investments in real estate fixed assets	11,351,513	13,137,715	2,511,450	3,498	**27,004,176**

Other items per sector included in the results for the 12 months until 31 December 2006

12 months until 31 December 2006 (Amounts in Euros)	Rolling	Extrusion	Paper and Formation Aluminium	Non-allocated	Total
Depreciation of tangible fixed assets (note6)	(35,928,865)	(6,375,309)	(1,178,025)	(4,865)	**(43,487,064)**
Depreciation of intangible fixed assets (note 8)	(2,308,654)	(694,318)	(22,567)	(5,450)	**(3,030,989)**
Depreciation of investments in real estate (note 7)		(290,345)			**(290,345)**
Total depreciation	**(38,237,519)**	**(7,359,972)**	**(1,200,592)**	**(10,315)**	**(46,808,398)**
Devaluation of receivables (note 29)	(539,030)	(2,369,495)	(38,949)	-	**(2,947,474)**
Devaluation of stocks (note 29)	(640,535)	-	-	-	**(640,535)**

Assets do not include the deferred tax claim, holdings and derivatives that are held for commercial purposes

Liabilities include operating liabilities (including derivatives that are held in order to hedge future transactions). They do not include, however, tax liabilities and any loans that cannot be allocated to branches (corporate borrowings).

Secondary type of information – Geographic Sectors

Amounts in Euros	CONSOLIDATED	
Sales	**31/12/2006**	**31/12/2005**
Greece	160,769,495	137,517,464
European Union	402,746,722	300,394,784
Other European countries	128,764,872	82,531,947
Asia	59,682,698	61,470,777
Americas	86,776,754	103,928,141
Africa	8,604,412	6,087,152
Oceania	12,569,218	14,137,535
Total	**859,914,171**	**706,067,800**
Analysis of sales per category		
Amounts in Euros	**31/12/2006**	**31/12/2005**
Sale of merchandise and products	835,479,816	688,271,604
Income form services	12,429,582	8,905,725
Other	12,004,773	8,890,471
Total	**859,914,171**	**706,067,800**
Total assets	**31/12/2006**	**31/12/2005**
Greece	912,147,221	822,056,842
International	106,376,693	136,487,515
Total	**1,018,523,914**	**958,544,357**
Investments in tangible, intangible an real estate fixed	**31/12/2006**	**31/12/2005**
Greece	18,225,480	23,974,011
International	8,778,696	5,926,006
Total	**27,004,176**	**29,900,017**

6. Tangible fixed assets

The Group's and the parent company's tangible fixed assets as of 31 December 2005 and 2006 and any changes thereof during fiscal years 2005 and 2006 are analysed as follows:

CONSOLIDATED

Amounts in Eurow	Land	Buildings	Plant and machinery	Motor Vehicles	Furniture and fixtures	Fixed assets under construction	Total
Cost or reasonable value							
Balance as of 1 January 2005	**41,338,110**	**94,023,327**	**405,808,975**	**9,534,163**	**8,195,837**	**17,664,794**	**576,565,206**
Foreign exchange differences	61,031	201,463	1,463,410	32,226	5,397	33,716	**1,797,243**
Additions	576,456	833,003	6,516,678	491,319	857,938	20,172,006	**29,447,400**
Sales-Destructions	-	(400)	(427,012)	(125,556)	(134,698)	(217,151)	**(904,817)**
Reclassification	(158,968)	582,536	12,047,312	405,162	494,691	(17,510,092)	**(4,139,359)**
Balance as of 31 December 2005	**41,816,629**	**95,639,929**	**425,409,363**	**10,337,314**	**9,419,165**	**20,143,273**	**602,765,673**
Accumulated depreciation							
Balance as of 1 January 2005		**(5,792,721)**	**(38,372,405)**	**(5,815,417)**	**(6,205,208)**		**(56,185,751)**
Foreign exchange differences		(17,558)	(211,592)	(22,166)	(1,121)		**(252,437)**
Depreciation of the period (note 24&29)		(5,173,005)	(33,991,210)	(1,050,326)	(860,410)		**(41,074,951)**
Sales-Destructions		180	56,469	76,774	55,539		**188,962**
Reclassification		57,927	135,372	(197,136)	(316,223)		**(320,060)**
Balance as of 31 December 2005	**-**	**(10,925,177)**	**(72,383,366)**	**(7,008,271)**	**(7,327,423)**	**-**	**(97,644,237)**
Undepreciated value as of 31December 2005	**41,816,629**	**84,714,752**	**353,025,997**	**3,329,043**	**2,091,742**	**20,143,273**	**505,121,436**
Cost or reasonable value							
Balance as of 1 January 2006	**41,816,629**	**95,639,929**	**425,409,363**	**10,337,314**	**9,419,165**	**20,143,273**	**602,765,673**
Foreign exchange differences	44,776	185,545	1,070,044	31,037	92,243	31,106	**1,454,751**
Additions	235,167	563,758	6,297,541	757,219	651,703	18,150,814	**26,656,202**
Sales-Destructions	(39,472)	(17,554)	(415,804)	(281,133)	(45,427)	(250,291)	**(1,049,681)**
Reclassification	93,911	1,288,624	15,547,902	254,855	201,568	(18,491,757)	**(1,104,897)**
Balance as of 31 December 2006	**42,151,011**	**97,660,302**	**447,909,046**	**11,099,292**	**10,319,252**	**19,583,145**	**628,722,048**
Accumulated depreciation							
Balance as of 1 January 2006	**-**	**(10,925,177)**	**(72,383,366)**	**(7,008,271)**	**(7,327,423)**	**-**	**(97,644,237)**
Foreign exchange differences		(25,101)	(246,856)	(20,321)	(52,805)		**(345,083)**
Depreciation of the period (note 24&29)		(5,242,365)	(36,246,827)	(1,115,618)	(882,254)		**(43,487,064)**
Sales-Destructions		1,389	158,231	267,092	31,362		**458,074**
Reclassification		-	53,785	(19,983)	(33,802)		**-**
Balance as of 31 December 2006	**-**	**(16,191,254)**	**(108,665,033)**	**(7,897,101)**	**(8,264,922)**	**-**	**(141,018,310)**
Undepreciated value as of 31December 2006	**42,151,011**	**81,469,048**	**339,244,013**	**3,202,191**	**2,054,330**	**19,583,145**	**487,703,738**

company

	Land	Buildings	Plant and machinery	Motor Vehicles	Furniture and fixtures	Fixed assets under construction	Total
Cost or reasonable value							
Balance as of 1 January 2005	**24,108,334**	**53,511,122**	**283,571,190**	**7,387,294**	**5,739,060**	**7,411,722**	**381,728,722**
Additions	152,888	552,709	726,018	327,657	527,460	11,607,180	**13,893,912**
Sales-Destructions	-	-	(409,106)	-	(20,620)	-	**(429,726)**
Reclassification	-	389,194	4,556,086	-	72,303	(6,224,258)	**(1,206,675)**
Balance as of 31 December 2005	**24,261,222**	**54,453,025**	**288,444,188**	**7,714,951**	**6,318,203**	**12,794,644**	**393,986,233**
Accumulated depreciation							
Balance as of 1 January 2005		**(3,068,022)**	**(21,109,348)**	**(4,500,502)**	**(4,883,158)**		**(33,561,030)**
Depreciation of the period (note 24&29)		(3,113,768)	(21,471,571)	(776,236)	(488,351)		**(25,849,926)**
Sales-Destructions		-	53,636	-	10,407		**64,043**
Reclassification		-	181,151	-	-		**181,151**
Balance as of 31 December 2005	**-**	**(6,181,790)**	**(42,346,132)**	**(5,276,738)**	**(5,361,102)**	**-**	**(59,165,762)**
Undepreciated value as of 31December 2005	**24,261,222**	**48,271,235**	**246,098,056**	**2,438,213**	**957,101**	**12,794,644**	**334,820,471**
Cost or reasonable value							
Balance as of 1 January 2006	**24,261,222**	**54,453,025**	**288,444,188**	**7,714,951**	**6,318,203**	**12,794,644**	**393,986,233**
Additions	27,016	133,886	550,892	316,307	244,304	6,750,761	**8,023,166**
Sales-Destructions	-	(753)	(327,247)	(184,686)	(37,083)	(250,291)	**(800,060)**
Reclassification	-	1,276,110	9,477,701	-	19,313	(11,878,020)	**(1,104,896)**
Balance as of 31 December 2006	**24,288,238**	**55,862,268**	**298,145,534**	**7,846,572**	**6,544,737**	**7,417,094**	**400,104,443**
Accumulated depreciation							
Balance as of 1 January 2006	**-**	**(6,181,790)**	**(42,346,132)**	**(5,276,738)**	**(5,361,102)**		**(59,165,762)**
Depreciation of the period (note 24&29)		(3,218,364)	(21,971,202)	(778,856)	(448,464)		**(26,416,886)**
Sales-Destructions		45	264,415	183,091	28,513		**476,064**
Balance as of 31 December 2006	**-**	**(9,400,109)**	**(64,052,919)**	**(5,872,503)**	**(5,781,053)**	**-**	**(85,106,584)**
Undepreciated value as of 31December 2006	**24,288,238**	**46,462,159**	**234,092,615**	**1,974,069**	**763,684**	**7,417,094**	**314,997,859**

Transportation means included in the above based on financial lease:

Transportation means

Amounts in euros	**CONSOLIDATED 31/12/2006**	**CONSOLIDATED 31/12/2005**
Cost – capitalized financial leases	216,465	318,867
Accrued depreciations	(68,374)	(84,181)
Net non depreciated value	**148,091**	**234,686**

The affiliated company Bridgnorth has temporarily out of operation machinery of non depreciated value of 3.7 million euros. The above affiliated company operates as a cash generating unit and based on its provided cash flows a need for devaluation does not arise.

7. Investments in real estate

Investments in real estate as of 31 December 2005 and 2006 concern buildings owned by the Company's subsidiaries and are analysed as follows:

Amounts in Euros		
Cost or reasonable value	**CONSOLIDATED**	
	31/12/2006	**31/12/2005**
Opening balance net	**5,637,258**	**2,200,000**
Additions	101,798	-
Transfer to fixed assets under construction	-	3,539,404
Depreciation of the fiscal year (note 29)	(290,345)	(102,146)
Balance recorded in the balance sheet	**5,448,711**	**5,637,258**

	CONSOLIDATED	
Amounts in euros	**31/12/2006**	**31/12/2005**
Receipts from leases acknowledged	877,725	309,723
Direct operating expenses related τo investments to real estates by which leases are received	(365,333)	(236,792)
Total	**512,392**	**72,931**

8. Intagible assets

The Company's and Group's intangible assets as of 31 December 2005 and 2006 are analysed as follows:

CONSOLIDATED				
Amounts in Euros	**Trade marks**	**Software**	**Other**	**Total**
Cost or reasonable value				
Balance as of 1 January 2005	**2,108**	**5,771,942**	**203,565**	**5,977,615**
Foreign exchange differences	-	975	4,008	4,983
Additions		452,387	228	452,615
Reclassifications		873,440	-	873,440
Balance as of 31 December 2005	**2,108**	**7,098,744**	**207,801**	**7,308,653**
Accumulated depreciation				
Balance as of 1 January 2005	**(2,108)**	**(2,434,546)**	**(55,092)**	**(2,491,746)**
Foreign exchange differences		(659)	(1,002)	(1,661)
Depreciation of the period (notes 24 &29)		(1,650,220)	(16,070)	(1,666,290)
Reclassifications		45,335	-	45,335
Balance as of 31 December 2005	**(2,108)**	**(4,040,090)**	**(72,164)**	**(4,114,362)**
Undepreciated value as of 31 December 2005	**-**	**3,058,654**	**135,637**	**3,194,291**

Amounts in Euros	**Trade marks**	**Software**	**Other**	**Total**
Cost or reasonable value				
Balance as of 1 January 2006	**2,108**	**7,098,744**	**207,801**	**7,308,653**
Foreign exchange differences		1,318	2,960	4,278
Additions		246,176		246,176
Reclassifications		(1,847)		(1,847)
Balance as of 31 December 2006		1,104,896		1,104,896
	2,108	**8,449,287**	**210,761**	**8,662,156**
Accumulated depreciation				
Balance as of 1 January 2006	**(2,108)**	**(4,040,090)**	**(72,164)**	**(4,114,362)**
Foreign exchange differences		(952)	(735)	(1,687)
Depreciation of the period (notes 24 &29)		(2,909,029)	(121,960)	(3,030,989)
Reclassifications		1,847		1,847
Balance as of 31 December 2006		(13,156)		(13,156)
	(2,108)	**(6,961,380)**	**(194,859)**	**(7,158,347)**
Undepreciated value as of 31 December 2006	**-**	**1,487,907**	**15,902**	**1,503,809**

COMPANY		
Amounts in Euros	**Software**	**Total**
Cost or reasonable value		
Balance as of 1 January 2005	**3,059,868**	**3,059,868**
Additions	70,435	70,435
Reclassifications	1,024,285	1,024,285
Balance as of 31 December 2005	**4,154,588**	**4,154,588**
Accumulated depreciation		
Balance as of 1 January 2005	**(1,377,230)**	**(1,377,230)**
Depreciation of the period (notes 24 &29)	(969,712)	(969,712)
Balance as of 31 December 2005	**(2,346,942)**	**(2,346,942)**
Undepreciated value as of 31 December 2005	**1,807,646**	**1,807,646**

Amounts in Euros	**Software**	**Total**
Cost or reasonable value		
Balance as of 1 January 2006	**4,154,588**	**4,154,588**
Additions	29,600	29,600
Reclassifications	1,104,896	1,104,896
Balance as of 31 December 2006	**5,289,084**	**5,289,084**
Accumulated depreciation		
Balance as of 1 January 2006	**(2,346,942)**	**(2,346,942)**
Depreciation of the period (notes 24 &29)	(2,023,950)	(2,023,950)
Balance as of 31 December 2006	**(4,370,892)**	**(4,370,892)**
Undepreciated value as of 31 December 2006	**918,192**	**918,192**

9. Investments in subsidiary companies

The Company's holdings in subsidiary companies are analysed as follows:

	COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**
Beginning of period	**81,362,181**	**81,129,081**
Additions	-	233,100
Devaluations	-	-
Balance at end of period	**81,362,181**	**81,362,181**

The Company's holdings in its subsidiaries and brief information thereof are presented below:

	Percentage Holdings			
Corporate Name	**Country**	**Direct**	**Indirect**	**Total**
2005				
ETEM S.A.	Greece	58.15%		58.15%
VIEXAL LTD	Greece	73.33%		73.33%
VIOMAL S.A	Greece	50.00%		50.00%
ELVAL COLOUR S.A.	Greece	100.00%		100.00%
SYMETAL S.A.	Greece	99.99%		99.99%
VECTOR S.A.	Greece	66.67%		66.67%
STEELMET ROMANIA S.A.	Romania	40.00%	11.63%	51.63%
BLYTHE Ltd	Cyprus	100.00%		100.00%
BRIDGNORTH Ltd	England	100.00%		100.00%
ATHENS ART CENTRE A.E.	Greece	100.00%		100.00%
K.AN.AΛ. S.A	Greece	75.00%	14.54%	89.54%
2006				
ETEM S.A.	Greece	58.15%		58.15%
VIEXAL LTD	Greece	73.33%		73.33%
VIOMAL S.A	Greece	50.00%		50.00%
ELVAL COLOUR S.A.	Greece	95.94%		95.94%
SYMETAL S.A.	Greece	99.99%		99.99%
STEELMET ROMANIA S.A.	Romania	40.00%	11.63%	51.63%
BLYTHE Ltd	Cyprus	100.00%		100.00%
BRIDGNORTH Ltd	England	100.00%		100.00%
ATHENS ART CENTRE A.E.	Greece	100.00%		100.00%
K.AN.AΛ. S.A	Greece	75.00%	14.54%	89.54%

The Boards of Directors of the companies VEKTOR S.A. and ELVAL COLOUR S.A. in their meeting sessions on April 19, 2006 have decided the merge of the two companies upon the merger of the former by the latter upon a date of balance of transfer on April 30, 2006 and pursuant to the provisions of the Laws 2166/1993 and the Codified Law 2190/1920.
The merger has been approved by the General Assemblies of the companies on September 19, 2006 and has been completed by the Decision No. 29975/29-9-2006 of the Prefecture of Athens.
Prior to the merger ELVAL S.A. possessed 66.67% of VEKTOR S.A. and after the merger it acquired 95.94% of ELVAL COLOUR S.A.

During November 2006, ETEM S.A. and Libyan entrepreneurs set up a company with the name "ALAMAR S.A. - Production & Stock Joint Company". The initial share capital of the company will amount to Libyan Dollars (LYD) 5,000,000 or EUR 3 million approximately and ETEM S.A. will participate in this investment by 55% or EUR 1.6 million. ETEM S.A. will finance the said investment by own funds. The registered office of the company was set at Tripoli, Libya where its industrial facilities will be erected. The relevant license has already been granted by the Libyan Foreign Investment Board. The budgeted amount of the above investment will come to around EUR 10 million and will include: aluminum casting unit, units of aluminum profile production and electrostatic dying thereof as well as the construction of warehouses. It is estimated that the project will be completed within 24 months.

10. Investments in associated companies

The Company's and Group's investments in associated companies are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2005**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Beginning of the period	**6,827,361**	**6,597,748**	**4,361,423**	**4,361,423**
Share of profit/(loss) after taxes	1,260,394	(34,173)	-	-
Additions	20,040	427,134	-	-
Sales	-	(38,858)	-	-
Devaluations	(484,605)	(124,490)	-	-
Reallocations	12,067	-	-	-
Balance at the end of the period	**7,635,257**	**6,827,361**	**4,361,423**	**4,361,423**

Brief financial information on related companies:

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Share of Profits/ losses) after taxes	Holding percentage
2005						
ANAMET S.A.	Greece	5,840,311	2,459,203	68,966,861	199,840	26.67%
V.EPE.M. S.A.	Greece	40,824	-	-	(1,529)	50.00%
TEPROMETAL AG	Germany	25,798,145	17,769,914	71,545,831	(684,690)	40.39%
DIAPEM COMMERCIAL S.A.	Greece	706,746	73,957		3,594	33.32%
ELKEME S.A.	Greece	2,936,565	1,099,382	1,524,910	29,346	40.00%
STEELMET S.A.	Greece	7,894,207	5,017,241	20,844,927	286,006	29.56%
METAL GLOBE DOO	Yugoslavia	2,369,932	2,123,038	5,445,661	87,126	40.00%
INNOVAL S.A.	Greece	-	-	-	(58,086)	49.00%
STEELMET ROMANIA S.A	Romania	1,709,000	645,000	1,939,330	104,220	38.60%
ENERGY SOLUTIONS	Bulgaria	29,819	30,137	-	-	100.00%
BONIFACI LIMITED	Cyprus	-	-	-	-	20.00%
		47,325,549	29,217,872	170,267,520	(34,173)	

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Share of Profits/ losses) after taxes	Holding percentage
2006						
ANAMET S.A.	Greece	10,981,520	6,280,189	106,732,040	352,115	26.67%
V.EPE.M. S.A.	Greece	36,200	-	-	(2,312)	50.00%
TEPROMETAL AG	Germany	37,564,978	28,458,079	114,521,972	435,674	40.39%
DIAPEM COMMERCIAL S.A.	Greece	659,826	27,826		(263)	33.32%
ELKEME S.A.	Greece	2,821,360	976,911	1,338,105	2,906	40.00%
STEELMET S.A.	Greece	8,319,956	4,598,106	20,683,800	287,643	29.56%
METAL GLOBE DOO	Yugoslavia	4,736,195	4,064,871	11,635,542	146,953	40.00%
INNOVAL S.E. *	Greece	-	-	-	-	49.00%
ENERGY SOLUTIONS *	Bulgaria	3,582,000	2,505,000	3,239,000	37,677	38.60%
VIOHALCO EXPORTS LTD (COPPERPROM LTD)	Greece	74,259	66,770	76,239	-	20.00%
		68,776,294	46,977,752	258,226,698	1,260,394	

* The specific companies are associated companies of the affiliated company ETEM S.A., and the rates of participation regard the participation of ETEM S.A. in these companies. The associated company INNOVAL S.A. has not drawn up financial statements for the fiscal years 2005 and 2006. The total cost of the above investment (€ 1,144 thousand) has been written off.

11. Financial assets available for sale

Financial assets available for sale concern holdings in domestic and foreign companies with a holding percentage less than 20%.

Amounts in Euros	**CONSOLIDATED**	**COMPANY**
Balance as of 1 January 2005	**985,755**	**404,082**
Additions	6,000	-
Sales	-	-
Valuation	37,722	-
Balance as of 31 December 2005	**1,029,477**	**404,082**
Non-current assets	1,029,477	404,082
	1,029,477	**404,082**

Financial assets available for sale include the following:

	CONSOLIDATED 31/12/2005	**COMPANY 31/12/2005**
Listed title		
- Participating domestic titles	176,044	176,044
Unlisted titles		
- Participating domestic titles	659,355	216,038
- Participating international titles	194,078	12,000
	1,029,477	**404,082**

	CONSOLIDATED	**COMPANY**
Balance as of 31 December 2005	**1,029,477**	**404,082**
Additions	45,000	-
Valuation that directly affected owner's	145,769	-
Valuation affected income statement	3,688	3,793
Reallocation	(12,064)	-
Balance as of 31 December 2006	**1,211,870**	**407,875**
Non-current assets	1,211,870	407,875
	1,211,870	**407,875**

Financial assets available for sale include the following:

	CONSOLIDATED 31/12/2006	**COMPANY 31/12/2006**
Listed title		
- Participating domestic titles	176,044	176,044
Unlisted titles		
- Participating domestic titles	853,918	219,831
- Participating international titles	181,908	12,000
	1,211,870	**407,875**

12. Deferred taxation

The postponed tax claims and liabilities are counterbalanced when an applicable legal right arises to counterbalance the current tax claims against the current tax liabilities and when the postponed income taxes regard the same tax authority. The counterbalanced amounts as they are shown in the balance sheets are as follows:

	CONSOLIDATED		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Deferred tax claims	848,369	37,250	-	-
Deferred tax liabilities	(57,739,394)	(60,365,083)	(43,952,274)	(45,666,145)
Σύνολο	**(56,891,025)**	**(60,327,833)**	**(43,952,274)**	**(45,666,145)**

The bigger percentage of deferred taxation is available after 12 months.

The total change in deferred income tax is present below:

	CONSOLIDATED			COMPANY		
	Claims	Liabilities	Total	Claims	Liabilities	Total
Balance as of 1/1/2005	**3,469,649**	**(58,458,606)**	**(54,988,957)**	**1,611,846**	**(45,047,512)**	**(43,435,666)**
Foreign exchange differences of subsidiaries	21,287	-	21,287	-	-	-
(Debit) /credit of income statement	1,178,166	(2,489,614)	(1,311,448)	1,623,026	(1,916,476)	(293,450)
(Debit) /credit of equity	(4,048,715)		(4,048,715)	(1,937,029)		(1,937,029)
Balance as of 31/12/2005	**620,387**	**(60,948,220)**	**(60,327,833)**	**1,297,843**	**(46,963,988)**	**(45,666,145)**
Balance 1/1/2006	**620,387**	**(60,948,220)**	**(60,327,833)**	**1,297,843**	**(46,963,988)**	**(45,666,145)**
Foreign exchange differences of subsidiaries	3,688	(1,390)	2,298	-	-	-
(Debit) /credit of income statement	1,678,578	(1,344,435)	334,143	1,211,483	(1,021,640)	189,843
(Debit) /credit of equity	3,122,684	(22,317)	3,100,367	1,524,028	-	1,524,028
Balance as of 31/12/2006	**5,425,337**	**(62,316,362)**	**(56,891,025)**	**4,033,354**	**(47,985,628)**	**(43,952,274)**

The movements of deferred tax claims and liabilities prior to any offsetting entry are depicted below:

Deferred tax liabilities **CONSOLIDATED**	Goodwill in assets/ Difference in depreciation	Difference in provisions	Non –recognised Intangible assets	Headging	Tax expenses	Configur. interest in Unaud. reserves	Other	Total
Balance as of 1/1/2005	**(58,458,606)**	**-**	**-**	**-**	**-**	**-**	**-**	**(58,458,606)**
Foreign exchange differences of subsidiaries	-	-	-	-	-	-	-	**-**
(Debit) /credit of income statement	(2,489,614)	-	-	-	-	-	-	**(2,489,614)**
(Debit) /credit of equity	-	-	-	-	-	-	-	**-**
Balance as of 31/12/2005	**(60,948,220)**	**-**	**-**	**-**	**-**	**-**	**-**	**(60,948,220)**
Balance 1/1/2006	**(60,948,220)**	**-**	**-**	**-**	**-**	**-**	**-**	**(60,948,220)**
Foreign exchange differences of subsidiaries	(1,390)	-	-	-	-	-	-	**(1,390)**
(Debit) /credit of income statement	(1,344,435)	-	-	-	-	-	-	**(1,344,435)**
(Debit) /credit of equity	(22,317)	-	-	-	-	-	-	**(22,317)**
Balance as of 31/12/2006	**(62,316,362)**	**-**	**-**	**-**	**-**	**-**	**-**	**(62,316,362)**

Deferred tax cliams **ΕΝΟΠΟΙΗΜΕΝΑ ΣΤΟΙΧΕΙΑ**	Goodwill in assets/ Difference in depreciation	Difference in provisions	Non –recognised Intangible assets	Headging	Tax expenses	Configur. interest in Unaud. reserves	Other	Total
Balance as of 1/1/2005	**-**	**1,920,235**	**426,634**	**-**	**939,683**	**-**	**183,097**	**3,469,649**
Foreign exchange differences of subsidiaries	-	-	-	-	21,287	-	-	**21,287**
(Debit) /credit of income statement	-	165,864	(206,812)	-	(216,167)	1,734,156	(298,875)	**1,178,166**
(Debit) /credit of equity	-	-	-	(4,048,715)	-	-	-	**(4,048,715)**
Balance as of 31/12/2005	**-**	**2,086,099**	**219,822**	**(4,048,715)**	**744,803**	**1,734,156**	**(115,778)**	**620,387**
Balance 1/1/2006	**-**	**2,086,099**	**219,822**	**(4,048,715)**	**744,803**	**1,734,156**	**(115,778)**	**620,387**
Foreign exchange differences of subsidiaries	-	-	-	-	3,688	-	-	**3,688**
(Debit) /credit of income statement	-	376,605	78,937	965,419	53,491	-	204,126	**1,678,578**
(Debit) /credit of equity	-	-	-	3,122,684	-	-	-	**3,122,684**
Balance as of 31/12/2006	**-**	**2,462,704**	**298,759**	**39,388**	**801,982**	**1,734,156**	**88,348**	**5,425,337**

Deferred tax liabilities COMPANY	Goodwill in assets/ Difference in depreciation	Difference in provisions	Non –recognised Intangible assets	Headging	Tax expenses	Configur. interest in Unaud. reserves	Other	Total
Balance as of 1/1/2005	**(45,047,512)**	**-**	**-**	**-**	**-**	**-**	**-**	**(45,047,512)**
Foreign exchange differences of subsidiaries		-	-	-	-	-	-	-
(Debit) /credit of income statement	(1,916,476)	-	-	-	-	-	-	**(1,916,476)**
(Debit) /credit of equity	-	-	-	-	-	-	-	-
Balance as of 31/12/2005	**(46,963,988)**	**-**	**-**	**-**	**-**	**-**	**-**	**(46,963,988)**
Balance 1/1/2006	**(46,963,988)**	**-**	**-**	**-**	**-**	**-**	**-**	**(46,963,988)**
Foreign exchange differences of subsidiaries	-	-	-	-	-	-	-	-
(Debit) /credit of income statement	(1,021,640)	-	-	-	-	-	-	**(1,021,640)**
(Debit) /credit of equity	-	-	-	-	-	-	-	-
Balance as of 31/12/2006	**(47,985,628)**	**-**	**-**	**-**	**-**	**-**	**-**	**(47,985,628)**

Deferred tax cliams COMPANY	Goodwill in assets/ Difference in depreciation	Difference in provisions	Non –recognised Intangible assets	Headging	Tax expenses	Configur. interest in Unaud. reserves	Other	Total
Balance as of 1/1/2005	**-**	**1,360,474**	**91,972**	**-**	**-**	**-**	**159,400**	**1,611,846**
Foreign exchange differences of subsidiaries	-	-	-	-	-	-	-	-
(Debit) /credit of income statement	-	75,860	(62,132)	-	-	1,734,156	**(124,858)**	**1,623,026**
(Debit) /credit of equity	-	-	-	(1,937,029)	-	-	-	**(1,937,029)**
Balance as of 31/12/2005	**-**	**1,436,334**	**29,840**	**(1,937,029)**	**-**	**1,734,156**	**34,542**	**1,297,843**
Balance 1/1/2006	**-**	**1,436,334**	**29,840**	**(1,937,029)**	**-**	**1,734,156**	**34,542**	**1,297,843**
Foreign exchange differences of subsidiaries	-	-	-	-	-	-	-	-
(Debit) /credit of income statement	-	105,714	140,766	965,419	-	-	**(416)**	**1,211,483**
(Debit) /credit of equity	-	-	-	1,524,028	-	-	-	**1,524,028**
Balance as of 31/12/2006	**-**	**1,542,048**	**170,606**	**552,418**	**-**	**1,734,156**	**34,126**	**4,033,354**

From 2001 to 31 December 2005, the Company has made investments amounting to € 100 million approximately and subject to the laws on development 2601/1998 and 3299/2004. On the basis of such laws, the Company is entitled to set up untaxed reserves from book profits and adequate tax profits of following financial years amounting to € 63 million at the maximum. This right will gradually expire as of the financial year 2011. The Company has set up future tax benefits equal to approximately EUR 1.7 million estimating it is highly likely that the necessary tax profits will be attained within a short time horizon (usually one year).

13. Stocks

The Group's and the Company's stocks as of 31 December 2005 and 2006 are analysed as follows:

	CONSOLIDATED		**COMPANY**	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Merchandise	20,608,600	13,693,032	4,716	10,253
Finished products	74,596,714	49,588,151	61,803,611	36,935,463
Semi-finished	55,004,397	60,246,115	45,925,247	51,478,567
By-products and scrap	21,458,581	11,658,732	18,896,444	10,592,809
Work in progress	9,757,406	8,479,981	-	-
Raw and indirect materials - consumables - spare parts and packaging materials	69,945,292	64,342,516	39,212,840	36,377,609
Total	10,440,134	10,979,158	8,844,145	10,645,888
	261,811,124	**218,987,685**	**174,687,003**	**146,040,589**
Less: Provisions for scrap, delayed and destructed stocks:				
Merchandise	(54,840)	(54,840)	-	-
Raw and indirect materials - consumables - spare parts and packaging materials	(640,535)	-	(640,535)	-
	(695,375)	**(54,840)**	**(640,535)**	**-**
Total net liquid value	**261,115,749**	**218,932,845**	**174,046,468**	**146,040,589**

14. Receivables

The Group's and the Company's receivables as of 31 December 2005 and 2006 are analysed as follows:

Current Assets	**CONSOLIDATED**		**COMPANY**	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Customers	134,597,799	106,501,582	84,176,828	72,616,137
Notes-cheques receivable and sealed	42,944,643	39,282,396	7,892,996	6,705,243
Less: Devaluation provisions	(5,182,448)	(2,412,960)	(908,388)	(708,286)
Net receivables from customers	**172,359,994**	**143,371,018**	**91,161,436**	**78,613,094**
Other down payments	743,423	1,024,933	714,233	844,733
Receivables from related entities (note 32)	14,991,817	12,484,441	27,574,930	19,568,395
Current tax claims	14,913,360	14,090,158	10,640,408	13,224,964
Sundry debtors	13,216,204	8,839,609	6,382,307	3,576,395
Less: Devaluation provisions	(177,987)	-	(177,987)	-
Total	**216,046,811**	**179,810,159**	**136,295,327**	**115,827,581**
Non-current Assets				
Long-term receivables against related companies	20,907	20,907	-	-
Other long-term receivables	2,958,839	3,840,975	2,315,512	2,258,761
Total	**2,979,746**	**3,861,882**	**2,315,512**	**2,258,761**
Total receivables	**219,026,557**	**183,672,041**	**138,610,839**	**118,086,342**

15. Derivatives

Derivatives as of 31 December 2005 and 2006, which concern transactions for duty risks for changes of future cash flows for the company and Group, analyzed as follows:

Derivatives	CONSOLIDATED		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Amounts in Euros				
Non-current assets				
interst rate swaps	404,560	-	294,310	-
(fx future contracts	82,481	25,657	25,394	-
future contracts	655,863	514,579	55,380	-
Total	**1,142,904**	**540,236**	**375,084**	**-**
Current assets				
interst rate swaps	20,216	-	-	-
fx future contracts	964,820	876,718	316,537	565,893
future contracts	4,416,795	18,962,801	3,846,519	11,387,921
Total	**5,401,831**	**19,839,519**	**4,163,056**	**11,953,814**
Long-term liabilities				
interst rate swaps	54,672	323,903	-	45,375
foreign exchange swaps	147,345	-	63,637	-
future contracts	593	-	593	-
Total	**202,610**	**323,903**	**64,230**	**45,375**
Short-term liabilities				
interst rate swaps	92,113	627,387	-	174,397
fx future contracts	958,316	818,781	904,929	796,731
future contracts	2,022,541	4,053,526	1,916,982	3,189,193
Total	**3,072,970**	**5,499,694**	**2,821,911**	**4,160,321**
Details of derivatives contracts				
Nominal value of interest rate swaps	70,859,092	85,231,817	30,000,000	44,000,000
Nominal value of aluminium derivatives	35,167,046	75,476,553	21,827,353	27,099,398
Nominal value of foreign exchange derivatives	223,431,218	79,978,011	124,376,311	68,360,576

For the parent company ELVAL S.A. the results from the liquidated acts of management of the financial risk recorded in the statement of results during the fiscal year 2006 & 2005 and they are included for the results of derivatives of Aluminum and exchange derivatives in the sales and the cost of sold items while for the results of derivatives for the Exchange of rates of interest in the Financial results have as follows:
A) Financial results on acts in aluminum (futures): 2006: € 4,487,567,
2005: € 6,386,151
B) Difference of interest on contracts of exchange of interest rates (swaps): 2006: € (200,899), 2005: € (216,326)
C) Financial results on acts in exchange (fx futures): 2006: € (271,471),
2005: € (991,257)

The consolidated results from the liquidated values of management of the financial risk recorded in the statement of results during the fiscal year 2006 & 2005 and the results of Aluminum derivatives and the derivatives of exchange are included in the sales and the cost of sold items while for the results of derivatives of Exchange of rates of interest to the Financial results, are as follows:
A) Stock exchange results on act in aluminum (futures): 2006: €17,891,025,
2005: € 7,467,180
B) Difference of interest on contracts of exchange of interest rates (swaps): 2006: € (239,878), 2005: € (487,597)
C) Financial results on acts in exchange (fx futures): 2006: € (235,785), 2005: € 1,621,118

16. Cash on hand and equivalent cash accounts

The Group's and the parent company's cash on hand and equivalent cash accounts as of 31 December 2004 and 2005 are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Cash on hand	1,609,674	857,826	70,738	100,991
Short-term bank deposits	25,875,445	12,854,817	10,889,790	1,190,971
Total	**27,485,119**	**13,712,643**	**10,960,528**	**1,291,962**

Short-term bank deposits most conserns sight deposits

17. Share capital

The share capital as of 31 December 2005 and 2006 is analysed as follows:

CONSOIDATED

Amounts in Euros	**Number of shares**	**Common shares**	**Above par**	**Total**
1 January 2005	124,060,815	37,218,245	158,654,004	195,872,249
31 December 2005	124,060,815	37,218,245	158,654,004	195,872,249
31 December 2006	**124,060,815**	**37,218,245**	**158,654,004**	**195,872,249**

COMPANY

Amounts in Euros	**Number of shares**	**Common shares**	**Above par**	**Total**
1 January 2005	124,060,815	37,218,245	158,654,004	195,872,249
31 December 2005	124,060,815	37,218,245	158,654,004	195,872,249
31 December 2006	**124,060,815**	**37,218,245**	**158,654,004**	**195,872,249**

The company has adopted a program for the allocation of options up to the rate of 1.23% of the number of the existing common registered shares up to the time of adoption (1,520,600 options), adjusted in future modifications of the number of shares in which the share capital is divided, under the following terms and conditions:

A) Beneficiaries of the option program: Members of the Board of Directors, workers of the company or related businesses to the company.

B) Price at which options are exercises: As exercising price, the closing price in the Athens Stock Exchange has been set during the first fifteen days of June 2002, namely € 2.96 per option.

C) Exercise of options: Options are secured gradually by 10% annually, beginning from the first business day of November 2002 until the first business day of November 2011. The above secured options are exercised from the first business day of November until the last business day of November for either of the years 2006 up to 2013. Following this closing date any option that is not exercised is cancelled.

The movement of options is as follows:

Amounts in Euros	**Options**	**Exercise price (€)**	**Total**
Pending as of January 1st 2005	**456,180**	**2.96**	**1,350,293 €**
Secured during the year	152,060	2.96	450,098 €
Written off during the year	-	2.96	-
Balance as of December 31st 2005	**608,240**	**2.96**	**1,800,390 €**
With a right to exercise as of December 31στ 2005	-		
Pending as of January 1st 2006	608,240	2.96	1,800,390 €
Secured during the year	236,560	2.96	700,218 €
Written off during the year	-	2.96	-
Balance as of December 31st 2006	**844,800**	**2.96**	**2,500,608 €**
With a right to exercise as of December 31st 2006	**844,800**	**2.96**	**2,500,608 €**

18. Reserves

The Company's and Group's other reserves as of 31 December 2004 and 2005 and the changes thereof during these fiscal years are analysed as follows:

CONSOLIDATED

Amounts in Euros	Reserves at reasonable value	Strtutory reserves	Specail reserves	Untaxed reserves	Other reserves	Total other reserves
Balance as of 1 January 2005	**4,812,000**	**9,553,125**	**4,034,101**	**120,757,797**	**3,755,732**	**138,100,755**
Foreign exchange differences	-	-	-	-	92	**92**
Transffer from distribution	-	593,843	-22,429	4,926,771	22,338	**5,520,523**
Reallocations	-	-	31166	-	-31166	**-**
Profit / (loss) recognized directly to equity	5,623,127	-	-	-	-	**-**
Balance as of 31 December 2005	**10,435,127**	**10,146,968**	**4,042,838**	**125,684,568**	**3,746,996**	**143,621,370**
Balance as of 1 January 2006	**10,435,127**	**10,146,968**	**4,042,838**	**125,684,568**	**3,746,996**	**143,621,370**
Foreign exchange differences	129,387	-	-	-	-	**-**
Transffer from distribution		694,307	-	752,026	46,006	**1,492,339**
Reallocations	-	-	-	-	-50,419	**-50,419**
Profit / (loss) recognized directly to equity	(4,848,297)	-	-	-	-	**-**
Balance as of 31 December 2006	**5,716,217**	**10,841,275**	**4,042,838**	**126,436,594**	**3,742,583**	**145,063,290**

COMPANY

Amounts in Euros	Reserves at reasonable value	Strtutory reserves	Specail reserves	Untaxed reserves	Other reserves	Total other reserves
Balance as of 1 January 2005	**4,625,250**	**7,899,353**	**2,862,016**	**106,368,125**	**328,381**	**117,457,875**
Transffer from distribution	-	262,171	-	2,580,947	-	**2,843,118**
Profit / (loss) recognized directly to equity	1,185,837	-	-	-	-	**-**
Balance as of 31 December 2005	**5,811,087**	**8,161,524**	**2,862,016**	**108,949,072**	**328,381**	**120,300,993**
Balance as of 1 January 2006	**5,811,087**	**8,161,524**	**2,862,016**	**108,949,072**	**328,381**	**120,300,993**
Transffer from distribution	-	326,721	-	34,058	-	**360,779**
Profit / (loss) recognized directly to equity	(710,410)	-	-	-	-	**-**
Balance as of 31 December 2006	**5,100,677**	**8,488,245**	**2,862,016**	**108,983,130**	**328,381**	**120,661,772**

18.1 Reserves of reasonable value

The reserves of reasonable value regard the valuation at the end of the fiscal year of the derivatives used by the company (contracts of futures and contracts of exchange of exchange rates) with an aim to counterbalance the modification risk of its future cash flows. From the valuation of these derivatives dated on 31/12/2006 a profit of € 1,652,000 arises (note 15) which after the deduction of the proportional postponed tax liability of € 413,000 has been recorded in the benefit of the net worth. A performed stock exchange profit of the amount of € 3,861,676 regarding sales planned to be effected within the fiscal year 2006 were transferred in the fiscal year 2007 due to the change in the delivery plan has also been recorded in the benefit of the net worth.
In the consolidated statements from the valuation of derivatives a profit of € 3,269,153 has come up (note 15) which after the deduction of the proportional postponed tax liability of € 926,031 has been recorded in the benefit of the net worth.
The valuation of financial facts allocated to be sold of a total of € 145,769 dated on 31/12/2006 is also included in the reserves of reasonable value.

18.2 Legal Reserve

Pursuant to the Greek Trade legislation, the companies are obliged, from the profits of the fiscal year, to form 5% as a legal reserve until the latter reaches one third of their paid share capital. During the life duration of the company the distribution of the legal reserve is prohibited.

18.3 Special & Tax Free Reserves

The tax free reserves and the special reserves include:

- Non distributed profits which are relieved from taxation by virtue of special provisions of development laws (provided that there are sufficient profits for their formation).
- Reserves from receipts relieved from taxation and reserves taxed in a special manner which regard receipts from interest for which a tax deduction in the source has been effected.

In the tax free reserves of the Group reserves formed upon implementation of article 2, Law 3220/2004 are also included. The European Commission has issued the Announcement 2006/C20/05, in accordance to which the Commission considers that the tax free reserves constitute a form of state aid and has asked the Greek Government to take a formal position on its announcement. The European Commission has decided that the specific tax free reserves constitute a form of state aid, and the businesses should pay to the tax authorities the proportional income tax, therefore the Group has decided to form a provision for the amount of the proportional tax to the above reserves upon the date of their formation (see note 27).

19. Loans

Liabilities of loans in which there are no encumbrances on the Group's fixed assets analyzed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Long-term loans				
Bank loans	38,263,463	43,012,780	8,079,869	13,250,108
Liabilities from leasing activities	153,750,000	93,750,000	105,000,000	60,000,000
Bond loans	**192,013,463**	**136,762,780**	**113,079,869**	**73,250,108**
Total long-term loans				
Short-term loans	83,844,929	110,673,989	28,153,795	51,825,329
Bank loans	**83,844,929**	**110,673,989**	**28,153,795**	**51,825,329**
Liabilities from leasing activities	**275,858,392**	**247,436,769**	**141,233,664**	**125,075,437**

The maturity dates of the long-term loans are presented below:

Amounts in Euros				
Between 1 to 2 years	70,208,025	39,437,972	42,116,209	27,174,717
Between 2 to 5 years	121,448,295	89,324,732	70,963,660	46,075,391
More than 5 years	357,143	8,000,076	-	-
	192,013,463	**136,762,780**	**113,079,869**	**73,250,108**

The short term loans of the Group above, include loans in US$ and in £ which upon 31/12/2006 arise to € 91,521.47 (loans in US$) and in € 5,076,717 (loans in £).
The actual weighed average interest rates at the date of the balance sheet are the following:

	31/12/2006 CONSOLIDATED			31/12/2006 COMPANY		
	€	**US$**	**£**	**€**	**US$**	**£**
Bank loans (short-term)	4.4%	5.9%	5.8%	4.1%	5.9%	7.0%
Bank loans long-term)	5.3%	-	-	6.6%	-	-
Bonds	3.9%	-	-	3.8%	-	-
Finance lease odligations	6.7%	-	-			

	31/12/2005 CONSOLIDATED		31/12/2005 COMPANY	
	€	**US$**	**€**	**US$**
Bank loans (short-term)	3.6%	4.5%	3.4%	4.5%
Bank loans long-term)	5.2%	-	6.0%	-
Bonds	3.3%	-	3.3%	-
Finance lease odligations	5.0%	-		

The reasonable values of the loans are approximately equal to their accounting values as the loans convey floating interest rates. The Group has sufficient credit limits to cover future company needs.
The non used part of these credit limits amounted to € 170 millions approximately as consolidated and to € 127,5 million at a company level dated on 31/12/2006.

The Group’s fianance lease obligations are analyzed as follows:

	CONSOLIDATED	
Amounts in Euros	**31/12/2006**	**31/12/2005**
Liabilities from leasing activities - minimum rents		
Up to 1 year	68,398	73,368
From 1 to 5 years	57,858	37,238
Total	**126,256**	**110,606**
Less: Future leasing financial charges	(2,463)	(6,313)
Current value of liabilities from leasing activities	**123,793**	**104,293**
The current value of liabilities form leasing activities is analysed as follows:		
Up to 1 year	66,341	69,457
From 1 to 5 years	57,452	34,836
Current value of liabilities from leasing activities	**123,793**	**104,293**

20. Liabilities for personnel compensation due to retirement

Pursuant to the Greek labor law, employees are entitled to an indemnification in the event of their discharge or their retirement, the amount of which is variable depending on the wages, their years of service and the manner by which they withdraw from the company (discharge or retirement). Employees that resign or are discharged justifiably are not entitled to an indemnification. The payable indemnity in the event of retirement is equal to 40% of the indemnification which would be payable in the event of unjustifiable discharge. In Greece these programs are not funded. The Group charges its results for accumulated benefits in each period with a corresponding increase of the retirement liability Benefits that are paid to pensioners during each period are charged against this liability. The Company's and Group's liability for personnel compensation as of 31 December 2005 and 2006 is analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Balance sheet liabilities for:				
Retirement benefits	**7,915,326**	**7,544,136**	**5,914,479**	**5,782,021**
Amounts in Euros				
Charges to results				
Retirement benefits (note 25)	**1,811,869**	**998,398**	**1,365,241**	**724,018**
Amounts in Euros				
The amounts that have been recorded in the balance sheet are presented				
Amounts in Euros				
Present value of non-funded liabilities	9,609,735	8,956,842	7,313,779	6,910,601
Non-recorded actuarial profits/(losses)	(1,399,371)	(1,100,638)	(1,104,262)	(816,512)
Non-recorded cost of past service	(295,038)	(312,068)	(295,038)	(312,068)
	7,915,326	**7,544,136**	**5,914,479**	**5,782,021**
Liability recorded in the Balance Sheet	**7,915,326**	**7,544,136**	**5,914,479**	**5,782,021**
Changes in net liability recognised in the Balance Sheet				
Net liability at the beginning of the period	7,544,136	7,047,878	5,782,021	5,539,886
Benefits paid	(1,440,679)	(502,140)	(1,232,783)	(481,883)
Total expenditure that was recognised in the income statement (note 25)	1,811,869	998,398	1,365,241	724,018
Net liability at the end of the period	**7,915,326**	**7,544,136**	**5,914,479**	**5,782,021**
Present value of the liability at the end of the period	**7,915,326**	**7,544,136**	**5,914,479**	**5,782,021**
Analysis of expenditures that were recognised in the income statement				
Cost of current employment	627,851	527,579	456,327	383,276
Interest on the liability	335,208	336,662	259,787	262,849
Cost of additional benefits	733,846	112,514	625,546	60,863
Cost of settlement from employee transfers	24,893	-	-	-
Profit from cutbacks from the transfer of employees	-	1,665	-	
Expenses	89,880	19,978	23,581	17,030
Cost of past service during the period	191	-	-	-
Total expenditure that was recognised in the income statement (note 25)	**1,811,869**	**998,398**	**1,365,241**	**724,018**
The main actuarial acknowledgments that were used for accounting purposes				
Discount rate	4.2%	4.0%	4.1%	4.0%
Future salary increases	4.5%	4.5%	4.5%	4.5%

21. Government grants

The appeared subventions have been received against investments in mechanical equipment and their modification within the fiscal years 2005 and 2006 is as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Balance at the beginning of the period	11,388,927	12,362,284	10,190,374	10,853,967
Transfer of a subsidy to receivables	(17,659)	-	-	-
Depreciation of government grants (note 28-29)	(955,749)	(973,357)	(663,593)	(663,593)
Balance at the end of the fiscal year	**10,415,519**	**11,388,927**	**9,526,781**	**10,190,374**

22. Suppliers and other liabilities

The Company's and Group's suppliers and other short-term liabilities as of 31 December 2005 and 2006 are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Suppliers	50,099,333	51,721,430	20,454,045	27,239,845
Notes payable	65,919	65,919	-	-
Cheques payable	1,237,354	344,850	-	-
Customer down payments	2,791,581	1,527,873	2,034,260	1,125,102
Insurance organisations	2,323,762	2,803,368	1,388,960	1,346,859
Amounts due to related companies (note 32)	12,048,687	5,173,027	17,166,293	10,226,359
Dividends payable	12,080	11,012	12,080	11,012
Proportion of third-parties on dividends payable	14,897	5,660	-	-
Sundry creditors	4,441,688	3,594,984	2,870,694	2,215,170
Accrued expenses	17,657	-	-	-
Other transit credit accounts	14,889,308	7,114,679	4,863,923	4,083,603
Total	609,020	149,562	444,519	102,208
Dividends payable	1,014,531	607,502	442,480	718,836
Proportion of third-parties on dividends payable	**89,565,817**	**73,119,866**	**49,677,254**	**47,068,994**
Short-term liabilities	89,565,817	73,119,866	49,677,254	47,068,994
Total liabilities	**89,565,817**	**73,119,866**	**49,677,254**	**47,068,994**

23. Provisions

LONG-TERM LIABILITIES
CONSOLIDATED

Amounts in Euros	**Other Provisions**	**Total**
1 January 2005	**88**	**88**
Additional provisions of the fiscal year	154,688	154,688
31 December 2005	**154,776**	**154,776**
Provisions of the fiscal year that were used	(24,630)	(24,630)
31 December 2006	**130,146**	**130,146**

SHORT-TERM LIABILITIES

CONSOLIDATED

Amounts in Euros	**Other Provisions**	**Total**
1 January 2005	9,298	9,298
Additional provisions of the fiscal year	25,322	25,322
31 December 2005	**34,620**	**34,620**
Additional provisions of the fiscal year	76,090	76,090
31 December 2006	**110,710**	**110,710**

COMPANY

Amounts in Euros	**Other Provisions**	**Total**
1 January 2005	-	-
31 December 2005	-	-
Additional provisions of the fiscal year	95,710	95,710
31 December 2006	**95,710**	**95,710**

The provisions of the company regard a possible purchase of right C02 in accordance to the National Allocation Plan (see note 31).

24. Expenses per category

The Company's and Group's operating expenses for fiscal years 2005 and 2006 are allocated among cost of sales and distribution and administrative expenses as follows:

CONSOLIDATED

31/12/2005

Amounts in Euros	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	25	49,388,002	6,972,370	7,744,403	**64,104,775**
Cost of stocks recognised as an expense		454,416,381	87,641	60,627	**454,564,649**
Depreciation	6,7 & 8	39,520,009	1,450,872	1,872,505	**42,843,386**
Insurances		2,003,432	309,801	443,465	**2,756,698**
Rents		816,210	605,802	314,295	**1,736,307**
Transportation		15,515,116	7,041,518	825,584	**23,382,218**
Services of thirds		27,183,491	3,804,231	3,789,415	**34,777,137**
Provisions		300,320	161,582	61,976	**523,878**
Other expenses		52,166,722	5,535,837	3,415,580	**61,118,139**
Total		**641,309,683**	**25,969,654**	**18,527,850**	**685,807,187**

31/12/2006

Amounts in Euros	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	25	51,655,658	8,162,400	8,186,130	**68,004,188**
Cost of stocks recognised as an expense		582,937,151	104,985	76,677	**583,118,813**
Depreciation	6,7 & 8	42,959,202	1,731,084	2,118,112	**46,808,398**
Insurances		1,589,201	885,568	410,170	**2,884,939**
Rents		876,724	745,532	389,325	**2,011,581**
Transportation		15,262,667	7,444,643	732,160	**23,439,470**
Services of thirds		32,889,316	4,305,932	4,225,664	**41,420,912**
Provisions		864,320	384,219	164,833	**1,413,372**
Other expenses		54,263,048	5,045,812	2,681,111	**61,989,971**
Total		**783,297,287**	**28,810,175**	**18,984,182**	**831,091,644**

COMPANY

31/12/2005

Amounts in Euros	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	25	26,171,453	2,296,446	3,621,166	**32,089,065**
Cost of stocks recognised as an expense		316,300,207	-	-	**316,300,207**
Depreciation	6,7 & 8	25,738,832	540,403	540,403	**26,819,638**
Insurances		1,224,393	-	420,571	**1,644,964**
Rents		319,363	207,527	164,247	**691,137**
Transportation		14,245,499	579,451	615,584	**15,440,534**
Services of thirds		26,592,785	267,668	2,998,854	**29,859,307**
Provisions		189,083	128,155	31,962	**349,200**
Other expenses		33,235,130	2,450,051	1,034,126	**36,719,307**
Total		**444,016,745**	**6,469,701**	**9,426,913**	**459,913,359**

31/12/2006

Amounts in Euros	Note	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	25	26,316,282	2,740,765	3,982,307	**33,039,354**
Cost of stocks recognised as an expense		387,465,579	-	-	**387,465,579**
Depreciation	6,7 & 8	27,228,049	606,394	606,393	**28,440,836**
Insurances		712,533	562,886	395,676	**1,671,095**
Rents		321,693	300,825	221,285	**843,803**
Transportation		13,634,869	535,812	499,244	**14,669,925**
Services of thirds		29,691,731	148,000	3,078,332	**32,918,063**
Provisions		755,712	285,018	-	**1,040,730**
Other expenses		32,956,708	1,738,773	592,828	**35,288,309**
Total		**519,083,156**	**6,918,473**	**9,376,065**	**535,377,694**

25. Employee fringe benefits

The Company’s and Group’s employee fringe benefits for fiscal years 2004 and 2005 are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Personnel fees and expenses	50,747,677	48,471,929	23,097,890	22,902,421
Social security expenses	10,992,867	10,760,996	5,978,162	5,972,280
Retirement cost of fixed contributions schemes	382,151	409,292	-	
Retirement cost of fixed benefits schemes (note 20)	1,811,869	998,398	1,365,241	724,018
Other personnel fringe benefits	4,069,624	3,464,160	2,598,061	2,490,346
Total (note 24)	**68,004,188**	**64,104,775**	**33,039,354**	**32,089,065**

The other benefits to employees regard mainly allocation of profits to the personnel and the Board of Directors and consequential benefits of personnel (food, training, etc.).

26. Fianance income / (expenses), net

The Company’s and Group’s financial income and expenses for fiscal years 2004 and 2005 are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
A Income				
Interest (note 29)	630,153	562,556	221,641	99,877
Customers interest (note 29)	3,976,420	2,637,409	3,976,420	2,637,409
Foreign exchange differences	1,305,958	963,675	-	-
Other	279,729	630	-	-
Total income	**6,192,260**	**4,164,270**	**4,198,061**	**2,737,286**
B Expenses				
Interest charges and related expenses (note 29)	(12,975,701)	(11,420,701)	(6,999,318)	(6,497,070)
Finance leases	(1,726)	-	-	-
Foreign exchange differences	(925,840)	(768,017)	-	-
Other	(25,428)	(18,021)	-	-
Total expenses	**(13,928,695)**	**(12,206,739)**	**(6,999,318)**	**(6,497,070)**
Financial cost (net)	**(7,736,435)**	**(8,042,469)**	**(2,801,257)**	**(3,759,784)**

27. Income tax

The reconciliation of the fiscal year tax applying the parent company's tax rate analyzed as follows:

	CONSOLIDATED		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax of the fiscal year	(6,716,281)	(2,663,860)	(2,696,073)	(644,553)
Deferred tax (note 12)	334,143	(1,311,448)	189,843	(293,450)
Total income tax	**(6,382,138)**	**(3,975,308)**	**(2,506,230)**	**(938,003)**

The reconciliation of the fiscal; year tax applying the parent company's tax rate (29% for 2006 and 32% for 2005) is as follows:

	CONSOLIDATED		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Accounting profits before taxes	**29,667,736**	**15,989,063**	**18,333,521**	**8,520,340**
Tax (2006:29%, 2005: 32%)	29%	32%	29%	32%
Income tax	**(8,603,643)**	**(5,116,500)**	**(5,316,721)**	**(2,726,509)**
Decrease tax :				
Income exemption	365,514	8,100	602,592	803,107
Configuration unaudited reserves	3,040,867	2,028,754	2,856,071	1,734,319
Non use provision	51,091	-	-	-
Difference rate of foreign subsidiaries	1,639,186	534,100	-	-
Increase tax:				
Permanent tax difference	(1,211,729)	(1,429,762)	(648,172)	(748,920)
Divident tax of foreign subsidiaries	(1,190,238)	-	-	-
Reserve tax L 3220 (note 18.3)	(473,186)	-	-	-
	(6,382,138)	**(3,975,308)**	**(2,506,230)**	**(938,003)**

Current tax liabilities	**CONSOLIDATED**		**COMPANY**	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Income tax	**6.264.783**	**1.775.948**	**2.848.972**	**707.278**

Within the current fiscal year a tax audit has been completed effected for the fiscal years 2000 up to 2004 for the subsidiaries ETEM S.A. and ELVAL COLOUR S.A. from which additional taxes have come up of the amount of € 589,509, an amount which was counterbalanced by a formed provision in previous fiscal years of the total amount of € 640,600. The non used provision of the amount of € 51,091, has benefited the consolidated results of the current fiscal year.

The fiscal years during which the parent Company and its subsidiaries have not been audited by the tax authorities are set out in the following table:

Corporate name	Country of	Holding	Method of	Unaudited
ELVAL S.A	Greece		Parent	2003-2006
ETEM S.A.	Greece	58,15%	Integrated	2005-2006
SYMETAL S.A.	Greece	99,99%	Integrated	2003-2006
VIOMAL S.A.	Greece	50,00%	Integrated	2002-2006
ELVAL COLOR A.E.	Greece	95,94%	Integrated	2005-2006
VEIEXAL LTD	Greece	73,33%	Integrated	2003-2006
BRIDGNORTH ALUMINIUM Ltd	England	100,00%	Integrated	-
BLYTHE Ltd	Cyprus	100,00%	Integrated	-
STEELMET ROMANIA S.A.	Romania	51,63%	Integrated	2002-2006
KANAΛ S.A.	Greece	89,54%	Integrated	2005-2006
ATHENS ART CENTRE S.A.	Greece	100,00%	Integrated	2005-2006
ANAMET S.A.	Greece	26,67%	Net worth	2000-2006
STEELMET S.A.	Greece	29,56%	Net worth	2003-2006
DIAPEM COMMERCIAL S.A.	Greece	33,32%	Net worth	2003-2006
VEPEM S.A.	Greece	50,00%	Net worth	2003-2006
ELKEME S.A.	Greece	40,00%	Net worth	2003-2006
TEPRO METAL AG	Germany	40,39%	Net worth	-
METAL GLOBE Doo	Yugoslavia	40,00%	Net worth	-

28. Other operating inome , net

The Company's and Group's other operating income and expenses for fiscal years 2005 and 2006 are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Other income				
Government grants of the fiscal year	278,206	175,093	88,967	83,713
Income from incidental activities	1,176,783	1,558,760	125,532	176,242
Income from interest (operating activities)	6,270	-	-	-
Depreciation of government grants received (note 21)	955,749	973,357	663,593	663,593
Foreign exchange differences	46,554	39,768	-	-
Other income	5,734,332	1,593,394	242,607	340,380
Total other income	**8,197,894**	**4,340,372**	**1,120,699**	**1,263,928**
Other expenses				
Operating development expenses	(142,137)	(155,610)	-	-
Devaluation of holdings and other financial elements	(206,769)	(62,830)	-	-
Devaluation of fixed assets	(34,524)	(109,399)	-	-
Other expenses	(1,079,294)	(778,328)	-	-
Total	**(1,462,724)**	**(1,106,167)**	**-**	**-**
Profits/(losses) from the sale of fixed assets	**80,903**	**64,270**	**154,806**	**52,685**
Other operating income-expenses (net)	**6,816,073**	**3,298,475**	**1,275,505**	**1,316,613**
Income from dividends (note 29)	**505,177**	**506,617**	**3,499,530**	**4,136,598**
Profits/losses from related companies				
Profits from related companies	1,260,394	23,914	-	-
Losses from related companies	-	(58,087)	-	-
Total (note 10)	**1,260,394**	**(34,173)**	**-**	**-**

The other receipts regard up to their greatest part an indemnification received by the subsidiary company BRIDGNORTH ALUMINIUM (see note 37), and receipts from rents of investments in the real estate of subsidiaries (see note 7).

29. Cash flows from operating activities

The Company's and the Group's cash flows from operating activities in fiscal years 2004 and 2005 are analysed as follows:

		CONSOLIDATED		COMPANY	
Amounts in Euros	Note	1/1 to 31/12/2006	1/1 to 31/12/2005	1/1 to 31/12/2006	1/1 to 31/12/2005
Profits of the period		23,285,598	12,013,755	15,827,291	7,582,337
Adjustments for:					
Tax	27	6,382,138	3,975,308	2,506,230	938,003
Depreciation of tangible fixed assets	6	43,487,064	41,074,951	26,416,886	25,849,925
Depreciation of intangible assets	8	3,030,989	1,666,290	2,023,950	969,712
Depreciation of investments in real estate	7	290,345	102,146	-	-
Devaluation of related companies	10	484,605	124,486	-	-
(Profits)/losses from the sale-disposal of tangible fixed assets		102,226	(63,049)	(154,054)	(51,464)
(Income) from interest	26	(4,606,573)	(3,199,965)	(4,198,061)	(2,737,286)
Interest expenses	26	12,975,701	11,420,701	6,999,318	6,497,070
(Income) from dividends	28	(505,177)	(506,617)	(3,499,530)	(4,136,598)
(Depreciation) of government grants	21	(955,749)	(973,357)	(663,593)	(663,593)
(Profits)/losses from related companies	10	(1,260,394)	34,173	-	-
Provision of evaluation of stocks		640,535	54,840	640,535	-
Provision for doubtful debts		2,947,474	519,000	378,088	107,065
Headging	18.1	3,861,676		3,861,676	-
Other		-	169,081	-	-
		90,160,458	**66,411,743**	**50,138,736**	**34,355,171**
Changes in working capital					
(Increase)/decrease in stocks		(42,201,585)	(33,558,410)	(28,646,414)	(25,333,774)
(Increase)/decrease in receivables		(37,937,684)	6,829,089	(20,180,962)	2,935,494
(Increase)/decrease in liabilities		15,331,609	5,539,574	1,206,608	10,546,359
(Increase)/decrease in provisions		51,460	(619,990)	95,710	-
(Increase)/decrease in liabilities for personnel compensation due to retirement		371,190	496,257	132,458	242,135
		(64,385,010)	**(21,313,480)**	**(47,392,600)**	**(11,609,786)**
Net cash flows from operating activities		**25,775,448**	**45,098,263**	**2,746,136**	**22,745,385**

The (profit)/loss from the sale of fixed assets includes:
Amounts in Euros

Net book value	6	604,762	715,856	324,758	365,683
(Profits)/losses from the sale-disposal of fixed assets		(102,226)	63,049	154,054	51,464
Income from the sale of fixed assets		**502,536**	**778,905**	**478,812**	**417,147**

30. Commitments

The Group leases passenger cars and buildings by operating leases. The future payable total leases in accordance to the operating leases are as follows:

1. Contractual commitments

Amounts in Euros	CONSOLIDATED 31/12/2006	31/12/2005
Tangible fixed assets	323,226	1,244,219
Investment property	-	-
	323,226	1,244,219

2. Liabilities from operating leases

Amounts in Euros	CONSOLIDATED		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Up to 1 year	715,916	680,712	458,671	421,744
From 1-5 years	2,400,028	2,159,751	1,635,799	1,490,751
More than 5 years	803,512	569,314	280,095	264,314
	3,919,456	**3,409,777**	**2,374,565**	**2,176,809**

31. Potential liabilities/ receivables

The Company's and Group's main liabilities and receivables concern letters of guarantee in the framework of usual business activities and are analysed as follows:

Amounts in Euros	CONSOLIDATED		COMPANY	
Liabilities	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Letters of guarantee for securing liabilities to suppliers	1,119,748	2,351,007	947,102	1,522,901
Letters of guarantee for securing the good performance of contracts with customers	639,516	350,980	220,000	10,740
Other liabilities	45,949,741	43,554,837	45,949,741	43,554,837
Total	**47,709,005**	**46,256,824**	**47,116,843**	**45,088,478**

Amounts in Euros	CONSOLIDATED		COMPANY	
Receivables	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Letters of guarantee for securing receivables from customers	254,201	302,694	-	-
Total	**254,201**	**302,694**	-	-

No liens have been filed against fixed assets.

CO2 emissions: : Pursuant to Directive 2003/87/EC (which has already been incorporated into Greek legislation pursuant to Joint Ministerial Decision Η.Π. 54409/2632/27-12-2004) establishing a scheme for greenhouse gas emission allowance trading within the Community, a National Allocation Plan for the three-year period 2005-2007 has been submitted. This Plan, the finalisation of which is pending, establishes the total amount of allowance, the allocation among liable installations, and the basic rules that govern allowance allocation and the operation of the relative system.
ELVAL S.A., based on the initial allocation that corresponds thereto from 1 January 2005, by the National CO_2 Emission Allocation Plan calculated the deficiencies that concern the fiscal years 2005 and 2006. For 10.000 tons it has proceeded to a purchase of respective rights for the rest provided deficiency it has formed a provision of the amount of 95,000€ approximately.

32. Transactions with related companies

The Company's and Group's main transactions with related companies during fiscal years 2005 and 2006 and the corresponding receivables and liabilities as of 31 December 2005 and 2006 are analysed as follows:

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Sale of goods				
Subsidiaries	-	-	36,864,442	33,629,954
Other related entities	52,412,079	39,679,012	43,948,330	33,744,137
	52,412,079	**39,679,012**	**80,812,772**	**67,374,091**
Sale of services				
Subsidiaries	-	-	151,687	77,154
Other related entities	718,406	899,184	293,279	798,967
	718,406	**899,184**	**444,966**	**876,121**
Purchase of goods				
Subsidiaries	-	-	19,846,087	17,021,666
Other related entities	41,284,912	14,742,915	8,542,024	4,809,989
	41,284,912	**14,742,915**	**28,388,111**	**21,831,655**
Purchase of services				
Subsidiaries	-	-	987,126	820,081
Other related entities	12,830,126	10,995,981	9,564,653	8,617,284
	12,830,126	**10,995,981**	**10,551,779**	**9,437,365**
Purchase of fixed assets				
Subsidiaries	-	-	2,759	54,697
Other related entities	3,849,329	4,902,175	2,934,597	4,286,229
	3,849,329	**4,902,175**	**2,937,356**	**4,340,926**

Benefits to Management

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Fees - benefits to the members of the B.o.D and executives	2,317,930	1,938,861	1,372,086	1,301,108
	2,317,930	**1,938,861**	**1,372,086**	**1,301,108**

Year-end balances arise from the sale-purchase of goods, services, fixed assets, etc.

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Receivables from related entities: (note 14)				
Subsidiaries	-	-	14,891,471	10,041,791
Other related entities	14,991,817	12,484,441	12,683,459	9,526,604
	14,991,817	12,484,441	27,574,930	19,568,395
Liabilities to related entities: (note 22)				
Subsidiaries	-	-	12,789,186	7,302,102
Other related entities	12,048,687	5,173,027	4,377,107	2,924,257
	12,048,687	5,173,027	17,166,293	10,226,359

33. Profits per share

Basic gains per share are calculated by dividing the gain that corresponds to the parent Company's shareholders by the weighted average number of shares during each fiscal year for fiscal years 2005 and 2006 and are analysed as follows:

Ongoing activities

	CONSOLIDATED		COMPANY	
Amounts in Euros	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Profits that correspond to the parent company's shareholders	20,734,749	9,936,883	15,827,291	7,582,337
Weighted average number of shares	124,060,815	124,060,815	124,060,815	124,060,815
Basic profits per share (Euros per share)	0.167	0.080	0.128	0.061

34. Dividends per share

The Board of Directors of the company has decided to propose to the Regular General Assembly which will be effected on June 13, 2007 the allocation to the shareholders from the profits of the current fiscal year the amount of € 4,962,432.60 (2005: € 2,481,216.3) namely € 0.04 per share (2005: 0.02 per share).

35. Personnel

The number of persons employed by the parent Company and Group as of 31 December 2006 amounted to 845 and 2.255 executives and personnel respectively.

36. Events after the balance sheet date

ETEM on January 2007 has paid the due share capital of the subsidiary company MOPPETS LTD, of an amount of € 2,512,500. MOPPETS LTD belongs per 100% to ETEM and it will constitute in the future the company by which ETEM will participate in the investment of Libya.

37. Sabsequent events

On December 2006 ELVAL was announced the signing of a shareholders agreement with Furukawa-Sky Aluminum Corp., for the establishment of a joint venture Sales Company in Greece, for marketing and selling in Europe a new range of aluminum products, used for the production of heat exchanger materials for automobiles.
In the new company, ELVAL and Furukawa-Sky will participate by 50% each.
Furukawa-Sky, with which ELVAL has already a long time technical support agreement, is the biggest aluminum rolled products manufacturer in Japan.
The new range of products will be manufactured by ELVAL through transfer of technology, an agreement for which has also been signed between ELVAL and Furukawa-Sky, and will be marketed through the new Sales Company to European manufacturers of radiators and air conditioning units for automobiles.
The new range of products which will be manufactured by ELVAL, for the first time, are flat rolled clad products of three aluminum alloys, achieving different properties of each surface, so that they can be used for the production of heat exchanger materials for automobiles with the brazing method.

The transfer of technology and the qualification of the production are expected to be completed by the end of the second quarter of 2007 and selling of the new products will follow immediately after.

- Within the first semester the subsidiary company Bridgnorth, within the scope of limiting the production cost has proceeded to a reduction of personnel by a cost of the amount of € 850 thousand approximately which has burdened the consolidated results of the year.
- Within the first quarter of 2006, the subsidiary company BRIDGNORTH ALUMINIUM, has sustained a damage due to a fire, having as a consequence the interruption of the production for three weeks. Insurance indemnifications have been received of the amount of 2.75 million euros for loss of income which have been recorded in the consolidated results and 1.6 million euros, approximately, for material damages counterbalanced with the repair cost.

38. Revises-adjustments of comparative figures

In comparative with the publication of financial statements as of 31/12/2005 they have been made the follow revises:

Balance sheet	**PUBLICATED**		**ADJUSTED**		**DIFFERENCES**	
	CONSOLIDATED	**COMPANY**	**CONSOLIDATED**	**COMPANY**	**CONSOLIDATED**	**COMPANY**
Amounts in Euros	**31/12/2005**	**31/12/2005**	**31/12/2005**	**31/12/2005**	**31/12/2005**	**31/12/2005**
ASSETS						
Non – current assets						
Tangible fixed assets	504,616,510	334,809,076	505,121,436	334,820,471	504,926	11,395
	525,744,267	**425,003,169**	**526,249,193**	**425,014,564**	**504,926**	**11,395**
Current assets						
Stocks	207,953,688	135,394,702	218,932,845	146,040,589	10,979,157	10,645,887
Commercial and other receivables	191,584,861	126,484,863	179,810,159	115,827,581	(11,774,702)	(10,657,282)
	433,090,711	**275,125,341**	**432,295,166**	**275,113,946**	**(795,545)**	**(11,395)**
Total assets	**958,834,975**	**700,128,510**	**958,544,359**	**700,128,510**	**(290,616)**	**-**
LIABILITIES						
Long – term liabilities						
Deferred tax liabilities	61,140,083	45,666,144	60,365,083	45,666,145	(775,000)	-
Provisions	174,396	-	154,776	-	(19,620)	-
	217,369,063	**134,934,023**	**216,574,443**	**134,934,023**	**(794,620)**	**-**
Short – term liabilities						
Suppliers and other liabilities	72,599,550	47,383,510	73,119,866	47,068,994	520,316	(314,516)
Liabilitie from income tax	1,658,985	239,863	1,775,948	707,278	116,963	467,415
Provisions	167,899	152,899	34,620		(133,279)	(152,899)
	190,669,571	**103,761,922**	**190,361,586**	**103,761,922**	**504,003**	**-**
Total liabilities	**408,038,633**	**238,695,945**	**406,936,029**	**238,695,945**	**(290,616)**	**-**
Total owner's equity and liabilities	**958,834,975**	**700,128,510**	**958,544,359**	**700,128,510**	**(290,616)**	**-**

In the Consolidated Statements

- The tangible fixed assets have been increased per € 504,926 due to re-classification of the advances for purchase of fixed assets by Commercial and Other Receivables.
- The stocks have been increased per € 10,979,157 due to re-classification of the advances for purchases of stocks from Commercial and Other Receivables
- In the contrary, for the above reasons the Commercial and Other Receivables have been reduced by -11,774,702€.
- The amount of 775 thousand euros has been re-classified by the postponed tax to the Liabilities by an income tax.
- A liability by an income tax against a total of tax liabilities affects suppliers & other liabilities
- The amount of € -133,279 has been re-classified by the Provisions to Liabilities from an income tax € -152,899 by the parent company and a re-classification of 19,620 by long term to short term provisions by a subsidiary company.

In the Company Statements

- The tangible fixed assets have been increased per € 11,395 due to re-classification of the advances for purchase of fixed assets by Commercial and Other Receivables.
- The stocks have been increased per € 10,645.887 due to re-classification of the advances for purchases of stocks from Commercial and Other Receivables
- In the contrary, for the above reasons the Commercial and Other Receivables have been reduced by -10,657,282€.
- A liability by an income tax against a total of tax liabilities affects suppliers & other liabilities
- The amount of € -152,899 has been re-classified by the Provisions to Liabilities from an income tax.

The above re-classifications have also adjusted the partial notes.

(English Translation from the Original Greek Auditors' Report)

INDEPENDENT AUDITOR'S REPORT

To the shareholders of «ELVAL HELLENIC ALUMINIUM INDUSTRY SA»

Report on the Financial Statements

We have audited the accompanying financial statements of ELVAL HELLENIC ALUMINIUM INDUSTRY SA (the "Company"), as well as the consolidated financial statements of the Company and its subsidiaries (the "Group), which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ELVAL HELLENIC ALUMINIUM INDUSTRY SA and the Group as of December 31, 2006, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

Athens, 12 March 2007

The Certified Auditor Accountant

George Anastopoulos
(SOEL Reg. No. 15451)
Ernst & Young (Hellas) S.A
(SOEL Reg. No. 107)

ERNST & YOUNG