Financial Statements

for the twelve month period

from the 1st of January to the 31st of December 2006

We confirm that the attached Financial Statements are those approved by the Board of Directors of "MYTILINEOS S.A." at 26/2/2007 and have been published to the electronic address www.mytilineos.gr. It is noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company's and Group's financial results and position, according to International Accounting Standards. It is also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures.

Evangelos Mytilineos
Chairman of the Board of Directors of
MYTILINEOS S.A.

MYTILINEOS®
HOLDINGS S.A.

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A. Board of Directors Management Report

General Review

For the MYTILINEOS GROUP 2006 was a landmark, a year of important development its highlights being the full consolidation of "Aluminium Of Greece S.A.", the acquisition of Delta Project S.A. & the strategic alliance with ALSTOM.

In 2005, the acquisition of "Aluminium Of Greece S.A." marked a new era for the Group. In 2006, the Group came closer to its goals of becoming a significant player in the Energy market through important acquisitions and strategic alliances. A business initiative which reinforces our present and forebodes a future full of significant prospects.

In 2006 the Group acquired DELTA PROJECT an Athens Stock Market company since 2004 which deals with the design and implementation of complete 'turn key' units on behalf of industries, with the construction of hydroturbines, as well as with the development, construction, and exploitation of power production units from renewable sources (mainly wind parks and hydroelectric units).

DELTA PROJECT possesses directly or through its subsidiaries DELTA ENERGY S.A. and IONIA ENERGY S.A. 30 power production units as follows:

- 3 operational hydroelectric units of a total installed power 7 MW,
- 8 hydroelectric units of a total installed power 21 MW, which are in the process of construction (expected to be all completed until 2008),
- 16 hydroelectric units and two wind parks of a total power 47.84MW and 18MW respectively, which are in a development phase,
- Applications for getting power production licenses for wind parks of a total power 65MW.

The above deal reinforces significantly the potential and development prospects of MYTILINEOS Group in the energy sector, since it improves the capability to develop projects of renewable energy sources, through the addition of considerable know-how both in the wind parks and in the development and construction of hydroelectric power production units.

We should specifically point out the commencement of the process for incorporating all the Group's activities relating to Renewable Energy Sources to **DELTA Project S.A.**; a plan announced immediately after the acquisition of DELTA Project. Those movements reinforce considerably the Group's potential and growth prospects in the Energy sector, since the total licensed electric power from renewable energy sources now surpasses the 440 MW, and the general total (thermal and renewable sources) **surpasses the 1,500 MW**; this gives a precedence to the Group in view of the gradual deregulation of the energy market in Greece. At the same time, its wide-range activity in the Energy market (project construction, energy-steam co-production, electricity import, production from thermal and renewable sources), places in a strategically flexible position the Group, allowing it to take business decisions which improve its profit, according to the existing conditions of the still under development Greek market.

A major event of this year was also the decision to contest jointly with ELLINIKI TECHNODOMIKI S.A. for the public metallurgical area of Vevi at Florina prefecture. It is now known that the two Groups intend to cooperate also in the future for the acquisition of other lignite exploitations.

During this year, METKA strengthened its position as the most specialized energy projects' contructor in Greece, especially after the sucessful costruction, both as regards time and cost, and as regards the capacity factor (a 55.5% which is the highest among all PPC units, with obvious financial and environmental benefits) of Unit V with a power of 385 MW at the EPC's energy center in Lavrio. Meanwhile, METKA initialized a strategic cooperation with the ALSTOM company, in order to jointly undertake and realize projects in the general area of Southeastern Europe. The continuation of METKA's significant course shall be marked by its expansion into an international level, the completion of the energy-steam co-production station for 'Aluminum of Greece S.A.', and its participation – jointly with ALSTOM – to the EPC tendering process for the construction of a combined cycle power station at Aliveri.

Our positive course and the success of our strategic planning were clearly reflected in our financial results of 2006. This fiscal year was an excellent one for the Group, that increased its turnover by 13%, its EBITDA by 14% and its profit after Tax and minorities by 8,1% compared to 2005.

Finally, both the significant financial performance of the Group for 2006 and the positive prospects for the fore-coming year of 2007 were reflected also in the share price that had a significant increase during the year.

Prospects for the forthcoming year (2007)

The positive results and the prospects for further development will also characterized the new year.

More specifically, in 2007 we expect momentous development on all areas of our activity:

- In Metallurgy: based on the metals high prices, the retention of the positive trends and the realization of our cost cutting plan, we expect an important increase of our figures. Furthermore we have entered into derivative financial products in order to secure the currently high metal prices for a significant part of Aluminium production.
- In Energy: the establishment of the Group as the most specialized constructor of Energy projects in Greece, parallel to exploring the possibility of international strategic alliances and extending its activities in the production and trading of electric energy in the currently formed, deregulated energy market. **The Group** has decided to immediately initiate the investment plan for a merchant power plant of 412 MW at Agios Nikolaos site in Biotia, south of Greece. The process up to now strongly suggests that the liberalization of the electricity market in Greece is ante portas with large companies' investments to essentially contribute to competition. In this respect Tender procedures, which were initialized back in 2000 in order to give incentives and subsidies to prospective local investors for isolated power units are considered by MYTILINEOS as no longer necessary. Within this framework MYTILINEOS HOLDINGS agreed to proceed with the construction and operation of a new Merchant Independent Power Production Plant of 412 MW for which MYTILINEOS has been granted all necessary Licenses and Permits to start construction immediately. The plant is of combined cycle technology

and shall operate with natural gas as prime fuel. The new merchant plant of Agios Nikolaos shall produce 2500 MWh annually to supply the wholesale market, supply companies and individual consumers. Total investment will exceed the amount of € 215 Mio. The new power station is to be built by METKA EPC Contractor, a listed subsidiary of MYTILINEOS and is planned to be operable by June 2009. This new unit is to be built nearby the Group's CHP plant of 334 MW, which is under construction and shall be operable in July 2007. The interconnector pipeline to serve with gas both power stations is underway and ready in May 2007. The construction of the CCGT by MYTILINEOS HOLDINGS signals the conclusion of the first phase of **Agios Nikolaos Energy Centre**, first system of the country. The total annual production represents about 10% of the total annual consumption of the interconnected system and about 35% of the electricity consumption of the Greater Athens Area. To this respect it shall stabilize the suffering southern part of the electricity system and shall diminish the danger of black outs.

- In constructions: the continuation of the important progress with the construction of the "Electricity- Steam Cogeneration Plant", the Leopard tank in Volos factory and the completion of other EPC projects both in Greece and abroad, as well as the maximisation of the significant advantages from the recent strategic alliance with ALSTOM in Greece and in the broader South Eastern Europe region
- Defence: a further development of the activities of the group companies ELVO and METKA and the reinforcement of the Group's position in the production of conventional and tracked vehicles in Greece and neighbouring region.

All the above are goals that make part of our strategic planning towards a continuous promotion and development of synergies among our four different sectors of our activities.

Ladies and Gentlemen shareholders,, during 2006 MYTILINEOS GROUP increase its dynamics through its strategic choices, promoted its presence in the Metallurgy Sector and extended its activity in the Defence and Energy Sectors.

During 2007, with aspiration and efficiency we shall continue to promote our goal of attaining a leading role in the European Heavy Industry Market.

Factors of added value and performance evaluation

The group monitors its performance through the analysis of five(5) basic sectors:

(a) Metallurgy & Mining Sector, where "Aluminium Of Greece", its subsidiary "Delfoi Distomon" and the activity of basic metals of the 100% Groups' subsidiary "Thoriki S.A.I.C." are incorporated. This sectors accounted for the 62% of group's Sales and the 66,6% of the Group's EBITDA. The performance of this sector is expected to account for the greatest part of the Group's results within 2007 as well as 2006 .

(b) The Alumina contract is monitored separately. In 2005, this contract accounted for the 20% of Group's Sales and the 25.6% of the Group's EBITDA.

(c) The Construction Projects Sector operated by the subsidiary METKA and its affiliated companies, is another important sector for the Group. In 2006, this sector accounted for the 17.3% of the Group's Sales and the 6,6% of the Group's EBITDA.

(d) In 2006 the Groups' first Wind Park in Sidirokastro became fully operated. Moreover, the Group established new energy companies and acquired others. The Groups' Energy Sector operated by DEPRO Group, MHWP Group, SOLAR SA, SPIDER SA, NORTH AEGEAN R.E.S. and MPGS. In 2006, this sector accounted for the 0,4% of the Group's Sales and the 1,15% of the Group's EBITDA, while we expect that its contribution to the 2007 results will be of great importance for the Group.

(e) The fifth and the last sector of activity is the one of defence systems in which the Group operates through its associate ELVO S.A. The turnover of this sector is not presented in the consolidated financial statements as ELVO is not fully consolidated, since the Group cannot establish "control" as defined by IFRS. 2006 was a difficult year for that sector mainly due to delays in new projects' assignment, while we expect that 2007 will be an accordingly difficult year in which the financial results are expected to be maintained at the same levels as in 2005.

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary corrective actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

-ROCE (Return On Capital Employed): this ratio divides EBIT with the total Capital Employed if the Group which is the sum of Equity, Total of Bank Loans and Long Term Provisions.
- ROE (Return On Equity): this ratio divides Earning After Tax(EAT) with the Group's Shareholders' Equity.
- EVA(Economic Value Added): this figure is calculated by multiplying the difference of ROCE and Cost of Capital with the Capital Employed as defined above and reflects the amount added to the economic value of the firm. In order to calculate the Cost of Capital the group uses the WACC formula.

The above indicators for 2006 as compare to 2005 are as follows:

	31/12/2006	31/12/2005
ROCE	**15%**	**15%**
ROE	**17%**	**17%**
EVA (σε εκατ.ευρώ)	**60**	**56**

Corporate Governance

The company has adopted Corporate Governance Principles in line with those established by Greek legislation and by international best practices. These principles, on which the organization and management of the company are ultimately based, strive for transparency in investor relations and the indemnity of stakeholders' interest.

The Board of Directors of Mytilineos S.A. is the trustee of the Group's Corporate Governance Principles. It is comprised by 3 executive and 4 non-executive members. From the non-executive members, 2 satisfy the conditions set by law 3016/2002, and can be called "independent".
The Audit Committee is comprised by non-executive members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board. Its responsibilities are to ensure compliance with the rules of Corporate Governance, guarantee a proper operation of the Internal Audit System and supervise the works of the company's Internal Audit Department.

Internal Auditing is a basic and essential element of corporate governance. The Internal Audit department of Mytilineos S.A. is an independent organizational unit that reports to the company's Board of Directors. Its responsibilities include the evaluation and improvement of risk management and internal auditing methodology. The unit also verifies compliance with legislated policies and with procedures set by the company's Internal Regulation of Operations, and the current legislation.

Mytilineos Holdings S.A. has an internal audit department since 17/09/2001. Head of the department is Mr. Papageorgiou Antonios. The Head of Internal Audit has a full time employment relationship to our company.

Dividend Policy

Regarding the distribution of dividends the Board Of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, proposes the distribution of dividends of 0,60€/share as opposed to 0,40€/share in 2005. This proposed dividend is subject to the approval of the General Assembly.

Evangelos Mytilineos
Chairman & Managing Director

Information regarding the issues of paragraph 1 of article 11α L.3371/2005 of Mytilineos Holdings S.A.

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

I. Company's Share Capital Structure

The share capital of Mytilineos Holding S.A amounts to 24.312.204 euro, divided into 40.520.340 common registered shares with voting right and a par value of 0,60 euro each. Each share provides one voting right. The shares of Mytilineos Holding S.A are listed on the Securities Market of the Athens Exchange.

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

• The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves or 6% of the paid in capital (and in particular the larger of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions. The payment date and the payment method of the dividend are available through the Athens Exchange's website, the Company's official website and is also released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

• The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

• The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.

• Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

• Shareholders participate in the Company's General Meeting which constitute the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

• The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 3 of article 41 of the Articles of Association).

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

II. Restrictions for transferring Company shares

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

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

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

Name	Percentage
Evangelos Mytilineos	17.13
Ioannis Mytilineos	18.56
Morgan Stanley & Co International LTD	7.67

IV. Shares with special control rights

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

V. Restrictions on voting rights

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

VI. Agreements between Company shareholders

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

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

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

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

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

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

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option planfor the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the

General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, this number cannot extravagate the 1/10 of the existed shares.

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

According to the decision of the B' Repeated of General Meeting of the Shareholder at 14.6.2006 was established a plan for the acquisition of shares by the members of BoD and employees, which are going to last from three to five years, in form of options for the acquisition of shares (stock option), on the basis of which, a maximum of 1.215.610 options may be granted for the acquisition of shares at a price equivalent with the 80% of the antedate six month average stock exchange price of the approval. With the above decision the BoD is entitled to specify, according to the decision of the General Assembly, the details for the execution of the program along with the prerequisites for the stock options release and the beneficiaries. As of today no decision has been taken by the Board of Directors of the company.

C) According to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920, the listed companies may acquire own shares through the Athens Stock Exchange, according to decision of the General Meeting until the 10% of total shares, in order to support the stock exchange price. In the Meeting held on 14.6.2006 the General Meeting of Shareholders, making use of the above possibility provided by the Law, decide that the Company should acquire, during the period 14.6.2006 - 13.6.2007 no more than 4.054.034 shares, equivalent to 10% of total existing shares, in order to support the stock exchange price of its share, in a price range between € 5 (minimum) and € 35 (maximum). In the Meeting held on 16.2.2006 the General Meeting of Shareholders amended the initial decision in a price range between € 5 (minimum) and € 50 (maximum). In the context of implementing the aforementioned General Meeting decision, the Company's BoD defines by resolution, prior to the start of the individual trading period, the principal trading terms, in particular the maximum number of own shares to be acquired, maximum and minimum price and time period that shares shall be acquired..

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

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

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

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

The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to 329 k€ on 31.12.2006. The above amount is divided into 151 k€ for members of the BoD and 178 k€ for staff members who held General Director, Deputy General Director and Assistant General Director positions.

Evangelos Mytilineos
Chairman & Managing Director

B. INDEPENDENT AUDITORS' REPORT

To the Shareholders of

MYTILINAIOS HOLDINGS S.A.

Report on the Financial Statements

We have audited the financial statements of MYTILINAIOS HOLDINGS S.A. (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the company and the Group as of 31 December 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

Athens, 26 February 2007
Chartered Accountants
Vassilis Kazas
SOEL R.N. 13281

Grant Thornton

A.M. SOEL 127
Chartered Accountants
Vassileos Konstantinou 44
116 35 Athens

C. Balance sheet

		THE GROUP		THE COMPANY	
ASSETS		**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Non-Current Assets	**Σημείωση**				
Tangible Assets	6.1	540,960,295	431,003,395	11,445,768	11,681,984
Goodwill	6.2	128,257,177	102,273,669	0	0
Intangible Assets	6.3	57,786,478	14,477,282	47,381	0
Investments in Subsidiary Companies		(0)	0	365,810,620	218,175,243
Investments in associate companies	6.4	30,247,173	31,861,403	15,920,830	17,211,381
Deferred tax receivables	6.5	26,069,199	9,107,480	4,623,678	6,370,631
Financial assets available for sale	6.6	70,317,907	42,118,108	39,384	36,831
Other Long-term Receivables	6.7	3,100,976	2,725,958	107,092	143,965
		856,739,205	**633,567,296**	**397,994,752**	**253,620,034**
Current Assets					
Inventories	6.8	203,057,887	154,347,805	(0)	666,445
Trade and other receivables	6.9	177,395,158	219,846,301	10,707,436	100,555,240
Other receivables	6.10	95,379,341	92,592,893	56,332,185	20,801,715
Other current assets	6.11	10,502,793	5,836,146	85,019	3,955,036
Financial assets at fair value through profit or loss	6.13	7,736,578	6,519,348	3,024,669	3,598,807
Cash and cash equivalents	6.14	15,373,860	62,729,359	2,301,371	687,066
		509,445,616	**541,871,852**	**72,450,681**	**130,264,309**
Total Assets		**1,366,184,821**	**1,175,439,148**	**470,445,432**	**383,884,343**
EQUITY AND LIABILITIES					
Equity					
Share capital	6.15	24,162,132	24,312,204	24,162,132	24,312,204
Share premium	6.15	181,117,270	187,520,764	177,503,432	183,906,926
Fair value reserves	6.15	990,699	15,167,654	0	0
Other reserves	6.15	33,481,850	18,894	4,591,987	783,427
Translation reserves	6.15	(9,843,629)	(3,266,881)	0	0
Retained earnings		220,481,924	165,687,205	53,624,538	27,246,309
Equity attributable to parent's shareholders		**450,390,245**	**389,439,840**	**259,882,088**	**236,248,866**
Minority interests		328,747,467	318,394,032	0	0
Total Equity		**779,137,712**	**707,833,872**	**259,882,088**	**236,248,866**
Non-Current Liabilities					
Long-term debt	6.16	37,421,006	52,139,169	21,328,695	41,973,764
Derivatives	6.12	6,811,204	2,766,257	5,345,713	2,766,257
Deferred tax liability	6.5	48,494,888	38,178,269	13,949,573	16,977,385
Liabilities for pension plans	6.17	34,647,563	32,485,516	650,123	389,373
Other long-term liabilities	6.18	38,231,865	28,534,975	0	0
Provisions	6.19	19,771,825	11,895,325	0	0
Total Non-Current Liabilities		**185,378,351**	**165,999,511**	**41,274,104**	**62,106,780**
Current Liabilities					
Trade and other payables	6.20	103,438,292	142,860,325	0	5,556,853
Tax payable	6.21	57,935,003	47,987,168	12,462,072	12,936,898
Short-term debt	6.16	156,004,485	51,493,894	98,331,867	30,581,917
Current portion of non-current liabilities	6.16	17,564,120	24,683,954	17,564,120	24,683,954
Liabilities to subsidiaries	6.22	0.00	0	39,138,463	8,325,740
Derivatives	6.12	38,043,373	2,722,720	546,731	2,157,990
Other payables	6.22	28,430,821	31,629,015	1,245,987	1,285,345
Current portion of non-current provisions	6.19	252,666	228,689	0	0
Total current liabilities		**401,668,761**	**301,605,765**	**169,289,240**	**85,528,698**
Total liabilities		**587,047,112**	**467,605,277**	**210,563,344**	**147,635,478**
Total Equity and Liabilities		**1,366,184,823**	**1,175,439,148**	**470,445,432**	**383,884,343**

MYTILINEOS HOLDINGS S.A.

D. Income statement

		THE GROUP		THE COMPANY	
		01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Sales	5	**843,348,070**	**734,473,251**	**132,329,416**	**164,100,541**
Cost of sales	6.23	(631,316,183)	(572,036,040)	(113,451,184)	(151,608,961)
Gross profit		**212,031,888**	**162,437,211**	**18,878,232**	**12,491,581**
Other operating income	6.25	14,768,538	30,859,453	3,716,021	8,757,430
Distribution expenses	6.24	(13,239,057)	(9,438,005)	(5,259,396)	(5,093,238)
Administrative expenses	6.24	(32,642,917)	(23,329,557)	(7,624,408)	(6,070,959)
Other operating expenses	6.25	(16,963,693)	(23,033,998)	(7,305,078)	(10,623,649)
Research & Development expenses		(152,944)	0		
Earnings before interest and income tax		**163,801,814**	**137,495,104**	**2,405,370**	**(538,836)**
Financial income	6.26	3,497,562	5,603,882	1,745,651	2,648,657
Financial expenses	6.26	(11,832,854)	(15,281,482)	(7,693,522)	(8,912,432)
Other financial results	6.27	34,038,417	27,990,907	60,765,095	52,502,987
Negative goodwill	6.28	19,242,077	137,465,657	0	0
Share of profit of associates		(4,419,693)	804,213	0	0
Profit before income tax		**204,327,325**	**294,078,281**	**57,222,594**	**45,700,376**
Income tax expense	6.29	(47,350,130)	(38,331,625)	(10,827,679)	(865,461)
Profit for the period		**156,977,194**	**255,746,656**	**46,394,915**	**44,834,915**
Result from discontinuing operations		356,425	453,325		
Profit for the period		**157,333,620**	**256,199,982**		
Attributable to:					
Equity holders of the parent		105,579,076	*211,539,021*	46,394,915	*44,834,915*
Minority interest		51,754,543	*44,660,960*	0	*0*
Basic earnings per share	6.30	*2.61*	*5.22*	*1.15*	*1.11*
Earnings before income tax,financial results,depreciation and amortization		188,257,680	157,750,142	2,741,602	(217,530)
Earnings before income tax and financial results		163,801,814	137,495,104	2,405,370	(538,836)
Earnings before income tax		204,327,325	294,078,281	57,222,594	45,700,376
Earnings for the period		156,977,194	256,199,982	46,394,915	44,834,915

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E. Statement of changes in Equity (Group)

	Attributable to the group's shareholders								
Amounts in €	Share Capital	Share Capital above par	Revaluation Reserves	Other Reserves	Translation Reserves	Result carried forward	Total	Minorities	Total
Opening Balance 01/01/2005, according to IFRS	**24,312,204**	**178,745,666**	**0**	**(27,491)**	**(1,596,271)**	**(27,488,611)**	**173,945,498**	**63,839,258**	**237,784,756**
Change in equity for the period 01/01 - 31/12/2005							0		
Sales on Treasury Stock		8,775,098					8,775,098		8,775,098
Tax on share capital increase						(243,121)	(243,121)	(237,266)	(480,387)
Profit from revaluation after tax							0		0
- Financial assets available for sale							0		0
Profit (Loss) from revaluation recognized directly in equity			18,621,523				18,621,523	7,619,491	26,241,014
Minus: Profit (Loss) transferred to income statement due to sale			(3,277,785)				(3,277,785)	(4,186,047)	(7,463,832)
- Cash Flow hedging reserve			(176,083)				***(176,083)***	(224,875)	**(400,958)**
- Translation Reserve					(1,670,610)		***(1,670,610)***	77,690	**(1,592,920)**
Net profit(loss) recognized directly in Equity	**0**	**8,775,098**	**15,167,655**	**0**	**(1,670,610)**	**(243,121)**	**22,029,022**	**3,048,993**	**25,078,015**
Dividends payments						(18,029,968)	(18,029,968)	(15,643,206)	(33,673,174)
Impact from Subsidiary's Share Capital increase							***0***	(34,436,799)	(34,436,799)
Impact from Subsidiary's share acquisition								(5,445,310)	(5,445,310)
Impact from Company acquisition							0	231,277,860	231,277,860
Impact from Subsidiary disposal								30,398,070	30,398,070
Impact from Subsidiary's Share Capital incresae							0	650,475	650,475
Net profit(loss)				46,384		211,492,637	211,539,021	44,660,960	256,199,981
Total recognized profit(loss)	0	8,775,098	15,167,655	46,384	(1,670,610)	193,219,548	215,538,075	254,511,042	470,049,116
Closing Balance 31/12/2005	**24,312,204**	**187,520,764**	**15,167,655**	**18,894**	**(3,266,881)**	**165,730,937**	**389,483,572**	**318,350,300**	**707,833,872**
Opening Balance 01/01/2006, according to IFRS	**24,312,204**	**187,520,764**	**15,167,655**	**18,894**	**(3,266,881)**	**165,730,937**	**389,483,572**	**318,350,300**	**707,833,872**
Change in equity for the period 01/01 - 31/12/2006									
Profit from revaluation after tax									
Αποθεματικό Μετατροπής Ισολογισμών θυγατρικών εξωτερικού					(6,576,748)		(6,576,748)	(350,004)	(6,926,752)
Translation Reserves				(1,241,547)			(1,241,547)	(10,531)	(1,252,078)
- Financial assets available for sale							0	0	0
Profit (Loss) from revaluation recognized directly in equity			4,512,663				4,512,663	5,072,432	9,585,095
Minus: Profit (Loss) transferred to income statement due to sale			(3,048,849)				(3,048,849)	(3,427,040)	(6,475,889)
Profit (Loss) from revaluation recognized directly in equity			(28,973,601)				(28,973,601)	(32,567,607)	(61,541,208)
Minus: Profit (Loss) transferred to income statement due to sale			8,678,908				8,678,908	9,755,476	18,434,383
- Tax on items recognized directly in Equity			4,653,924				4,653,924	5,231,216	9,885,141
Net profit(loss) recognized directly in Equity	**0**	**0**	**(14,176,955)**	**(1,241,547)**	**(6,576,748)**	**0**	**(21,995,250)**	**(16,296,059)**	**(38,291,309)**
Dividends payments						(16,208,126)	(16,208,126)	(21,981,725)	(38,189,852)
Subsidiaries' Treasury Stock	(150,072)	(6,403,494)					(6,553,566)		(6,553,566)
Approval of 2005 dividends by the General Assebly				34,704,502		(34,704,502)	0		0
Minority interests form subsidiary acquisition							0	(27,888,903)	(27,888,903)
Minority interests form subsidiary disposal							0	24,543,078	24,543,078
Impact from Subsidiary's Share Capital increase							0	350,772	350,772
Net profit(loss)						98,970,655	98,970,655	51,752,452	150,723,107
Total recognized profit(loss)	**(150,072)**	**(6,403,494)**	**(14,176,955)**	**33,462,955**	**(6,576,748)**	**48,058,026**	**54,213,713**	**10,479,616**	**64,693,328**
Closing Balance 31/12/2006	**24,162,132**	**181,117,270**	**990,700**	**33,481,849**	**(9,843,629)**	**213,788,963**	**443,697,285**	**328,829,915**	**772,527,200**

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F. Statement of changes in Equity (Company)

	Attributable to the parent's shareholders				
	Share Capital	Share Capital above par	Other reserves	Profit(Loss) carried forward	Total
Opening balance at 01/01/2005 according to previous GAAP	24,312,204	146,689,881	35,364,088	5,866,997	***212,233,170***
IFRS Transmition Adjustments		37,217,045	(34,627,046)	(15,261,419)	***(12,671,420)***
Opening balance at 01/01/2005 according to IFRS	**24,312,204**	**183,906,926**	**737,042**	**(9,394,422)**	***199,561,750***
Adjustments in Shareholders Equity for the period 01/01-31/12/05					
Dividents Payment				(8,147,800)	***(8,147,800)***
Net Profit for the period *01/01-31/12/05*			46,384	44,788,532	***44,834,916***
Total recognised profit(loss) for the period			***46,384***	***36,640,732***	***36,687,116***
Closing balance at 31/12/2005	**24,312,204**	**183,906,926**	**783,426**	**27,246,310**	***236,248,866***
Opening balance at 01/01/2006 according to IFRS	**24,312,204**	**183,906,926**	**783,427**	**27,246,309**	***236,248,866***
Adjustments in Shareholders Equity for the period 01/01-31/12/06					
Acquisition of treasury stock	(150,072)	(6,403,494)			***(6,553,566)***
Approval of 2005 profit distribution			3,808,559.41	(3,808,559.64)	***(0)***
Dividends payment			0.00	(16,208,126.36)	***(16,208,126)***
Net Profit for the period 01/01-31/12/06			0.00	46,394,915.23	***46,394,915***
Total recognised profit(loss) for the period	***(150,072)***	***(6,403,494)***	***3,808,559***	***26,378,229.23***	***23,633,223***
Closing balance at 31/12/2006	***24,162,132***	***177,503,432***	***4,591,987***	***53,624,538***	***259,882,088***

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G. Cash flow statement

	notes	THE GROUP 2006	THE GROUP 2005	THE COMPANY 2006	THE COMPANY 2005
Cash flows from operating activities					
Cash flows from operating activities	6.31	116,231,606	130,082,886	48,026,672	(48,828,790)
Interest paid		(10,199,796)	(14,843,811)	(7,693,522)	(8,912,432)
Income tax paid		(59,942,419)	(53,658,226)	(17,229,960)	(8,623,722)
Net Cash flows from operating activities		**46,089,391**	**61,580,849**	**23,103,189**	**(66,364,944)**
Cash flows from investing activities					
Purchases of tangible assets		(88,281,074)	(81,704,208)	(511,914)	(52,868)
Purchases of intangible assets		(2,189,601)	(2,936,993)	(50,426)	0
Sale of tangible assets		12,951,326	557,905	367,659	0
Dividends received		297,856	176,423	20,298,792	17,312,349
Loans to related parties		(0)	0	(33,914,860)	0
Purchase of financial assets held-for-sale		(30,132,625)	(17,710,481)	(2,553)	0
Purchase of financial assets at fair value through profit and loss		(6,487,291)	(8,123,029)	(2,784,291)	(5,678,640)
Derivatives settlement		0	72,157,333	0	0
Acquisition of associates		0	(817,080)	0	0
Acquisition /Sale of subsidiaries (less cash)	6.28	(47,271,396)	43,188,347	(31,328,813)	(67,523,355)
Sale of financial assets held-for-sale		21,415,222	4,557,439	0	285,276
Sale of financial assets at fair value through profit and loss		5,933,627	25,085,542	3,939,238	118,202,142
Interest received		3,826,159	5,796,473	1,745,651	2,648,657
Cash flows from discontinued operations		(2,271,407)	14,272		
Cash received from loans to associates		0	0	0	0
Grants received		14,068,620	185,282	0	0
Other cash flows from investing activities		1,017,993	(271,848)	0	0
Net Cash flow from investing activities		**(117,122,591)**	**40,155,377**	**(42,241,517)**	**65,193,562**
Cash flow from financing activities					
Proceeds from issue of share capital		1,587,235	801,823	0	0
Sale of treasury shares		(6,553,565)	8,775,098	(6,553,566)	0
Επιστροφή Μετοχικού Κεφαλαίου θυγατρικής στους Μετόχους της Μειοψηφίας		0	(34,436,799)	0	
Dividends payed to parent's shareholders		(38,050,707)	(22,881,869)	(16,208,126)	(8,104,068)
Proceeds from borrowings		49,569,461	15,200,000	0	8,304,268
Repayments of borrowings		(54,739,644)	(27,014,247)	(17,049,282)	(22,014,247)
Cash flows from discontinued operations		(200,240)	(350,160)		
Payment of finance lease liabilities		(67,803)	(30,177)	0	0
Net Cash flow financing activities		**(48,455,264)**	**(59,936,331)**	**(39,810,974)**	**(21,814,046)**
Net (decrease) / increase in cash and cash equivalents		**(119,488,465)**	**41,799,895**	**(58,949,301)**	**(22,985,428)**
Cash and cash equivalents at beginning of period		(12,678,968)	(54,653,748)	(54,578,805)	(31,593,378)
Exchange differences in cash and cash equivalents		(118,694)	0	(66,510)	0
Net cash at the end of the period		**(132,286,126)**	**(12,853,853)**	**(113,594,617)**	**(54,578,806)**
Overdrafts		**(147,659,987)**	**(75,583,212)**	**(115,895,987)**	**(55,265,871)**
Cash and cash equivalent		**15,373,860**	**62,729,358**	**2,301,371**	**687,066**
Net cash at the end of the period		**(132,286,127)**	**(12,853,854)**	**(113,594,617)**	**(54,578,806)**

1. Information about MYTILINEOS HOLDINGS S.A.

1.1 General Information

Mytilineos Holdings S.A. is the ultimate parent company of the reporting Group. It was founded at 1908 in Athens and currently, it is managed by the third generation of Mytilineos family along with a team of professional managers.

The group's headquarters is located in Athens – Marousi (5-7 Patroklou str, P.C. 151 25) and its shares were listed in the Athens Stock Exchange in 1995.

The financial statements for the year ended 31.12.2006 (along with the respective comparative information for the previous year 2005), were approved by the Board of directors in 26/02/2007.

1.2 Nature of activities

During the last ten years the Group's activities have expanded from the traditional sector of international metal's trading to those of construction and energy.
The group aims in the development of synergies between the three different areas of activities, by delegating the role of management and strategy formation in Mytilineos Holdings S.A.

The Group's strategic goals regard basically the Metallurgical sector, where the first aim is the smooth incorporation of "Aluminum of Greece" in the sector, along with the sanction of the group as the most powerful vertically intergraded producer of Aluminum and basic metals in South East Europe. Subsequently, the group also aims in the development of its activities beyond the south east Europe market.

In the construction sector, the Group operates through its subsidiary METKA S.A., which is the most important organization in the area of metallurgical constructions in Greece, with significant presence for many decades in the Greek and International market. METKA is very competitive also in Energy construction projects (construction of thermoelectric and hydroelectric power plants as an EPC contractor), in infrastructure projects and in defense systems projects.

Regarding the Group's energy sector, the aim is to enter in production and trading of energy within the deliberated energy market that is currently under development through its subsidiaries "Delta Project S.A.", "Mytilineos Hellenic Wind Power S.A." (MHWP) and "Mytilineos Power Generation & Supply S.A." (MPGS). The construction of the Cogeneration Plant (334MW) along with the Group's decision to proceed with the construction and operation of a new Merchant Independent Power Production Plant of 412 MW are going to grant a substantial stake of the Hellenic Energy Market.

2. Basis for preparation of the financial statements

The consolidated financial statements of **MYTILINEOS S.A.** as of December 31st 2006 covering the entire 2006 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.
The IASB has issued a series of standards that are referred to as the "IFRS Stable Platform 2005". The Group uses the IFRS Stable Platform 2005 from January 1st, 2005 onwards.

3. Basic accounting principles

The accounting principles under which the attached financial statements have been prepared and the Group applies consistently are the following:

3.1 New accounting principles and interpretations of IFRIC

The IASB and the IFRIC have already issued a series of new accounting principles and interpretations which are mandatory for the periods starting the 1st January 2007.

• **IAS 19 (amendment) – Employee benefits (mandatory application from 1/1/2006)**

The amendment introduces an alternative option for the recognition of actuarial profit and losses. The Group does not intend to change the followed accounting policy as regards to the recognition of actuarial profit and losses and thus its financial statements are not expected to be affected.

• **Amendment of IAS 21 – changes in foreign exchange rates (mandatory application from 1/1/2006)**

The amendment clarifies that the monetary items between any Group subsidiary and a foreign economic unit may be considered as part of the Group's investment in this economic unit. The foreign exchange differences that emerge are transferred to the net position during the consolidation if the settlement of the monetary item is not expected to take place in the foreseeable future. The amendment is not expected to affect the Group's financial statements as there are no monetary items, which are expected to settle in the foreseeable future.

• **IAS 39 (Amendment), The fair value option**

This amendment limits the classification of financial instruments as financial instruments valued at fair value through the results. The Group is not expected to be affected by the adoption of the amendment as all the financial instruments classified as valued at fair value through the results are held for trade purposes.

• **IFRIC 4. Determining whether a receivable includes a lease**

This interpretation sets the criteria in order to assess whether a lease is included in an agreement that does not have the legal form of a lease. Each agreement that gives the right to use a specific asset in exchange for payments will be considered as a lease. The implementation of IFRIC 4 is not expected to change the accounting of any of the Group's existing contracts.

• **IFRIC 10, Interim financial statements and impairment**

This interpretation states that the specific requirements of IAS 36 (regarding goodwill) and IAS 39 (regarding financial assets available for sale) precede general requirements of IAS 34 and thus impairment losses that are recognized for such items in the interim period cannot be reversed in subsequent periods. The Group was not affected by the adoption of the interpretation as it has not gone forward with reversing impairment losses.

• **IFRIC 8, Scope of IFRS 2**

This interpretation requires the implementation of IFRS 2 during the treatment of all transactions relating to issuing participating titles, where the recognizable price collected is less than the fair value of participating titles issued. The Group was not affected by the adoption of the interpretation.

• **IAS 39 and IFRS 4 (amendment), Financial guarantee contracts**

Financial guarantee contracts are presented by the issuer as financial instruments. Their initial recognition takes place at fair values the day the guarantee was provided and their subsequent calculation is made at the higher value between, (a) the initial value minus calculated depreciations, in order to recognize the income from commissions that is accrued during the contract (IAS 18) with the straight line method and (b) the best possible estimation of the required expense for the settlement of a possible financial liability during the Balance Sheet date (IAS 37). If the issuer considers that such contracts constitute insurance contracts, then he must choose whether to apply IAS 39 "Financial instruments: recognition and measurement" or IFRS 4 "Insurance contracts".

- **IFRS 6 "Exploration for and Evaluation of Mineral Assets"** is mandatory to be used since 1/1/2006. The use of the above principle did not affect the Consolidated Financial Statements.
- **IAS 39 (amendment), Cash flow hedging in foreseen intercompany transactions**

The amendment allows for an intercompany transaction to be classified as the underlying in a foreign exchange cash flow hedge in the consolidated financial statements under the condition that, a) the transaction is highly possible to realize and qualifies for hedging accounting under the provisions of IAS 39, b) the transaction will be realised in a currency different from the functional currency of the company and c) the exchange rate risk will affect the consolidated income statement. The amendment will not affect the Group's consolidated income statement since there are no intercompany transactions classified as underlying items.

3.2 Standards, amendments and interpretations with mandatory application from

2006 that are not related to the Group's activities

• IFRS 1 (Amendment), First adoption of IFRS

• IFRS 6 Exploration and evaluation of mineral resources

• IFRS 6 (Amendment), Exploration and evaluation of mineral resources

• IFRIC 5 Rights from investment in decommissioning, restoration and environmental rehabilitation funds.

• IFRIC 6 Liabilities arising from activities in specific sectors – management of electrical and electronic waste.

• IFRIC 7 Implementation of restatement method in hyper inflationary economies.

• IFRIC 9 Re-evaluation of embedded derivatives

3.3 Standards, amendments and interpretations in existing standards with a subsequent implementation date (for which the group has not gone forward with optional implementation).

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretations, which are not mandatory for the accounting periods beginning on January 1st 2006.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

- IAS 1 (amendment) Capital disclosures

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 from 1/1/2007.

-IFRS 7, Disclosures of Financial Instruments

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 from 1/1/2007.

-IFRS 8. Operating Sectors

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group then.

IFRIC 11 IFRS 2- Transactions in participating titles of the same company of companies of the same group

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 1/1/2007 and is not expected to affect the Group's financial statements.

IFRIC 12 Service Concession Agreements

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the Group's financial statements.

3.4 Important accounting decisions, estimations and assumptions

The compilation of financial statements according to IFRS requires the management to make decisions, perform estimations and use assumptions that affect the amounts presented in the financial statements, the assets, liabilities, income and expenses. The actual results may differ due to such estimations. Estimations are continuously enhanced and are based on historical data and other factors, such as expectations for future events expected to realize under current conditions.

3.4.1 Accounting decisions

During the implementation procedure for accounting policies, decisions are made by the management, which relate to the following:

• Classification of investments
• Recoverability of receivables accounts
• Impairment of inventories
• Classification of a lease as operating or financial.

3.4.2 Assumptions and estimations

The presentation of the value of specific assets and liabilities in the financial statements requires the use of estimations that are based on assumptions relating to the values and conditions not known with certainty during the compilation date of the financial statements. The Group continuously evaluates the estimations it makes based on historical data, the research of specialized consultants, the trends and methods considered appropriate for the estimation of specific conditions as well as estimations regarding how the assumptions made may change in the future.

Assumptions and estimations are required for the presentation of:

- Possible reductions in goodwill
- Provisions for future payable income tax and deferred taxes.
- The fair value of derivatives and other financial instruments
- Provisions amounts
- Contingent receivables and liabilities

- **Possible reductions in Goodwill**

The Group test goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill s impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

- **Budget of construction contracts**

The treatment for income and expenses of a construction contract, depends on whether the final result of the contract can be reliably estimated. When the result of a construction contract can be estimated reliably then all income and expenses related to the contract are recognized as such during the time period of the contract. The Group uses the percentage of completion method to determine the appropriate amount of income and expense to be recognized in each period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project.

- **Income Tax**

Group and company is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Group and company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Provisions**

Doubtful accounts are reported at the amounts likely to be recoverable based on historical experience of customer default. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible.

Provisions for environmental rehabilitation are reported at the amounts that are likely to be claimed against the Group in order to settle the liability

- **Contingencies**

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2006. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

3.5 Segment reporting

A business segment is defined as a group of assets and operations engaged in providing goods and services which are subject to different risks and returns than those of other business segments.

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

The Group's business is active in Metallurgy, Constructions and in the Generation and Trading of Energy. Geographically the Group is activated in the Greek market, the Euro zone and Other Countries.

3.6 Consolidation

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

MYTILINEOS S.A. exercises control over, the listed on the ATHENS STOCK EXCHANGE, ALUMINUM OF GREECE, METKA and DELTA PROJECT. Due to the large dissemination of these stocks, "control" over these Firms can be determined even in cases that the Group holds stakes lower than 50% of the total voting rights. In such cases, "control" is determined through the representation of the majority of the chairs of the BoD.

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

Specifically as regards to business combinations that had taken place prior to the Group's transition date to the IFRS (January 1st, 2004) the exemption provided under IFRS 1 was used and the purchase method was not used retroactively. Based on this exemption the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the date of transition to the IFRS, nor the fair value of the acquired assets and liabilities at the date of acquisition. Consequently, the goodwill recognized as at the transition date, based on the IFRS 1 exemption, was calculated under the prior accounting principles and was presented in the same way as the group's last published financial statements before the transition to IFRS. During the transition date, the review went forward with the impairment review of goodwill.

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

For the accounting of transactions with minority, the Group applies the accounting principle based on which such transactions are handled as transactions with third parties beyond the Group. The sales towards the minority create profit and losses for the Group, which are booked in the results. The purchases by the minority create goodwill, which is the difference between the price paid and the percentage of the book value of the equity of the subsidiary acquired.

Associates: Associates are companies on which the Group can exercise significant influence but not "control" and which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the group imply that holding a percentage between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the Equity method. At the end of each period, the cost of acquisition is increased by the Group's share in the associates' net assets change and is decreased by the dividends received from the associates.

Any goodwill arising from acquiring associates is contained in the cost of acquisition. Whether any impairment of this goodwill occurs, this impairment decreases the cost of acquisition by equal charge in the income statement of the period. The Group, applying IFRS 3, does not amortize goodwill. Therefore, goodwill is presented at its net book value as at 31.12.2003, less any impairment losses.

After the acquisition, the Group's share in the profits or losses of associates is recognized in the income statement, while the share of changes in reserves is recognized in Equity. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment, including any other doubtful debts, the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's percentage ownership in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been adjusted to be in conformity to the ones adopted by the Group.

3.7 Group Structure

Group companies, included in the consolidated financial statements are:

	Percentage	Consolidation method
MYTILINEOS S.A. Maroussi, Athens	**Parent**	
METKA S.A., N.Heraklio,Athens	52.91%	Line by line
SERVISTEEL, Volos	52.91%	Line by line
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	21.16%	Line by line
RODAX A.T.E.E., N.Heraklio, Athens	52.91%	Line by line
ELEMKA S.A., N.Heraklio, Athens	46.17%	Line by line
DROSCO HOLDINGS LIMITED, Cyprus	44.17%	Line by line
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	33.13%	Line by line
ALUMINIUM OF GREECE B.E.A.E.	47.08%	Line by line
DELFI DISTOMON A.M.E.	47.08%	Line by line
ELVO, Thessaloniki	43.00%	Equity
SOMETRA S.A., SIBIU Romania	92.79%	Line by line
MYTILINEOS FINANCE S.A., Luxemburg	99.97%	Line by line
STANMED TRADING LTD, Cyprus	99.97%	Line by line
MYTILINEOS BELGRADE D.O.O., Serbia	99.97%	Line by line
MYVEKT INTERNATIONAL SKOPJE	99.97%	Line by line
RDA TRADING, Guernsey Islands	99.97%	Line by line
DEFENSE MATERIAL INDUSTRY S.A.-MYTILINEOS AND Co, Maroussi, Athens	100.00%	Line by line
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	100.00%	Line by line
INDUSTRIAL RESEARCH PROGRAMS "BEAT", Halandri, Athens	35.00%	Equity
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	100.00%	Line by line
NORTH AEGEAN RENEWABLES, Maroussi, Athens	100.00%	Line by line
GENIKI VIOMICHANIKI, Maroussi, Athens	Common management	Line by line
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	80.00%	Line by line
AIOLIKI ANDROU TSIROVLIDI S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI PLATANOU S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	80.20%	Line by line
HELLENIC SOLAR S.A.,Maroussi, Athens	100.00%	Line by line
SPIDER S.A., Maroussi Athens	100.00%	Line by line
THORIKI S.A.I.C., Maroussi, Athens	100.00%	Line by line
DELTA PROJECT S.A., Moshato, Athens	61.97%	Line by line
THERMOREMA S.A., Moshato, Athens	24.79%	Line by line
KASTANIOTIKO S.A., Moshato, Athens	58.62%	Line by line
POUGAKIA S.A., Moshato Athens	58.93%	Line by line
DELTA PROJECT CONSTRUCT SRL, Boucouresti, Romania	58.87%	Line by line
KALOMOIRA S.A., Kallithea, Athens	12.39%	Equity
DELTA ENERGY S.A., Moshato, Athens	55.77%	Line by line
FOIVOS ENERGY S.A., Amfiklia Fthiotidas	55.77%	Line by line
YDROXOOS S.A., Moshato, Athens	55.77%	Line by line
YDROXOOS S.A., Moshato, Athens	55.77%	Line by line
PEPONIAS S.A., Moshato, Athens	34.86%	Line by line
FTHIOTIKI ENERGY S.A., Moshato, Athens	19.52%	Equity
YDRIA ENERGY S.A., Moshato, Athens	55.77%	Line by line
AIOLIKI MARTINOU S.A., Moshato, Athens	55.77%	Line by line
ARGIRI ENERGY S.A., Moshato, Athens	55.77%	Line by line
EN.DY. S.A., Moshato, Athens	55.77%	Line by line
FOTINOS TILEMAXOS S.A., Moshato, Athens	55.77%	Line by line
THESSALIKI ENERGY S.A., Moshato, Athens	55.77%	Line by line
ENERGY CONSTRUCTION DEVELOPMENT WESTERN GREECE S.A., Moshato Athens	61.97%	Line by line
IONIA ENERGY S.A., Moshato, Athens	30.37%	Equity
ELECTRONWATT S.A., Moshato, Athens	6.20%	Equity
BUSINESS ENERGY S.A., Alimos, Athens	15.44%	Equity

During the reporting period, the Group:

- acquired a 61,97% stake in the share capital of the listed in the Athens Stock Exchange company "DELTA PROJECT SA" for € 30.720.793 and through this an indirect stake in its subsidiaries. The Group consolidated "DELTA PROJECT S.A." from 12.06.2006, as this was the date that control was deemed to be acquired. At 12/6/2006 the Group acquire 5.578.000 shares or percentage 44.62% for € 13.166. Additionally, at 13/10/2006 Mytilineos Holdings S.A., acquired 2,168,622 shares of DELTA PROJECT with a price of eight euro (8 Euro) per share, exerting the sellers' put option right. As a result of this, Group's turnover is increased €3.923.848, Group's EBIT decreased by €274.039and Group's Equity is increased by €2.349.121. If "DELTA PROJECT Group" was consolidated form the beginning of the period the Group's turnover would be increased by €6.146.921 and Group's Earning after tax would be decreased by €2.863.295. The effect of the above acquisition was a goodwill of € 12.171.361 as shown at the following table:

- Acquired at 16/6/2006 a 100% stake in the company "GENERAL STEEL-TRADING SA" for € 74.030, which is consolidated for the first time under MYTILINEOS GROUP. The consolidation of the above company was from 16/6/2006, date at which control was to deemed to be acquired. This business combination had no effect in the Group's results. It is noted also that the BOD of MYTILINEOS SA at 26/06/2006 has decided the spin-off of the metal trading sector and its contribution to the above mentioned company which has been renamed to THORIKI S.A.I.C, with Balance Sheet restructure date the 30/06/2006. The spin-off was formally approved by the Prefect of East Attica (No EM23085/26.10.06).

- During the period 01.01 – 30.09.2006, the Group's sudsidiary, "THORIKI S.A.I.C" transfer it's interest in HELLENIC'S COPPER MINES LTD (29,69%). From this transaction, the result before taxes of this subsidiary, was decreased by Euro 6.9m

- Established the company "HELLENIC SOLAR SA", a 100% subsidiary, at 1/6/2006. the company was consolidated for the first time at the reporting period.

- Furthermore, during the reporting period the Group acquired an additional 3.17% (47,08%) stake in the subsidiary "Aluminum of Greece SA" and an additional 1.71%(52.91%) stake in the subsidiary "METKA SA". The "Aluminum of Greece S.A." stake increase is due to buy & sell transactions that have influenced the Financial Statements as follows:

The METKA S.A. stake increase is due to purchase transactions that have influenced the Financial Statements as follows:

	METKA	Acqusition cost (A)	Sales value (B)	Company fair value	Group's share in fair value (C)	No of shares	% Purchases / (Sales)	Κέρδος Πώλησης (Ατομικός)	Goodwill on acquisition (A-C)	Profit on sale of company's share (B-C)	Profit from acquisition of company's share(C-A)
Sale	Trough private placement	-10,097,345	44,293,374	457,153,209	-24,695,719	-2,331,320	-5.40%	34,196,197		19,597,655	
Purchase	Through the ASE	16,253,938		454,110,496	9,603,468	912,659	2.11%		6,650,470		
Purchase	Call Option	9,335,029		457,156,311	28,497,641	2,690,210	6.23%				19,162,612
Purchase	Through the ASE	940,430		430,521,871	494,307	49,550	0.11%		446,122		
Purchase	Through the ASE	562,112		445,820,437	397,649	38,493	0.09%		164,463		
Purchase	Through the ASE	124,000		448,476,490	80,143	7,712	0.02%		43,857		
		17,118,163				**1,367,304**	**3.17%**	**34,196,197**	**7,304,912**	**19,597,655**	**19,162,612**

The ALUMINIUM OF GREECE S.A. stake increase is due to purchase transactions that have influenced the Financial Statements as follows:

	AoG	Acqusition cost (A)	Sales value (B)	Company fair value	Group's share in fair value (C)	No of shares	% Purchases / (Sales)	Κέρδος Πώλησης (Ατομικός)	Goodwill on acquisition (A-C)	Profit on sale of company's share (B-C)	Profit from acquisition of company's share(C-A)
Purchase	Through the ASE	4,739,770		105,138,910	1,102,169	544,597	1.05%		3,637,601		
Purchase	Through the ASE	2,081,812		95,572,500	474,384	257,862	0.50%		1,607,428		
Purchase	Through the ASE	1,221,445		102,384,907	370,771	188,131	0.36%		850,674		
Purchase	Through the ASE	1,784,916		107,571,138	519,700	250,985	0.48%		1,265,215		
Sale	Through the ASE	-1,773,505	3,535,500	119,325,659	-838,371	-365,000	-0.70%	1,761,995	-1,497,872	1,199,257	
Purchase	Through the ASE	118,043		119,325,659	28,482	12,400	0.02%		89,561		
		8,172,480				**888,975**	**1.71%**	**0**	**5,952,608**	**1,199,257**	

- The Group at 11/09/2006 acquired a 100% interest in the company "SPIDER ENERGY SA for Euro 6.85m. The Group consolidated the above company from 11/09/2006, date at which control was to deemed to be acquired.

- The Group participates also with 100% to the Share Capital of the newly established company "NORTH AEGEAN R.E.S. S.A.".

- MYTILINEOS GROUP S.A. Board of Directors, based on its decision of 20.12.2006, finalized the way and conditions according to which the Group's renewable energy subsidiaries shall be incorporated to "DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A." (DELTA PROJECT S.A), thus making DELTA PROJECT S.A. the Group's investing branch in the renewable energy sector. In the context of realizing the above decision, MYTLINEOS GROUP S.A. transferred to MYTILINEOS RENEWABLE ENERGY SOURCES S.A. (MRES) - a 100% subsidiary - the following: a) its 80% stake in "MYTILINEOS WIND POWER S.A.", b) its stake in the renewable energy project companies (subsidiaries of MYTILINEOS WIND POWER S.A. by 99%) which amounts to 1% of each company's share capital c) its 99% stake in "HELLENIC PHOTOVOLTAIC COMPANY S.A." and "NORTH AEGEAN RENEWABLE SOURCES S.A.", d) its 100% stake in "SPIDER ENERGY COMPANY S.A.". After that, MRES shall be incorporated to DELTA PROJECT S.A. through a merger, according to the provisions of articles 69 and after of law 2190/1920, and articles 1 to 5 of 2166/1993, and according to merchant law in general. In order to realize the Company's decision for an independent role of DELTA PROJECT S.A. in the renewable energy sector, a secession of the (i) construction of mechanical equipment, machines, and metal constructions, and (ii) integrated industrial and energy project construction sectors from DELTA PROJECT S.A. and their incorporation to the 100% non-stock market subsidiary of DELTA PROJECT S.A. "WESTERN GREECE TECHNICAL ENERGY DEVELOPMENT S.A." (WGTED) according to the provisions of article 4 of law 2166/ 1993, of 2190/1920, and all other relevant laws was also decided. The seceded sector of integrated industrial and energy project construction represents a percentage of more than 30% of the turnover of DELTA PROJECT S.A. according to last fiscal year. The Board of Directors of MRES, DELTA PROJECT, and WGTED decided on 29.12.2006 to commence both the merging procedure of MRES by DELTA PROJECT S.A. and the secession of the above sectors of DELTA PROJECT and their integration to WGTED with a balance sheet transformation date 31.12.2006, as well as to appoint sworn auditors which will assess the accounting value of MRES and the property of the seceded sectors, and independent financial institutions for the assessment of the property of the transformed companies. The Company, after receiving the required approval from the relevant monitoring authorities, shall distribute an informative bulletin to the investors according to the provisions of the law.

3.8 Foreign currency translation

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

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

The individual financial statements of companies included in the consolidation, which initially are presented in a currency different than the Group's reporting currency, have been converted to euros. The asset and liability items have been converted to euros using the exchange rate prevailing at the balance sheet date. The income and expenses have been converted to the Group's reporting currency using the average rates during the aforementioned period. Any differences that arise from this process, have been debited / (credited) to the Equity under the "Translation Reserves" account.

3.9 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

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

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

Land	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

Regarding, borrowing costs, the group applies the benchmark treatment of IAS 23 "Borrowing Costs", according to which all borrowing costs are transferred to the income statement as they occur regardless.

3.10 Intangible assets

The intangible assets include Surplus Value, the rights of use of Property, plant and equipment, as well as software licenses.

Goodwill on Acquisition: is the difference between the asset's acquisition cost and fair value and the net assets of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes this surplus value, emerged from acquisition, as an asset and presents it in cost. This cost is equal to the amount by which the acquisition cost exceeds the company's share in the net assets of the acquired company.

After the initial recognition, the surplus value is valued at cost less any accumulated impairment losses. The surplus value is not depreciated, but is reviewed on an annual basis for possible decrease in its value (impairment), if there are events that indicate such a loss according to IAS 36.

In the case where acquisition cost is less than the company's stake in the acquired company's net assets, the former recalculates the acquisition cost and valuates the assets, liabilities and contingent liabilities of the acquired company. Any difference prevailing after the recalculation is recognized directly in the income statement as a profit.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of conventions of manufacture of work (compensative profits) are valued in cost of acquisition, which equals their fair value at the date of their concession, less accumulated depreciation. Depreciation is calculated using the "production units method".

Software: Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Production, Installation and Operation Licenses of Renewable Energy Assets and Thermal Energy Assets: The different types of licenses entitles the group either with the right to construct an energy asset or the right to produce and sell energy. Current market conditions provide adequate evidence about the recoverable amount of such licenses. Therefore the Group has recognized licenses as intangible assets at fair value less depreciation and less any provision for impairment. The Group runs impairment tests on a yearly basis using the following methodology:

i) Attach possibility factors according to management estimation regarding the construction of assets under license
ii) Runs Discounted Cash Flows (DCF) methodology using assumptions prevailing at the energy market. The period regarded by the management for provisions exceeds the five years encouraged by IAS 36 as, especially for the renewable energy assets, there is satisfactory visibility for a substantially longer period.
iii) The final recoverable amount is calculated for a total portfolio of either renewable or thermal energy assets by multiplying the overall possibility factor with the outcome of the DCF valuation.
iv) Finally, the Group compares the recoverable value calculated to be the value-in-use of the assets with their carrying amounts. When the recoverable value

is less than the carrying amount an equal impairment provision is charged to the income statement.

For the reported period, the recoverable value of the licenses acquired by the group exceeds their carrying amount.

3.11 Impairment of Assets

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

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

3.12 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or Equity instrument in another.

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

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

These comprise assets that satisfy any of the following conditions:

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

In the Balance-sheet of the Group the exchanges and the assessment at fair value of derivatives they are portrayed in separate items of Asset and Liabilities with titled « Derivatives Financial Assets ». The changes at fair value of derivatives are registered in income statement.

ii) Loans and receivables

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

a) Receivables from down payments for the purchase of goods or services,

b) Receivables relating to tax transactions, which have been legislatively imposed by the state,

c) Any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

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

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.

The Group did not hold investments of this category.

iv) Financial assets available for sale

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

Financial assets available for sale are valued at fair value and the relevant profit or loss is booked in Equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results. The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus costs directly related to the transaction. Costs directly related to the transaction are not added for items valued at fair value through the income statement. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in amortized cost using the effective interest method.

The realized and unrealized profits or losses arising from changes in the fair value of financial assets valued at fair value through the income statement, are recognized in the profit and loss of the period they occur.

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

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

3.13 Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

3.14 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their amortized cost using the method of the effective interest rate, less the provision for impairment. In the event that the amortized cost or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's profit and loss. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

3.16 Non-current assets classified as Held for sale

The assets available for sale also include other assets (including Goodwill) and tangible fixed assets that the Group intends to sell within one year from the date they are classified as "Held for sale".

The assets classified as "Held for sale" are valued at the lowest value between their book value immediately prior to their classification as available for sale, and their fair value less the sale cost. Assets classified as "Held for sale" are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets "Held for sale" is included in "other income" and "other expenses" respectively, in the income statement.

The Group has not classified non-current assets as Held for sale.

3.17 Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

Where any Group company purchases the Company's equity share capital (Treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Company's equity holders. Treasury stock does not hold any voting rights.

3.18 Income tax & deferred tax

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

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

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

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.
Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the Equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

3.19 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits comprise pensions or other benefits (life insurance and medical insurance) the company provides after retirement as an exchange for the employees' service with the company. Thus, such benefits include defined contribution schemes as well as defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it refers to.

- **Defined contribution scheme**

  According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.

  The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

- **Defined benefits scheme**

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

The actuarial profit and losses are liability items for the company's benefits and for the expense that will be recognized in the results. Such that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average service time of the scheme's participants. The cost for the service time is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is booked in the results using the straight line method within the maturity period.

Benefits for employment termination: Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed formal plan for which there is no withdrawal possibility, or when it provides such benefits as an incentive for voluntary redundancy. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted based on the yields of investment grade corporate or government bonds.

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

In case of an employment termination where there is inability to asses the number of employees to use such benefits, a disclosure for a contingent liability is made but no accounting treatment is followed.

3.20 Grants

The Group recognizes Government Grants that cumulatively satisfy the following criteria:
a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
b) it is probable that the amount of the grant will be received.

Government Grants are booked at fair value and are systematically recognized as revenues according to the principle of matching the grants with the corresponding costs that they are subsidizing.

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

3.21 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

3.22 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Projects Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods**: Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Provision of services**: Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.
- **Income from assigned rights for use of tangible assets (Compensative benefits):** The fair value of the assigned rights is recognized as deferred income and are amortized through the income statement according to the completion of the contracts for which these rights have been assigned.
- **Income Interest**: Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends**: Dividends are accounted for as revenue when the right to receive payment is established.

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

3.23 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Group Company as lessor: When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period's results during the lease using the net investment method, which represents a constant periodic return.

Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease.

3.24 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when occur.

In the case where the result of one construction contract may not by reliably valuated, and especially in the case where the project is at a premature state, then:

- The income must be recognized only to the extent that the contractual cost may be recovered, and
- The contractual cost must be recognized in the expenses of the period in which it was undertaken.

Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valuated reliably, the contract's income and expenses are recognized during the contract's duration, respectively as income and expense.

The Group uses the "percentage of completion" method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project.

When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoices until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoices, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoices exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

3.25 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

4. Business Risk Management

4.1 Financial Risk Factors

The Group is exposed to several financial risks such as market risk (volatility in foreign exchange rates, interest rates, market prices), credit risk and liquidity risk. The risk management of the Group aims at mitigating the negative impact on the Group's financial performance stemming from the volatility of cost and sales variables. The Group makes use of derivative financial instruments in order to hedge its exposure in certain kinds of risk.

The risk management policy is being applied by the Treasury Department. The steps followed are the following:

(a) evaluating the risks related to the Group's activities and operations
(b) design the methodology and choose the appropriate financial products to mitigate the risks and
(c) execute/implement, according to the approved procedure by the management, the risk management strategy.

4.2 Market Risk

(i) Foreign Exchange Risk

The Group is activated in a global level and consequently is exposed to foreign exchange risk emanating mainly from the US dollar. This kind of risk mainly results from commercial transactions in foreign currency as well as net investments in foreign entities. For managing this type of risk, the Group Treasury Department enters into derivative or non derivative financial instruments with financial institutions on behalf and in the name of group companies.
In Group level these financial instruments are characterized as exchange rate risk hedges for certain assets , liabilities or foreseen commercial transactions.

The Group holds investments in foreign entities, the net assets of which are exposed at foreign exchange risk. The foreign exchange risk of this kind results from the US dollar parity against euro and is partially hedged by respective liabilities (i.e. bank loans) of the same currency.

(ii) Price Risk

Regarding price risk the Group is exposed to the following types:

(a) price risk from volatility in the prices of financial assets classified either as held for trading or as available for sale.

(b) price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.).

(iii) Interest rate risk.

Group's interest bearing assets comprises only of cash and cash equivalents.

Additionally, the Group maintains its total bank debt in products of floating interest rate. In respect of its exposure to floating interest payments, the Group evaluates the respective risks and where deemed necessary considers the use of appropriate interest rate derivatives.

4.3 Credit Risk

Regarding credit risk, the group is monitoring its receivables on a constant basis and secures any exposure, where this deemed necessary, either through factoring or through insurance contracts.

4.4 Liquidity Risk

The Group manages liquidity risk, by retaining sufficient cash and immediately liquidated financial assets as well as sufficient credit lines with Banks and Suppliers in relation to the required financing of operations and investments.

Hedging Accounting

The Group uses Derivative financial instruments such as Commodity Futures and Currency Forwards in order to mitigate the risk related to its business activities along with the risk related to the funding of such activities.

At inception of the hedging transaction, the Group validates the hedging relationship between the underlying and the hedging instrument as far as its risk management strategy is concerned. The Group also verifies the hedging efficiency from the beginning of the hedging relationship and on a continuing basis.

All derivative financial instruments are initially recognized at fair value as at the date of settlement and are valued on a mark - to - market basis on each balance sheet date. The result of this valuation is recognized as an asset when positive and as a liability when negative.

When a derivative financial instrument is no longer regarded as hedging instrument any difference in its fair value is recognized in profit and loss.

There are three kinds of hedges.

Fair Value Hedging

Fair value hedging is regarded when hedging the exposure in the fluctuations of the fair value of a recognized asset, liability, contingent liability or part of them that could have a negative impact on results.

When hedging accounting, concerning fair value hedge, is followed then any profit or loss from revaluation is recognized in profit and loss.

Cash Flow Hedging

The Group enters into Cash Flow Hedging transactions in order to cover the risks that cause fluctuations in its cash flows and arise either from an asset or a liability or a forecasted transaction.

On revaluation of open positions, the effective part of the hedging instrument is recognized directly in Equity as "Hedging Reserve" while the ineffective part is recognized in Profit & Loss. The amounts recognized in Equity are transferred in profit and loss at the same time as the underlying.

When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all accumulated profit or loss recognized in Equity, stays in Equity until the final settlement of the underlying. If the underlying is not expected to be settled then any profit or loss recognized in Equity is transferred to profit and loss account.

Hedging of a Net Investment

Hedging of a foreign investment is regarded for accounting purposes in a way similar to cash flow hedging.

The effective part of the hedging result is recognized directly in Equity while any ineffective part is recognized in profit and loss. Accumulated profit or loss recognized in Equity is transferred in profit and loss account at the time of disposal of the investment.

Determination of Fair Value

The fair value of financial instruments trading in an active market is defined by the published prices as of the date of the financial statements.

The fair value of financial instruments not traded in active market is defined through the use of valuation techniques and assumptions based on relevant market information as of the date of the financial statements.

5. Segment reporting

5.1 Primary reporting format – business segments

The Group is active in three main business segments: Metallurgy, Constructions and Energy.

Segment's results are as follows:

01/01-31/12/06

	Metallurgy	Constructions	Energy	Other	Total
Total gross segment sales	**986,499,072**	**294,197,271**	**3,562,991**	**2,695,586**	**1,286,954,921**
Inter-company sales	**(295,093,518)**	**0**	**(100,000)**	**0**	**(295,193,518)**
Inter-segment sales	**0**	**(148,413,332)**	**0**	**0**	**(148,413,332)**
Sales	**691,405,554**	**145,783,939**	**3,462,991**	**2,695,586**	**843,348,071**
Operating profit	155,636,207	7,108,851	1,067,890	(11,083)	**163,801,865**
Financial results	28,169,076	(1,015,655)	(1,303,776)	(146,520)	**25,703,126**
Share of profit/(loss) of associates			(109,543)	(4,310,150)	**(4,419,693)**
Proft from company acquisition				19,242,077	**19,242,077**
Profit before income tax	**183,805,283**	**6,093,196**	**(345,428)**	**14,774,325**	**204,327,375**
Income tax	**(33,413,700)**	**(14,448,346)**	**518,738**	**(6,822)**	**(47,350,130)**
Profit for the period	**150,391,583**	**(8,355,151)**	**173,310**	**14,767,503**	**156,977,245**
Result from discontinuing operations					**356,425**
Segment Depreciation	18,484,403	4,950,951	1,020,511	0	**24,455,865**
Segment EBITDA	174,120,610	12,059,802	2,088,401	(11,083)	**188,257,730**

01/01-31/12/05

	Metallurgy	Constructions	Energy	Other	Total
Total gross segment sales	**705,898,791**	**220,348,156**	**0**	**0**	**926,246,948**
Inter-company sales	**(191,658,666)**	**(115,031)**			**(191,773,697)**
Inter-segment sales			**0**	**0**	0
Sales	**514,240,125**	**220,233,125**	**0**	**0**	**734,473,251**
Operating profit	92,494,792	46,193,668	(1,176,721)	(16,634)	**137,495,105**
Financial results	32,799,903	(13,380,174)	(189,107)	(917,315)	**18,313,307**
Share of profit/(loss) of associates	0	0	0	804,213	**804,213**
Profit from company acquisition	0	0	0	137,465,657	**137,465,657**
Profit before income tax	125,294,695	32,813,494	(1,365,828)	137,335,921	**294,078,281**
Income tax	(24,445,519)	(13,870,239)	(6,601)	(9,266)	**(38,331,625)**
Profit for the period	**100,849,175**	**18,943,255**	**(1,372,428)**	**137,326,655**	**255,746,657**
Result from discontinuing operations					**453,325**
Segment Depreciation	15,288,267	4,965,178	1,592	0	**20,255,037**
Segment EBITDA	107,783,059	51,158,846	(1,175,128)	(16,634)	**157,750,142**

Segment's assets and liabilities are as follows:

31/12/2006

	Metallurgy	Constructions	Energy	Other	Total
Assets	1,049,167,490	186,476,832	97,556,248	13,693,838	1,346,894,407
Unallocated assets					19,290,414
Consolidated assets					1,366,184,822
Liabilities	413,476,481	86,597,795	73,005,756	-16,946,252	556,133,781
Unallocated liabilities					30,913,330
Consolidated liabilities					587,047,111

31/12/2005

	Metallurgy	Constructions	Energy	Other	Total
Assets	831,624,175	248,232,024	14,308,614	9,064,300	1,103,229,113
Unallocated assets	-	-	-	-	72,210,034
Consolidated assets	831,624,175	248,232,024	14,308,614	9,064,300	1,175,439,148
Liabilities	266,568,069	165,976,113	14,893,912	4,048,729	451,486,822
Unallocated liabilities					16,118,455
Consolidated liabilities					467,605,277

5.2 Secondary reporting format – geographical segments

The Group is active in Greece where it has its Headquarters. It operates also in Euro zone and other countries.

Group's sales allocation to geographical segments, are as follows.

	01/01-31/12/06	01/01-31/12/05
Greece	386,736,206	411,390,339
Eurozone	178,294,905	135,298,796
Other countries	278,316,959	187,784,117
Sales from continued operations	843,348,070	734,473,251
Sales from Discontinued operations	460,715	12,155,238
Total	**843,348,070**	**734,473,251**

Following there is an analysis of sales per type:

	01/01-31/12/06	01/01-31/12/05
Sale of commodities	173,872,135	195,690,880
Sales of goods produced	396,317,716	298,345,358
Sales of other inventory	3,343,403	2,485,449
Services	21,688,404	21,495,706
Sale of Property	851,028	1,732,529
Constructions	247,130,451	213,990,133
Other	144,934	733,196
Total	**843,348,070**	**734,473,251**

6. Notes on the Financial Statements

6.1 Tangible assets

Land, Buildings and Machinery were valued, as at the transition date to IFRS (01/01/2004), at deemed cost according to the provisions of IFRS 1. The "deemed cost" cost is considered as the fair value of the fixed assets at the transition date to IFRS, which was defined after a study by an independent Property Valuator.

There are no mortgages or collaterals on the fixed assets, regarding Group loans.

	GROUP				
	Land & Buildings	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Gross Book value	81,666,572	72,901,576	6,149,989	1,535,808	162,253,944
Accumulated depreciation and/or impairment	(24,277,931)	(32,513,139)	(4,542,969)	-	(61,334,039)
Book value as at **01/01/2005**	**57,388,641**	**40,388,436**	**1,607,020**	**1,535,808**	**100,919,906**
Gross Book value	260,753,468	556,544,166	19,713,448	66,774,590	903,785,672
Accumulated depreciation and/or impairment	(39,446,575)	(416,689,911)	(16,645,790)	-	(472,782,276)
Book value as at **31/12/2005**	**221,306,893**	**139,854,255**	**3,067,658**	**66,774,590**	**431,003,396**
Gross Book value	269,637,347	609,570,744	21,782,753	136,619,063	1,037,609,907
Accumulated depreciation and/or impairment	(43,471,191)	(435,208,243)	(17,970,177)	-	(496,649,611)
Book value as at **31/12/2006**	**226,166,156**	**174,362,501**	**3,812,576**	**136,619,063**	**540,960,296**

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at **01/01/2005**	**57,388,641**	**40,388,436**	**1,607,020**	**1,535,808**	**100,919,906**
Additions	471,955	4,322,678	613,523	17,387,150	22,795,306
Additions from acquisition/consolidation of subsidiaries	163,664,870	99,219,832	1,435,033	60,208,949	324,528,684
Additions from acquisition/consolidation of subsidiaries	20,131	(2)	3	(1)	20,131
Sales-Reductions	0	(594,229)	(1,881)	(370,081)	(966,191)
Depreciation	(1,127,947)	(4,895,868)	(587,443)	-	(6,611,258)
Reclassifications	(191,838)	(3,102)	2	(12,175,645)	(12,370,583)
Net foreign exchange differences	1,081,081	1,416,509	1,401	188,410	2,687,401
Book value as at **31/12/2005**	**221,306,893**	**139,854,255**	**3,067,658**	**66,774,590**	**431,003,396**
Additions from acquisition/consolidation of subsidiaries	5,215,994	11,185,280	312,913	14,845,330	31,559,517
Additions	718,588	42,317,362	1,378,506	86,820,151	131,234,607
Sales-Reductions	(10,466,268-)	(1,491,943)	(168,744-)	-	(12,126,956-)
Depreciation	(3,074,320)	(17,069,365)	(778,830)	0	(20,922,516-)
Reclassifications	269,090-	115,365	1,071	(31,821,009)	(31,435,484-)
Net foreign exchange differences	12,196,181	(548,452)	2	0	11,647,731
Book value as at **31/12/2006**	**226,166,156**	**174,362,501**	**3,812,576**	**136,619,062**	**540,960,295**

COMPANY

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	13,226,896	607,598	917,697	0	14,752,191
Accumulated depreciation and/or impairment	(1,615,937)	(480,701)	(705,131)	-	(2,801,768)
Book value as at **01/01/2005**	**11,610,959**	**126,897**	**212,566**	**0**	**11,950,423**
Gross Book value	13,183,163	626,916	990,254	-	14,800,333
Accumulated depreciation and/or impairment	(1,846,841)	(501,966)	(769,541)	-	(3,118,349)
Book value as at **31/12/2005**	**11,336,322**	**124,950**	**220,712**	**-**	**11,681,984**
Gross Book value	13,183,163	158,325	1,093,304	-	14,434,792
Accumulated depreciation and/or impairment	(2,077,746)	(98,912)	(812,366)	-	(2,989,024)
Book value as at **31/12/2006**	**11,105,418**	**59,412**	**280,938**	**-**	**11,445,768**

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at **01/01/2005**	**11,610,959**	**126,897**	**212,566**	**0**	**11,950,423**
Additions	-	24,608-	72,557	0	97,164
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Sales-Reductions	0	(5,290)	0	0	(5,290)
Depreciation	(230,904)	(21,265)	(64,411)	-	(316,580)
Reclassifications	(43,732)	-	-	-	(43,732)
Net foreign exchange differences	-	-	-	-	-
Book value as at **31/12/2005**	**11,336,323**	**124,950**	**220,712**	**-**	**11,681,985**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	-	237,977	229,441	-	467,418
Sales-Reductions	-	(386,412)	(87,632)	-	(474,044)
Depreciation	(230,904)	(19,628)	(82,655)	-	(333,187)
Reclassifications	(1)	102,526-	1,071-	-	103,596
Net foreign exchange differences	-	-	-	-	-
Book value as at **31/12/2006**	**11,105,418**	**59,412**	**280,938**	**-**	**11,445,768**

6.2 Goodwill

Gross Book Value	123,814,570
Accumulated depreciation and/or impairment	0
Book Value as at January 1st 2005	**123,814,570**
Gross Book Value	102,273,669
Accumulated depreciation and/or impairment	0
Book Value as at December 31st 2005	**102,273,669**
Gross Book Value	128,257,177
Accumulated depreciation and/or impairment	0
Book Value as at September 30st 2006	**128,257,177**

Book Value as at **01/01/2005**	**123,814,569.9**
Additions	1,311,644.6
Reductions	(22,852,545.0)
Impairment	0.0
Book Value as at **31/12/2005**	**102,273,669.5**
Additions	27,481,379.0
Reductions	(1,497,872.0)
Impairment	0.0
Book Value as at **31/12/2006**	**128,257,176.5**

The allocation of Goodwill among the group's subsidiaries is as follows:

	Recognized Goodwill as at 31/12/2006	Recognized Goodwill as at 31/12/2005
METKA S.A.	106,778,982	100,962,024
ALUMINIUM OF GREECE S.A.	7,411,591	106,678
DELTA PROJECT	12,171,361	
SPIDER	305,957	
SOMETRA	350,771	
MYTILINEOS RENEWABLE WIND POWER S.A,	33,549	
MYTILINEOS HELLENIC WIND POWER S.A.	460,813	460,813
MYTILINEOS POWER GENERATION & SUPPLIES S.A.	744,154	744,154
TOTAL	***128,257,177***	***102,273,668***

The Group performs impairment tests for goodwill on an annual basis.

For "METKA S.A." and "Aluminum Of Greece S.A." the recoverable amount of the recognized goodwill, has been assessed using their Net Selling Prices (Market capitalization) minus any sales expenses.

In 000 €	Carrying amount	Recoverable amount	Difference
The Group METKA	133,60	148,36	14,76
The Group Aluminum of Greece	86,92	175,46	88,54
The Group Delta Project	30,72	64,91	34,19

For the other companies, the recoverable amount of the recognized goodwill, was assessed using their value in use.

The "value in use" was determined based on management estimates that were verified by an independent valuator. For the calculation of the value in use the discounted cash flows method was used.

In 000 €	Carrying amount	Recoverable amount	Difference
SOMETRA	25,61	36,30	10,68
SPIDER*	6,85		
The Group MYTILINEOS HELLENIC WIND POWER SA*	3,37		
The Group MYTILINEOS POWER GENERATIONS & SUPPLIES SA*	2,26		
MYTILINEOS RENEWABLE WIND POWER*	0,09		

For the companies SPIDER, MYTILINEOS HELLENIC WIND POWER S.A. GROUP, MYTILINEOS POWER GENERATION & SUPPLIES S.A GROUP and MYTILINEOS RENEWABLE WIND POWER S.A, recoverable amount it's the same with the carrying amount. According to Management's estimation the recoverable amount of those companies is higher than the carrying amount but because of the development of the segment's Business Plan and of the negotiations which are on progress, would not be appropriate to present the recoverable value. The management is pledged that the recoverable amount of those companies is at least the same with the carrying amount.

6.3 Intangible Assets

	GROUP				
	Software	**Εσωτερικός Δημιουργούμενα**	**Άδειες Ενεργειακών Σταθμών**	**Other intangible assets**	**Total**
Gross Book value	154,580	0	0	134,731	289,312
Accumulated depreciation and/or impairment	(130,714)	0	0	0	(130,714)
Book Value as at **01/01/2005**	**23,867**	**0**	**0**	**134,731**	**158,598**
Gross Book value	6,329,372	0	0	63,803,842	70,133,214
Accumulated depreciation and/or impairment	(5,369,649)	0	0	(50,286,282)	(55,655,931)
Book Value as at **31/12/2005**	**959,723**	**0**	**0**	**13,517,559**	**14,477,282**
Gross Book value	7,022,789	0	44,298,049	65,876,405	117,197,242
Accumulated depreciation and/or impairment	(5,722,684)	0	0	(53,688,080)	(59,410,765)
Book Value as at **31/12/2006**	**1,300,105**	**0**	**44,298,049**	**12,188,324**	**57,786,478**

	GROUP				
	Software	**Εσωτερικός Δημιουργούμενα**	**Άδειες Ενεργειακών Σταθμών**	**Other intangible assets**	**Total**
Book Value as at **01/01/2005**	**23,867**	**0**	**0**	**134,731**	**158,598**
Additions	956,383	0	0	14,138,450	15,094,834
Sales-Reductions	0	0	0	0	0
Depreciation	(20,527)	0	0	(811,036)	(831,563)
Reclassifications	0	0	0	0	0
Net foreign exchange differences	0	0	0	55,414	55,414
Book Value as at **31/12/2005**	**959,723**	**0**	**0**	**13,517,559**	**14,477,282**
Additions from acquisition of subsidiaries	196,682	0	44,298,049	985,105	45,479,836
Additions	416,254	0	0	1,773,348	2,189,602
Sales-Reductions	0	0	0	0	0
Depreciation	(272,554)	0	0	(4,087,688)	(4,360,242)
Reclassifications	0	0	0	0	0
Net foreign exchange differences	0	0	0	0	0
Book Value as at **31/12/2006**	**1,300,105**	**0**	**44,298,049**	**12,188,324**	**57,786,478**

The company MYTILINEOS S.A. at 31/12/2006 hold Intangible Assets amount to € 47.381 regarding software.

6.4 Investments in affiliated companies

	GROUP	
	31/12/2006	**31/12/2005**
Opening Balance	**31,861,403**	**35,272,639**
Share of profit/loss (after taxation and minority interest)	(1,020,508)	(1,411,236)
Additions	(593,722)	0
Reversal of received dividends	0	(2,000,000)
Balance at end of period	**30,247,173**	**31,861,403**

Investments in associates as at 31st December 2006 include Goodwill of € 11.903.243 regarding ELVO.

6.5 Deferred tax

	GROUP				COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non Current Assets								
Intangible Assets	989,259	11,554,605	1,144,221	8,472	209,473	0	1,113,419	0
Tangible Assets	13,593,003	27,147,346	909,207	30,072,187	0	1,186,713	0	1,390,640
Financial assets available to sale	0	257,322	33,545	434,759	0	257,322	0	434,759
Long term assets	840	840	0	0	0	0	0	0
Current Assets								
Stock	413,363	205,836	0	0	0	0	0	0
Construction Contracts	7,891,431	11,645,536	7,847,596	7,443,174	0	0	0	0
Receivables	4,395,555	1,606,979	3,824,668	1,048	2,936,796	0	3,824,194	0
Financial assets available to sale	0	70,077	0	114,315	0	70,077	0	114,315
Financial assets at fair value	0	0	0	0	0	0	0	0
Reserves								
Reserves' defer tax liability	309,025	16,048,861	0	11,974,647	0	8,896,080	0	10,319,452
Long-term Liabilities								
Employee Benefits	6,987,291	0	6,995,589	4,074	4,298	0	4,986	0
Investment subsidies	108,351	0						
Other Long-term Liabilities	4,814,074	920,800	2,892,831	485,632	0	10,316	0	(38,075)
Short-term Liabilities								
Provisions	499	3,529,176	0	3,756,562	0	2,189,816	0	3,756,293
Contingent liabilities	18,161	2,947	0	0	0	0	0	0
Employee Benefits	1,707,547	0	990,292	0	0	0	0	0
Liabilities from derivatives	9,740,533	0	163,772	0	0	0	0	0
Liabilities from financing leases	66,443	669,747	3,655	9,324	0	0	0	0
Other Short-term Liabilities	1,574,276	36,017	1,428,032	0	1,473,111	0	1,428,032	0
Other contingent defer taxes	0	1,339,250	0	1,000,000	0	1,339,250	0	1,000,000
Offsetting	(26,540,451)	(26,540,451)	(17,125,927)	(17,125,927)			0	0
Total	26,069,199	48,494,888	9,107,480	38,178,269	4,623,678	13,949,573	6,370,631	16,977,385

6.6 Financial assets available for sale

"Financial assets available for sale" include an amount of € 69.838.573 (8.82% of the share capital of Aluminum of Greece) which is concern treasure shares and the Group's investments in " ELVAL S.A.", "VIOHALCO S.A." and " COMPANY OF INDUSTRIAL RESEARCH & METALS TECHONOLOGICAL DEVELOPMENTS". These investments are carried at fair values as at 31.12.2006.

	GROUP	
	31/12/2006	**31/12/2005**
Balance at beginning of the period	42,118,108	36,831
Exchange rate differences	0	0
Additions	5,797,286	
-From acquisition of subsidiary	75,000	11,236,326
Sales/write-offs		
-Sale of Investment	(17,385,028)	364,951
-Aluminum of Greece - Treasury Shares	39,358,573	17,710,481
-Valuation of Treasury Shares at fair value	353,968	12,769,519
Balance at end of the period	**70,317,907**	**42,118,108**
Non-current assets	70,317,907	42,118,108
Current assets	0	0
	70,317,907	**42,118,108**

6.7 Other long-term receivables

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Customers - Withholding quarantees falling due afet one year (from note 6.9)	2,354,396	1,982,000	0	0
Given Guarantees	746,580	743,958	107,092	143,965
Total other long-term liabilities	**3,100,976**	**2,725,958**	**107,092**	**143,965**

These receivables fall due after one year.

MYTILINEOS® HOLDINGS S.A.

6.8 Inventories

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw materials	78,684,075	86,159,621	0	0
Semi-finished products	46,053,293	28,248,148	0	0
Finished products	26,266,008	12,741,162	(0)	666,445
Work in Progress	11,941,474	6,261,385	0	0
Merchandise	1,048,340	459,981	0	0
Others	41,484,556	22,816,815	0	0
Total	**205,477,745**	**156,687,112**	**(0)**	**666,445**
Raw materials	0	(40,125)	0	0
Merchandise	(1,128,294)	(1,128,294)	0	0
Others	(1,291,565)	(1,170,888)	0	0
	(2,419,859)	**(2,339,307)**	**0**	**0**
Total Net Realizable Value	**203,057,886**	**154,347,805**	**(0)**	**666,445**

6.9 Customers and other trade receivables

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Customers	149,935,233	191,886,249	10,707,436	89,731,266
Notes receivable	3,815	3,815	0	0
Checks receivable	23,520,648	13,924,215	0	10,823,974
Less:Impairment Provisions	(2,411,842)	(681,081)	0	0
Net trade Receivables	**171,047,854**	**205,133,197**	**10,707,436**	**100,555,240**
Advances for inventory purchases	6,347,304	16,695,103	0	0
Total	**177,395,158**	**221,828,300**	**10,707,436**	**100,555,240**
Non-current assets (see note 6.7)	1,819,689	1,982,000	0	0
Current assets	177,395,158	219,846,300	10,707,436	100,555,240
	179,214,847	**221,828,300**	**10,707,436**	**100,555,240**

Receivables at fair value are as follows:

	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Customers	101,934,454	191,886,249	10,426,567	89,731,266
Receivable from customers for constructional contracts	48,000,778	0	0	0
Notes receivable	3,815	3,815	0	0
Checks receivable	23,520,648	13,924,215	0	10,823,974
Less:Impairment Provisions	(2,411,842)	(681,081)	0	0
Advances for inventory purchases	6,347,304	16,695,103	0	0
	177,395,158	**221,828,300**	**10,426,567**	**100,555,240**

The Group's receivables and liabilities from construction contracts are analyzed in the following tables:

Constructional Contracts	GROUP	
	31/12/2006	31/12/2005
Contractual Income recognized according to the	281,485,284	207,393,494
Contractual costs incurred and recognized profit(minus recognized losses) up to year end	474,604,412	587,867,365
Total	756,089,695	795,260,859
Advances received	01/01 - 31/12/2006	01/01 - 31/12/2005
Clients' holdings for good performance	278,948,199	207,393,494
Receivables for construction contracts according to the percentage of completion	467,487,196	560,094,519
Liabilities related to construction contracts according to the percentage of completion	(173,327)	0
Total	746,262,069	767,488,013
Received advances		
- Receivable in 12 months	45,765	
-Receivable over 12 months	0	
	45,765	0
Commitments from construction contracts		
Granted guarantees of good performance	494,000	
Granted guarantees of good payment	1,361,216	
Total	1,855,216	**0**

6.10 Other receivables

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Other Debtors	21,955,315	19,733,839	15,667,930	17,825,588
Receivables from the State	68,313,723	63,552,658	5,097,067	2,976,127
Others Receivables	5,131,797	9,327,890	0	0
Receivables from Related Parties	(0.00)	0	35,567,188	0
Loans ginen to related parties	(0.00)	0	0	0
Less:Provision for Bad Debts	(21,494)	(21,494)	0	0
Net Receivables	**95,379,341**	**92,592,893**	**56,332,185**	**20,801,715**
Total	**95,379,341**	**92,592,893**	**56,332,185**	**20,801,715**
Non-current assets	0	0	0	0
Current assets	95,379,341	92,592,893	56,332,185	20,801,715
	95,379,341	**92,592,893**	**56,332,185**	**20,801,715**

Receivables at fair value are as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Other Debtors	21,933,821	19,712,345	15,667,930	17,825,588
Receivables from the State	68,313,723	63,552,658	5,097,067	2,976,127
Others Receivables	5,131,797	9,327,890	0	0
Receivables from Related Parties	(0)	0	35,567,188	0
Loans ginen to related parties	(0)	0	0	0
	95,379,341	**92,592,893**	**56,332,185**	**20,801,715**

6.11 Other current Assets

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Prepaid expenses for construction contracts	0	0	0	0
Accrued income - Prepaid expenses	10,502,793	5,836,146	85,019	3,955,036
	10,502,793	**5,836,146**	**85,019**	**3,955,036**

6.12 Derivatives financial instruments

	31/12/2006		31/12/2005	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Commoditiy derivatives				
Futures/Forwards		44,307,846		2,766,257
Currency & interest rates derivatives:				
Foreign exchange forward				
Currency / interest rate swaps		546,731		2,722,721
Options				
Other				
Total	**0**	**44,854,577**	**0**	**5,488,977**

All derivatives open positions have been marked to market. Fair values of the "interest rate swaps", are confirmed by the financial institutions that the Group has as counterparties.

Foreign exchange forwards: The Group has entered into foreign exchange forwards to manage exchange rate risk.

Commodities derivatives: The Group hedges risk from the change at fair value of commodities, proceeding in exchange at London Metal Exchange (LME) at foreign exchange forwards and contracts of future achievement (futures) with amenable title metals that it trades.

Interest rate and cross currency swaps: The Group has entered into "interest rate and cross currency swaps" with financial institutions that as at 31st December 2005 are analyzed as follows:

CROSS CURRENCY INTEREST RATE SWAPS					
		Exchange of Currencies		Exchange of Interest - rates	
Bank	Expiry	Receives	Pays	Receives	Pays
Ethniki	19/6/2008	$11.142.669	€10.317.286	6month Libor	6month Euribor + 0,12%
Piraeus	19/6/2008	$9.333.000	€8.566.315	6month Libor	6month Euribor + 0,12%
Piraeus	19/6/2008	$9.333.000	€8.488.404	6month Libor	6month Euribor + 0,12%
Eurobank	19/6/2008	$9.333.000	€8.333.036	6month Libor	6month Euribor + 0,12%
Eurobank	19/6/2008	$9.333.000	€8.273.936	6month Libor	6month Euribor + 0,12%

Cash Flow Hedging

During the reported period the Group has entered in derivatives transactions regarding Commodity Futures and Currency Forwards. These transactions are considered by the Group as hedging instruments that mitigate the risk of fluctuations in cash flows from the volatility in aluminum prices along with the risk of devaluation of receivables due to volatility in euro/dollar exchange rate.

- **Commodity Futures**

The Group has decided to enter into Cash flow hedging through Commodity Futures and foresees that to be perfectly effective during 2007 and 2008. The revaluation of open positions resulted in a loss of 44m €. This amount after the deferred tax deductions amounted to 33m € and was recognized directly in Equity.

- **Currency Forwards**

The Group has also decided to enter into Cash flow hedging through Currency Forwards and foresees that to be perfectly effective during 2007 and 2008. The revaluation of open positions resulted in a profit of 6.3m €. This amount after the deferred tax deductions amounted to 4.8m € and was recognized directly in Equity.

The Group uses Currency Forwards as hedging instruments for mitigating the risk of devaluations in its trade receivables due to fluctuations in the euro/dollar exchange rate and not the fair value risk of the sold commodity.

6.13 Financial assets at fair value through the income statement.

These are high-liquidity placements in shares and mutual funds with a short-term investment horizon:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Opening Balance	6,519,348	21,828,799	3,598,807	13,548,551
Additions	6,488,145	3,004,820	2,785,145	742,124
Sales	(5,353,672)	(18,381,374)	(3,359,282)	(11,011,446)
Fair value adjustments	82,757	398,714	0	319,577
Exchange rate differences	0	(331,611)	0	0
Balance at end of the period	**7,736,578**	**6,519,348**	**3,024,669**	**3,598,807**

6.14 Cash and cash equivalents

The effective weighted average interest rate for bank deposits is as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash	5,484,633	27,862,796	6,190	18,408
Bank deposits	9,889,227	29,700,111	2,295,181	668,658
Repos	0	5,166,451	0	0
Total	**15,373,860**	**62,729,358**	**2,301,371**	**687,066**

	01/01-31/12/06	01/01-31/12/05
Deposits EUR	2.06%	2.03%
Deposits USD	2.69%	1.51%

Group's cash management involves deposits in Euro or foreigner currency and in overnight Libor-Euribor interest rates. Interest received underlies a 10% taxation.

6.15 Total Equity

i) Share capital

		Number of shares	Common shares	Above par	Treasury shares	Total
Balance as at	**01/01/2005**	**40,520,340**	**24,312,204**	**183,906,926**	**(5,161,261)**	**203,057,869**
Share issue		0	0	0	0	**0**
Purchase of Parent's shares (Treasury Shares)		0	0	0	0	**0**
Sale of Parent's shares (Treasury Shares)		0	0	3,613,838	5,161,261	**8,775,099**
Balance as at	**31/12/2005**	**40,520,340**	**24,312,204**	**187,520,764**	**0**	**211,832,968**
Share issue						**0**
Purchase of Parent's shares (Treasury Shares)		(250,120)	(150,072)	(6,403,494)		**(6,553,566)**
Sale of Parent's shares (Treasury Shares)						**0**
Balance	**31/12/2006**	**40,270,220**	**24,162,132**	**181,117,270**	**0**	**205,279,402**

The parent company's shares as well as the shares of the subsidiaries "METKA S.A." and "Aluminum Of Greece S.A." are listed on the Athens Stock Exchange (ASE) and are included in the following indices:

	MYTILINEOS HOLDING S.A.	ALUMINUN OF GREECE	METKA	DELTA PROJECT
GENERAL	✓	✓	✓	✓
FTSE MID CAP 40	✓	✓	✓	✓
FTSE MID CAP 100	✓	✓	✓	✓
EPSI	✓	✓	✓	✓
HSBC SMALL CAP	✓	✓	✓	✓
MSCI SMALL CAP	✓	✓		✓
INDUSTRIAL MACHINERY			✓	
NON FERROUS METALS	✓			
ALUMINIUM		✓		
CONSTRUCTION/ MATERIALS				✓

The "above par" account has resulted from the issuance of shares above their par values.

ii) Fair Value & Translation Reserves

	GROUP			
	Fair Value Reserves		Translation Reserves	
	Hedging Reserves	Reserves from revaluations of Available for Sale Financial Assets	Reserves for translation exchange rate differences	Total
Balance as at 01/01/2005			**(1,596,271)**	**(1,596,271)**
Revaluation				**0**
Gross Total				
Less:Tax				
Evaluation profit/loss transferred to equity		18,621,523		**18,621,523**
Profit (Loss) transferred to P&L after sales		(3,277,785)		**(3,277,785)**
Profit (Loss) transferred to result carried forward		0	(1,670,610)	**(1,670,610)**
Cash Flow Hedging	(176,083)	0		**(176,083)**
Balance as at 31/12/2005	**(176,083)**	**15,343,738**	**(3,266,881)**	**11,900,774**
Revaluation				**0**
Evaluation profit/loss transferred to equity	(28,973,601)	4,512,663		**(24,460,938)**
Profit (Loss) transferred to P&L after sales	8,678,908	(3,048,849)		**5,630,059**
Tax on transfers	5,019,877	(365,954)		**4,653,923**
Exchange differences:				**0**
Group			(6,576,748)	**(6,576,748)**
Balance as at 31/12/2006	**(15,450,900)**	**16,441,599**	**(9,843,629)**	**(8,852,929)**

iii) Other Reserves

	GROUP					
	Statutory Reserve	Special reserves	Tax-free reserves	Financial instruments reserve	Other reserves	Total
Balance at as 01/01/2005	6,015,158	(5,780,735)	5,860,418	2,236,089	3,082,096	11,413,026
Exchange differences	0	0	0	0	0	**0**
Period variation	0	0	0	(588,155)	0	**(588,155)**
Others	0	0	0	0	0	**0**
Balance at as 31/12/2005	6,015,158	(5,780,735)	5,860,418	1,647,934	3,082,096	10,824,871
Exchange differences	0	0	0	0	0	**0**
Period variation	0	0	0	46,384	0	**46,384**
Others	0	0	0	0	0	**0**
Balance at as 31/12/2006	6,015,158	(5,780,735)	5,860,418	1,694,319	3,082,096	10,871,256

6.16 Loan liabilities

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Long Term Liabilities				
Bank loans	14,256,964	39,574,027	8,778,695	29,423,764
Loans from parent company	0	0	0	0
Leasing liabilities	898,233	15,142	0	0
Bonds	22,265,809	12,550,000	12,550,000	12,550,000
Other	0	0	0	0
Total Long-Term Loans	**37,421,006**	**52,139,169**	**21,328,695**	**41,973,764**
Short Term Liabilities				
Overdraft	118,536,995	34,134,277	98,331,867	30,581,917
Bank loans	36,310,770	17,359,617	0	0
Ομολογίες	0	0	0	0
Leasing liabilities	1,156,720	0	0	0
Secured Loans	0	0	0	0
Long term Bank Loan falling due within one year	17,564,120	24,683,954	17,564,120	24,683,954
Total Short Term Loans	**173,568,605**	**76,177,848**	**115,895,987**	**55,265,871**
Total Loans	**210,989,611**	**128,317,017**	**137,224,682**	**97,239,636**

The effective weighted average borrowing rate for the group, as at the balance sheet date is as follows:

		31/12/2006	
	€	**US$**	**Other**
Short Term Bank Loans	4.0%	6.036%	-
Long Term Bank Loans	2.745%	6.140%	-
Banking undertakings	4.020%	6.036%	-

		31/12/2005	
	€	**US$**	**Other**
Short Term Bank Loans	4.23%	4.290%	-
Long Term Bank Loans	-	4.180%	-
Banking undertakings	4.230%	4.290%	-

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6.17 Employee benefit liabilities

	THE GROUP	
	2006	**2005**
Liabilities on Balance Sheet:		
Defined contribution schemes	2,827,328	2,225,980
Defined benefit schemes	31,820,235	30,259,536
Total	**34,647,563**	**32,485,516**

	THE COMPANY	
	2006	**2005**
Liabilities on Balance Sheet:		
Pension benefits	650,123	389,373
Total	**650,123**	**389,373**

The amounts recognized on the Consolidated Profit and Loss Account are:

	2006			**2005**		
	Non contribution benefit scheme	**Defined Benefit Scheme**	**Total**	**Non contribution benefit scheme**	**Defined Benefit Scheme**	**Total**
Current employment cost	2,713,845	2,852,620	5,566,465	2,533,930	2,774,868	5,308,798
Interest cost on benefits	1,329,828	696,478	2,026,306	1,194,845	700,342	1,895,187
Expected return on benefit scheme assets	-	268,968	268,968	-	214,156	214,156
Past employment cost recognition	-	-	-	-	-	-
Actuarial profit (loss) recognized in current year	2,306,469	36,516	2,342,985	993,753	1,220,355	2,214,108
(Profit) Loss from adjustments	379,058	-	379,058	-	-	-
Expenses recognized on P&L	**6,729,200**	**3,316,646**	**10,045,846**	**4,722,528**	**4,481,409**	**9,203,937**
Expected return on benefit scheme assets	-	268,968	268,968	-	214,156	214,156
Actuarial profit (Loss) on benefit scheme	-	143,524	143,524	-	-	-
Realished return on benefit scheme assets	**-**	**412,491**	**412,491**	**-**	**214,156**	**214,156**

The amounts recognized on the Consolidated Balance Sheet are:

	2006			2005		
	Non contribution benefit scheme	Defined Benefit Scheme	Total	Non contribution benefit scheme	Defined Benefit Scheme	Total
Present value of defined benefit scheme - fully or partially contributed	-	13,929,560	13,929,560	-	13,339,852	13,339,852
Minus: Fair value of benefit scheme assets	-	(5,596,183)	(5,596,183)	-	(4,283,120)	(4,283,120)
	-	**8,333,377**	**8,333,377**	**-**	**9,056,732**	**9,056,732**
Present value of defined benefit scheme - fully or partially contributed	23,486,857	-	23,486,857	21,202,804	-	21,202,804
Net actuarial profit (loss) not recognized on balance sheet	-	-	-	-	-	-
Past employment cost not recognized on balance sheet	-	-	-	-	-	-
	23,486,857	**-**	**23,486,857**	**21,202,804**	**-**	**21,202,804**
Net pension contribution on balance sheet	**23,486,857**	**8,333,377**	**31,820,234**	**21,202,804**	**9,056,732**	**30,259,536**

The changes on present value of benefit scheme contribution are:

	2006			2005		
	Non contribution benefit scheme	Defined Benefit Scheme	Total	Non contribution benefit scheme	Defined Benefit Scheme	Total
Opening Balance	**21,202,804**	**13,339,852**	**34,542,656**	**25,524,552**	**16,608,277**	**42,132,829**
Employment cost	2,518,348	2,852,620	5,370,968	2,468,552	2,774,868	5,243,420
Interest cost	1,233,060	696,478	1,929,538	1,112,824	700,342	1,813,166
Actuarial profit (loss)	2,380,745	854,714	3,235,459	993,753	1,220,355	2,214,108
Reimbursements	3,848,099	3,814,104	7,662,203	8,896,877	7,963,989	16,860,866
Benefit scheme contribution - 31st December	**23,486,858**	**13,929,560**	**37,416,418**	**21,202,804**	**13,339,852**	**34,542,656**

The changes on fair value of benefit scheme assets are:

	2006	2005
	Defined Benefit Scheme	Defined Benefit Scheme
Opening Balance	**4,283,120**	**3,952,954**
Expected return on benefit scheme assets	4,283,120	3,952,954
Actuarial profit	268,968	214,156
Translation differences of foreign schemes	818,199	-
Employee contribution	-	-
Employer contribution	-	-
Reimbursements	4,040,000	8,080,000
Liabilities from business combinations	3,814,104	7,963,989
Closing Balance	**5,613,407**	**40,063**

The assumptions used, are presented in the following table:

	2006	2005
Discount rate	5,25%	5,25%
Expected return on benefit scheme assets	5.00%	5.00%
Future salaries increase	4.00%	3.50%
Future pensions increase	4.00%	3.50%

6.18 Other long-term liabilities

	GROUP	
	31/12/2006	31/12/2005
Received guarantees - Grants-Leasing		
Opening balance	6,528,893	122,786
Sudsidiary companies subsidies	4,333,796	0
Additions	17,994,174	6,757,386
Transfer at profits/loss	(352,527)	(351,280)
Balance at end of period	**28,504,336.8**	**6,528,893**
Other		
Opening balance	12,969	12,969
Additions	873,721	
Επιστροφές	(416,003)	
Exchange rate differences	(1,352)	
Balance at end of period	**469,335**	**12,969**
Rights for using Assets acquired through compensative benefits		
Opening balance	9,291,770	9,980,000
Additions	0	0
Depreciation for the pariod	(2,202,985)	(688,230)
Transferred to short term	(3,334,565)	
Balance at end of period	**3,754,221**	**9,291,770**
Advances of customers		
Opening balance	15,725,237	16,524,000
Additions		0
Depreciation for the period transferred at profit/loss	(6,886,700)	(798,763)
Balance at end of period	**8,838,537**	**15,725,237**
Total	**41,566,430**	**31,558,869**
Long Term Liabilities	38,231,865	28,534,975
Short Term Liabilities (see note 6.22)	3,334,565	3,023,894
	41,566,430	**31,558,869**

6.19 Provisions

Provisions referring to Group and Company are recognized if the following are met: (a) legal or implied liabilities exist as a consequence of past events, (b) there is a possibility of settlement that will require the outflow if economic benefits and (c) the amount of the liability can be measured reliably. More specifically, the Group recognizes provisions for environmental restorations as a result of exploitation of mineral resources processed mainly for the production of Alumina and Aluminum. All provisions are reviewed at each balance-sheet date and are adjusted accordingly so that they reflect the present value of expenses that will be required for the restoration of the environment. Contingent receivables are not recognized in the financial statements but are disclosed if there is a possibility of an inflow of economic benefits.

	GROUP			
	Environmental Restoration	Tax liabilities	Other	Total
01/01/2005	0	0	**50,610**	**50,610**
Additional provisions for the period	7,480,511	1,200,000	3,214,814	**11,895,325**
Additional provisions for the period			220,918	**220,918**
Unrealised reversed provisions		0		**0**
Exchange rate differences		0		**0**
Realised provisions for the period			(42,838)	**(42,838)**
31/12/2005	**7,480,511**	**1,200,000**	**3,443,503**	**12,124,014**
-Long Term				11,895,325
-Short Term (see note 6.19)				228,689
Additions from acquisition of subsidiary	0	0	4,440	**4,440**
Additional provisions for the period	(24,045)	2,150,000	6,422,681	**8,548,636**
Unrealised reversed provisions	0	0	(1,512,938)	**(1,512,938)**
Exchange rate differences	0		0	**0**
Realised provisions for the period	(423,316)	(200,000)	(16,346)	**(639,661)**
31/12/2006	**7,033,150**	**3,150,000**	**8,341,341**	**6,629,166**
-Long Term				19,771,825
-Short Term (see note 6.19)				252,666

6.20 Suppliers and other liabilities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	87,972,084	87,881,115	0	5,556,853
Checks payable	838,918	0	0	0
Customers' Advances	13,926,532	37,252,310	0	0
Liabilities to customers for project implementation	700,758	17,726,899	0	0
Total	**103,438,292**	**142,860,325**	**0**	**5,556,853**

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6.21 Current tax liabilities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax expense for the pariod	46,950,189	31,256,235	7,633,336	5,724,706
Tax audit differences	4,957,601	5,876,470	2,494,274	0
Tax liabilities	6,027,213	10,854,463	2,334,463	7,212,191
Total	**57,935,003**	**47,987,168**	**12,462,072**	**12,936,898**

6.22 Other short-term liabilities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Liabilities to Related Parties	0	0	39,138,463	8,325,740
Accrued expense	6,910,826	6,041,746	0	0
Social security insurance	3,855,345	3,863,628	119,256	114,212
Dividends payable	1,139,680	1,668,139	518,952	876,744
Deferred income-Grants (from note 6.18)	3,334,565	3,023,894	0	0
Others Liabilities	13,190,405	17,031,608	607,779	294,389
Total	**28,430,821**	**31,629,015**	**40,384,449**	**9,611,085**

6.23 Cost of goods sold

COST OF GOOD SOLD	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Retirement benefits	(3,014,089)	(5,066,973.93)	0	0
Other emploee benefits	(80,964,268)	(90,805,989.15)	0	0
Inventory cost	(277,827,303)	(284,060,104.62)	113,451,184	(151,608,961)
Third party expenses	(80,410,127)	(54,095,031.76)	0	0
Third party benefits	(140,055,074)	(102,884,211.12)	0	0
Assets repair and maintenance cost	(837,945)	(659,942.42)	0	0
Operating leases rent	(641,946)	(305,787.89)	0	0
Taxes & Duties	(257,429)	(189,195.66)	0	0
Advertisement	(37,068)	(44,495.14)	0	0
Other expenses	(23,968,793)	(14,433,740.99)	0	0
Assets depreciation	(23,302,139)	(19,490,567.02)	0	0
	(631,316,183)	**(572,036,040)**	**113,451,184**	**(151,608,961)**

6.24 Administrative / Distribution expenses

DISTRIBUTION EXPENSES	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Retirement benefits	(82,227.18)	(528)	0.00	0
Other emploee benefits	(3,550,428.86)	(3,465,246)	(1,692,355)	(1,746,630)
Inventory cost	(674.17)	(1,658)	0	0
Third party expenses	(4,951,738.62)	(2,868,693)	(2,007,113)	(1,993,792)
Third party benefits	(1,193,689.21)	(902,234)	(190,324)	(274,025)
Assets repair and maintenance cost	(143,138.48)	(55,163)	(39,932)	(44,053)
Operating leases rent	(339,323.44)	(24,769)	(148,135)	(38,669)
Taxes & Duties	(40,306.88)	(185,508)	0.00	0
Advertisement	(49,232.68)	(47,604)	(28,453)	(46,521)
Other expenses	(2,536,896.33)	(1,565,390)	(928,708)	(788,908)
Assets depreciation	(351,400.70)	(321,212)	(224,377)	(160,640)
Total	**(13,239,057)**	**(9,438,005)**	**(5,259,396)**	**(5,093,238)**

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Retirement benefits	(370,925)	(339,084)	0	0
Other emploee benefits	(9,573,092)	(6,134,231)	(3,207,048)	(2,087,022)
Inventory cost	(111,967)	(577)	0	0
Third party expenses	(11,631,894)	(10,124,224)	(2,840,712)	(2,558,751)
Third party benefits	(2,410,536)	(1,558,991)	(285,486)	(183,036)
Assets repair and maintenance cost	(517,605)	(331,182)	(59,898)	(56,167)
Operating leases rent	(860,582)	(822,569)	(222,203)	(225,672)
Taxes & Duties	(314,154)	(193,993)	0	(0)
Advertisement	(367,280)	(170,321)	(45,723)	(64,363)
Other expenses	(5,483,799)	(2,862,755)	(854,528)	(735,283)
Assets depreciation	(1,001,085)	(791,629)	(108,810)	(160,666)
Total	**(32,642,918)**	**(23,329,556)**	**(7,624,408)**	**(6,070,959)**

R & D Expenses	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Other emploee benefits	(147,524)	0	0	0
Third party expenses	(4,300)	0	0	0
Taxes & Duties	(38)	0	0	0
Other expenses	(987)	0	0	0
Assets depreciation	(95)	0	0	0
Total	**(152,944)**	**0**	**0**	**0**

6.25 Other operating income / expenses

	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Other operating income				
Grants amortization	38,576	36,937	0	0
Income from Subsidies	579,366	120,815	6,860	8,376
Compensations	0	3,625	0	220
Profit from foreign exchange differences	6,146,536	14,297,270	3,514,976	8,617,335
Rent income	1,499,858	1,631,101	86,612	59,479
Sales commission income	0	125,949	0	41,644
Other	4,480,556	4,075,347	107,573	30,376
Income from reversal of unrealized provisions	284,700	10,307,095	0	0
Profit from sale of fixed assets	1,738,945	261,312	0	0
Total	**14,768,537**	**30,859,453**	**3,716,021**	**8,757,430**
Other operating expenses				
Losses from foreign exchange differences	(8,899,347)	(12,277,849)	(6,440,133)	(10,450,096)
Provision for Bad Debts	(786,926)	(1,832,701)	0	0
Loss from sale of fixed assets	(211,130)	(38,434)	0	0
Other	(6,380,754)	(3,955,004)	(252,878)	(68,235)
Real estate tax and other taxes	(666,985)	(383,623)	(612,067)	(105,318)
Compensations	(18,500)	(4,546,388)	0	0
Total	**(16,963,642)**	**(23,033,998)**	**(7,305,078)**	**(10,623,649)**

6.26 Financial income / expenses

	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Interest income from:				
- Banks	1,666,621	2,592,655	11,919	21,507
- Customers	91,691	15,170	0	15,170
- Interest rate swaps	1,733,732	2,923,395	1,733,732	2,611,979
- Grants Loans	1,538	1,000	0	0
- Other	3,980	71,661	0.00	0
	3,497,562	**5,603,882**	**1,745,651**	**2,648,657**
Interest expenses from:				
- Discounts of Employees' benefits liability due to service termination	(1,610,777)	(148,129)	(17,522)	0
- Bank Loans	(7,785,295)	(5,947,610)	(5,834,971)	(5,925,197)
- Bank overdraft accounts	(154,114)	(1,180,497)	0	0
- Letter of Credit commissions	(103,705)	(4,715,403)	(29,804)	(23,482)
- Interest rate swaps	(1,663,318)	(2,695,596)	(1,663,318)	(2,695,596)
- Factoring	(55,134)	(151,082)	(55,134)	(151,082)
- Financial Leases	(8,308)	(1,170)	0	0
- Other Banking Expenses	(452,203)	(465,671)	(92,773)	(117,074)
	(11,832,854)	**(15,305,158)**	**(7,693,522)**	**(8,912,432)**

6.27 Other financial results

	GROUP		COMPANY	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
Derivatives:	**5,038,262**	0	5,038,262	
Profit / (loss) from fair value of other financial instrument through profit/loss	(490,736)	(75,082)	0	0
- Fair value profit	285,699	1,642,986	285,699	1,642,437
Profit / (loss) from the sale of financial instruments	29,183,801	26,213,425	35,142,342	33,548,201
Income from dividends	21,390	209,579	20,298,792	17,312,349
Total	**34,038,417**	**27,990,907**	**60,765,095**	**52,502,987**

6.28 Consolidations of companies

During the reporting period, the Group:

- acquired a 61,97% stake in the share capital of the listed in the Athens Stock Exchange company "DELTA PROJECT SA" for € 30.720.793 (7.746.622 shares) and through this an indirect stake in its subsidiaries.

The Group consolidated "DELTA PROJECT S.A." from 12.06.2006, as this was the date that control was deemed to be acquired. At 12/6/2006 the Group acquire 5.578.000 shares or percentage 44.62% for € 13.166. At 13/10/2006 Group exercised put option right and acquired 2.168.622 shares or percentage 17.35% for 8 € per share.

As a result of this, Group's turnover is increased €3.923.848, Group's EBIT decreased by €274.039and Group's Equity is increased by €2.349.121. If "DELTA PROJECT Group" was consolidated form the beginning of the period the Group's turnover would be increased by €6.146.921 and Group's Earning after tax would be decreased by €2.863.295. The effect of the above acquisition was a goodwill of € 12.171.361 as shown at the following table:

Goodwill from Delta Project Acquisition		
Date of acquisition	*12/06/2006*	*13/10/2006*
Acquired percentage	*44.62%*	*17.35%*
Shares (Total) :	*12,500,000*	*12,500,000*
Acquired shares :	*5,578,000*	*2,168,622*
Par value (per share) :	*0.34*	*0.34*
Acquisition price (per share.) :	*2.45*	*8.00*
Cost of acquisition		
- Cash paid	13,666,100	17,348,976
- Direct expenses related to acquisition	124,198	27,758
- Distribution of reserves prior to aqcuisition	-446,240	
Total value of acquisition	**13,344,058**	**17,376,734**
Less: Fair value of Assets and Liabilities acquired	**13,289,276**	**5,260,156**
Profit from acquisition	***54,782***	***12,116,578***

Respectively, the assets acquired and the liabilities undertaken by the Group are as follows:

	12/06/2006		13/10/2006	
	Book value	**Fair value**	**Book value**	**Fair value**
Property, plant and equipment	29,074,979	29,074,979	31,057,272	31,057,272
Goodwill	6,176,447		6,207,909	
Intangible assets	159,188	36,259,188	290,182	36,390,182
Deferred tax asset	1,138,820	1,138,820	743,938	743,938
Available for sale investments	462,088	462,088	1,110,830	1,110,830
Other non-current	447,888	447,888	372,181	372,181
Inventories	578,140	578,140	802,246	802,246
Trade and other receivables	7,427,878	7,427,878	3,355,212	3,355,212
Other assets	5,597,058	5,597,058	5,401,965	5,401,965
Cash and cash equivalents	1,392,290	1,392,290	1,405,783	1,405,783
Deferred tac liabilities	(880,497)	(9,905,497)	(1,242,249)	(10,267,249)
Other non-current liabilities	(4,292,168)	(4,292,168)	(4,266,168)	(4,266,168)
Loans	(26,626,060)	(26,626,060)	(27,934,561)	(27,934,561)
Trade and other payables	(4,104,906)	(4,104,906)	(2,280,335)	(2,280,335)
Tax payable	(872,409)	(872,409)	(999,771)	(999,771)
Other current liabilities	(4,231,546)	(4,231,546)	(1,662,214)	(1,662,214)
Minority interest	(2,565,186)	(2,565,186)	(2,909,619)	(2,909,619)
Total equity		**29,780,557**		**30,319,691**
Acquired percentage		*44.624%*		*17.349%*
Fair value		***13,289,276***		***5,260,156***

It is noted that the fair value of the tangible and intangible assets acquired, the liabilities undertaken, as well as the contingent liabilities assumed were determined provisionally as the final evaluation regarding the fair value of the intangible assets recognized is still pending.

The provisional values of the operation and construction licenses recognized amount to € 36.1m.

- The Group at 11/09/2006 acquired a 100% interest in the company "SPIDER ENERGY SA", a 100% subsidiary, for Euro 6.85m. The Group consolidated the above company from 11/09/2006, date at which control was to deemed to be acquired.

The effect of the above acquisition was a goodwill of € 305.956 as shown at the following table:

Goodwill from Spider Acquisition		
Date of acquisition	*11/09/2006*	
Acquired percentage	*100%*	
Shares (Total) :	*250,000*	
Acquired shares :	*250,000*	
Par value (per share) :	*1.00*	
Acquisition price (per share.) :	*0.00*	
Cost of acquisition	0	
- Cash paid	6,850,000	
- Direct expenses related to acquisition	0	
- Distribution of reserves prior to aqcuisition	0	
Total value of acquisition	**6,850,000**	
Less: Fair value of Assets and Liabilities acquired	**6,544,044**	
Profit from acquisition		***305,956***

Respectively, the assets acquired and the liabilities undertaken by the Group are as follows:

	Book value	Fair value
Property, plant and equipment	81,555	81,555
Intangible assets	0	8,500,000
Deferred tax asset	27,965	27,965
Other assets	29,056	29,056
Cash and cash equivalents	30,657	30,657
Deferred tax liabilities	0	(2,125,000)
Trade and other payables	0	0
Tax payable	(189)	(189)
Total equity	169,422	**6,544,044**
Acquired percentage		*100%*
Fair value		***6,544,044***

It is noted that the fair value of the tangible and intangible assets acquired, the liabilities undertaken, as well as the contingent liabilities assumed were determined provisionally as the final evaluation regarding the fair value of the intangible assets recognized is still pending.

The provisional values of the operation and construction licenses recognized amount to € 8.5m.

6.29 Income tax

Income tax for the Group and Company differs from the theoretical amount that would result using the nominal tax rate prevailing at year end over the accounting profits. The reconciliation of this difference is analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income Tax	49,593,685	(15,892,565)	7,633,336	4,448,843
Tax Audit differences	5,811,809	(10,874,788)	4,475,203	241,128
Deferred taxation	(8,055,364)	(5,909,134)	(1,280,860)	(3,583,382)
Total	**(47,350,130)**	**(32,676,487)**	**(10,827,679)**	**1,106,589**

6.30 Earnings per share

	GROUP		COMPANY	
	01/01 - 31/12/2006	01/01- 31/12/2005	01/01 - 31/12/2006	01/01- 31/12/2005
Profit attributable to Shareholders of the parent	105,579,076	211,539,021	46,394,915	44,834,915
Weighted average number of shares	40,504,895	40,520,340	40,504,895	40,520,340
Basic earnings per share	2.61	5.22	1.15	1.11

Continuing Operations	01/01 - 31/12/2006	01/01- 31/12/2005	01/01 - 31/12/2006	01/01- 31/12/2005
Profit attributable to Shareholders of the parent	105,503,642	211,447,251	46,394,915	44,834,915
Weighted average number of shares	40,504,895	40,520,340	40,504,895	40,520,340
Basic earnings per share	2.60	5.22	1.15	1.11

Discontinuing Operations	01/01- 30/06/06	01/04- 30/06/06	01/01- 30/06/06	01/01- 30/06/06
Profit attributable to Shareholders of the parent	75,434	91,770		
Weighted average number of shares	40,504,895	40,520,340		
Basic earnings per share	0.002	0.002		

6.31 Cash flows from operating activities

	GROUP		COMPANY	
	2006	2005	2006	2005
Cash flows from operating activities				
Profit for the period	157,333,620	256,199,982	46,394,915	44,834,915
Adjustments for:				
Tax	47,350,130	38,490,718	10,827,679	865,461
Depreciation of property,plant and equipment	22,759,974	18,496,167	333,187	321,306
Depreciation of intangible assets	2,125,472	2,079,760	3,045	0
Impairments	394,000	0	0	0
Provisions	2,662,098	1,712,960	260,750	0
Income from reversal of prior year's provisions	(70,173)	(387,489)	0	(24,898)
Profit / Loss from sale of tangible assets	(1,849,131)	(287,649)	2,787	0
Profit/Loss from fair value valuation of investment property	(41,157,463)	(14,266,349)	(35,958,262)	0
Profit / Loss from fair value valuation of derivatives	920,448	(11,488,184)	(545,043)	(11,488,184)
Proft / Loss from fair value valuation of financial assets at fair value through profit and loss	(7,506)	74,533	0	0
Profit / Loss from sale of held-for-sale financial assets	(10,838,897)	(7,000,182)	0	0
Profit / Loss from sale of financial assets at fair value through profit an loss	(580,809)	(4,510,199)	(580,809)	(33,548,201)
Interest income	(3,829,261)	(5,804,488)	(1,745,651)	(2,648,657)
Interest expenses	11,917,893	14,864,947	7,693,522	8,912,432
Dividends	(21,390)	(240,188)	(20,298,792)	(17,312,349)
Grants amortization	(429,581)	(265,430)	0	0
Profit from company acquisition	(72,891)	(137,465,657)	0	0
Parent company's portion to the profit of associates	4,419,693	(1,445,398)	0	0
Loans Exchange differences	(9,660,133)	8,317,207	(2,135,505)	8,522,889
Cash flows from discontinued operations	(459,348)	161,002		
Other Exchange differences	7	4,388,299	0	6,522,881
	180,906,751	**161,624,361**	**4,251,823**	**4,957,595**
Changes in Working Capital				
(Increase)/Decrease in stocks	(92,425,060)	(56,506,175)	(955,336)	486,311
(Increase)/Decrease in trade receivables	7,926,857	(124,712,785)	(5,597,539)	(51,790,888)
(Increase)/Decrease in other receivables	(6,137,404)	(504,291)	0	(6,596,863)
Increase / (Decrease) in liabilities	20,588,554	156,847,217	50,327,724	4,090,158
Provisions	5,371,908	(6,690,339)	0	0
Pension plans	0	24,898	0	24,898
Other		0		0
	(64,675,144)	**(31,541,475)**	**43,774,849**	**(53,786,384)**
Net Cash flows operating activities	**116,231,606**	**130,082,886**	**48,026,672**	**(48,828,790)**

6.32 Discontinued Operations

For the purpose of better and fulfill information and in order for the financial statements to be comparable there is a need to present the financial statement for the discontinued operation.

Group's subsidiary "METKA S.A." on the back of its 2/5/06 BOD decision proceed with the disposal of eight thousand (8.000) shares of the company "3KP" that constitute its total investment in the company, or a percentage of 40% of its share capital for the price of 124.2€/share, or € 993.600. The disposal of the above mentioned investment was deemed as necessary due to poor synergies as compared to expectations regardless the profitability of the investment.

The profit of the current period for the discontinued operation is € 356.425 which breaks down to €23.611 from operational profit and € 332.814 as profit from the sale of the discontinued operation.

	THE GROUP			
	01/01-31/12/06	**01/10-31/12/06**	**01/01-31/12/05**	**01/10-31/12/05**
Sales	**460,715**		**12,155,238**	
Cost of sales	(366,926)		(10,985,307)	
Gross profit	**93,790**	**0**	**1,169,931**	**0**
Other operating income	73,321		10,463	
Distribution expenses	0		0	
Administrative expenses	(135,824)		(497,505)	
Other operating expenses	(3,252)		(69,472)	
Research & Development expenses	0		0	
Earnings before interest and income tax	**28,035**	**0**	**613,417**	**0**
Financial income	15,031		22,677	
Financial expenses	(5,909)		(23,676)	
Other financial results	0		0	
Negative goodwill	0		0	
Share of profit of associates	0		0	
Profit before income tax	**37,157**	**0**	**612,418**	**0**
Income tax expense	(13,546)		(159,093)	
Profit for the period	**23,611**	**0**	**453,325**	**0**
Profit from sale of discontinued operation	332,814		0	
Profit for the period	**356,425**	**0**	**453,325**	**0**
Attributable to:				
Equity holders of the parent	0		*0*	
Minority interest	0		*0*	
Basic earnings per share	*0.00*		*0.00*	
	Summary			
Earnings before income tax,financial results,depreciation and amortization	45,350	0	668,876	0
Earnings before income tax and financial results	28,035	0	613,417	0
Earnings before income tax	37,157	0	612,418	0
Earnings for the period	356,425	0	453,325	0

6.33 Sale of Treasury Shares

During the reporting period the Group bought treasury shares, specifically, 250.120 shares amounting to€ 6.553.566 (Decision of Ordinary General Shareholders' Meeting at 14/06/2006.

6.34 Pledge of assets

There are no pledges on Group's assets.

6.35 Commitments

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

Commitments from construction contracts	GROUP 31/12/2006	GROUP 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
Value of pending construction contracts	223,710,867	445,822,976	0	0
Granted guarantees of good performance	111,744,450	77,166,752	0	0
Total	**335,455,317**	**522,989,728**	**0**	**0**

6.36 Contingent Assets & Contingent Liabilities

Disclosures related to contingent assets

The account of assets "Other receivables" includes a litigation claim of the parent company from Export Credit Insurance Organization (ECIO), amounting to € 14.509.364. The above claim has been granted to the company (decision EA 6619/2004) by the Court of Appeal of Athens. According to the Court's decision ECIO is obliged to pay to MYTILINEOS A.E. compensation which amounts to € 16.069.095,48 plus interest, until full repayment and ensured by an equal amount letter of credit. There are no other litigations which have an important impact on company's and Group's financial position.

Disclosures related to contingent liabilities

In 1998 the company proceed to an agreement with the Romanian governmental service ARSA for the acquisition of a controlling stake in the former governmental entity SOMETRA. The agreement had provisions regarding the obligation of the acquirer to make investments in the field of technology and environment for the years 1999-2003. The agreement had also the provision for arbitration in case of differences upon performance. ARSA, on the back of its claim for violation of the agreement provisions regarding investment obligations, has appealed in the arbitration court asserting payments for non performance related to the investments of the years 2001-2003. The arbitration court has already proceed to the substance of the difference and the Group management believes that there will be no material liability beyond the amount of 1.6m $ that is considered as a realistic provision.

There are no litigations or arbitrations pending against the Group that may have a significant impact on its financial position or operations.

The fiscal years that have not been inspected by the tax authorities for each of the Group's companies are as follows:

COMPANY	YEARS NOT INSPECTED BY TAX AUTHIRITIES
MYTILINEOS S.A. Maroussi, Athens	2005-2006
METKA S.A., N. Heraklio, Athens	2005-2006
SERVISTEEL, Volos	2003-2006
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	2001-2006
RODAX A.T.E.E., N.Heraklio, Athens	2005-2006
ELEMKA S.A., N.Heraklio, Athens	2005-2006
DROSCO HOLDINGS LIMITED, Cyprus	2003-2006
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	1st Year
ALUMINIUM OF GREECE S.A.	2006
DELFI DISTOMON A.M.E.	2005-2006
ELVO, Thessaloniki	2006
SOMETRA S.A., Sibiu Romania	2003-2006
MYTILINEOS FINANCE S.A., Luxemburg	-
STANMED TRADING LTD, Cyprus	2004-2006
MYTILINEOS BELGRADE D.O.O., Serbia	1999-2006
MYVEKT INTERNATIONAL SKOPJE	1999-2006
RDA TRADING, Guernsey Islands	-
DEFENSE MATERIAL INDUSTRY S.A.-MYTILINEOS AND Co, Maroussi, Athens	2003-2006
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	2001-2006
INDUSTRIAL RESEARCH PROGRAMS "BEAT", Halandri, Athens	2003-2006
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	2003-2006
NORTH AEGEAN RENEWABLES, Maroussi, Athens	1st Year
GENIKI VIOMICHANIKI, Maroussi, Athens	2003-2006
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	2001-2006
AIOLIKI ANDROU TSIROVLIDI S.A.,Maroussi,Athens	2003-2006
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	2003-2006
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	2003-2006
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	2003-2006
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	2003-2006
AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	2003-2006
AIOLIKI PLATANOU S.A., Maroussi, Athens	2003-2006
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	2003-2006
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	2003-2006
AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	2003-2006
HELLENIC SOLAR S.A., Maroussi Athens	1st Year
SPIDER S.A., Maroussi Athens	2002-2006
THORIKI S.A.I.C., Maroussi, Athens	2003-2006
DELTA PROJECT S.A., Moshato, Athens	2003-2006
THERMOREMA S.A., Moshato, Athens	2003-2006
KASTANIOTIKO S.A., Moshato, Athens	2003-2006
POUGAKIA S.A., Moshato Athens	2003-2006
DELTA PROJECT CONSTRUCT SRL, Boucouresti, Romania	2005-2006
KALOMOIRA S.A., Moshato, Athens	2003-2006
DELTA ENERGY S.A., Moshato, Athens	2003-2006
FOIVOS ENERGY S.A., Amfiklia Fthiotidas	2002-2006
YDROXOOS S.A., Moshato, Athens	2004-2006
PEPONIAS S.A., Moshato, Athens	2004-2006
FTHIOTIKI ENERGY S.A., Moshato, Athens	2003-2006
YDRIA ENERGY S.A., Moshato, Athens	2005-2006
AIOLIKI MARTINOU S.A., Moshato, Athens	2005-2006
ARGIRI ENERGY S.A., Moshato, Athens	2003-2006
EN.DY. S.A., Moshato, Athens	2003-2006
FOTINOS TILEMAXOS S.A., Moshato, Athens	2003-2006
THESSALIKI ENERGY S.A., Moshato, Athens	2002-2006
ENERGY CONSTRUCTION DEVELOPMENT WESTERN GREECE S.A., Agrinio Aitoloakarnanias	1999-2006
IONIA ENERGY S.A., Moshato, Athens	1st Year
ELECTRONWATT S.A., Moshato, Athens	1st Year
BUSINESS ENERGY S.A., Alimos, Athens	1st Year

During the reporting period, tax authorities' inspection assessed tax differences, amounting to € 5.811.577. The assessed tax differences are offset against relevant provisions.

For the fiscal years that have not been inspected by the tax authorities (as reported in the above table), there is a possibility of additional tax imposition. Therefore the group assesses, on an annual basis, the contingent liabilities regarding additional taxes from tax inspections in respect of prior years and makes relevant provisions where this is deemed necessary.

Other Contingent Assets & Liabilities

The Group accumulated claims from insurance companies, relating to damages incurred at the construction process amounting to € 3,1k have been received until 31.12.2006.

The Group has new accumulated claims amounting to € 1,4k. The outcome of the above mentioned claims is in the stage of finalization by the insurance companies.

In addition the Group has submitted demands to its construction customers, amounting to € 1.500k for executed work that is not related to Contractual Obligations.

6.37 Changes in Accounting Estimations

No change occur in accounting methods and estimations.

6.38 Dividends Payable

In the reporting period the Group paid a total amount of € 38.291.309 1 for Dividends to the Group Companies Shareholders, out of which an amount of € 21.995.250 regards mother company shareholders and the rest regards minority shareholders.

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6.39 Number of employees

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Full time employees	2,360	3,314	60	63
Part time employees	1,154	419	3	2
Total	**3,514**	**3,733**	**63**	**65**

6.40 Related Party transactions

6.40.1 Intragroup transactions

INTERCOMPANY SALES - PURCHASES
01/01-31/12/06

SALES \ PURCHASES	MYTILINEOS S.A.	ΔE-PRO	WIND POWER GROUP	HELLENIC SOLAR S.A.	MYTILINEOS POWER GENERATION & SUPPLIES S.A.	GENIKI VIOMICHANIKI	DEFENSE MATERIAL INDUSTRY	MYTILINEOS RENEWABLE WIND POWER S.A	MYTILINEOS FINANCE S.A.	ALLUMINIUM OF GREECE	METKA S.A.	SOMETRA S.A.	ΘΟΡΙΚΗ ΑΒΕΕ	ΑΠΒ ΑΙΓΑΙΟΥ	ELVO	TOTAL
MYTILINEOS S.A. Sales			4,375	0	398	398	0	0	7,117,385	5,617	162,647	83,963,046	33,000		170,520	91,457,385
MYTILINEOS S.A. Other operating income			15,495	360	1,409	1,409	1,409	720.00	0		36,130	0		240		57,172
ΔE-PRO																0
WIND POWER GROUP	0				0	0	0	0	0	0	0	0				0
HELLENIC SOLAR S.A.																0
MYTILINEOS POWER GENERATION & SUPPLIES S.A.	0		0			0	0	0	0	0	0	0				0
GENIKI VIOMICHANIKI	0		0		0		0	0	0	0	0	0				0
DEFENSE MATERIAL INDUSTRY	0		0		0	0		0	0	0	0	0				0
MYTILINEOS RENEWABLE WIND POWER S.A	0		100,000		0	0	0		0	0	0	0				100,000
MYTILINEOS FINANCE S.A.	405,501		0		0	0	0	0		7,199,433	0	32,115				7,637,049
MYTILINEOS FINANCE S.A.- Χρηματ/κά	566,855		0		0	0	0	0		0	0	0				566,855
ALLUMINIUM OF GREECE Sales	0		0		0	0	0	0	122,492,528		41,694	0				122,534,222
ΘΟΡΙΚΗ ΑΒΕΕ										340,000	529,811	40,312,647				41,182,458
ALLUMINIUM OF GREECE Other operating income	0		0		12,366	0	0	0	0		0	0				12,366
METKA S.A.	42,400		0		19,541	0	0	0	0	148,370,932		0			438,842	148,871,716
SOMETRA S.A.	50,228,724		0		0	0	0	0	0	0	0		28,986,379			79,215,103
ΑΠΒ ΑΙΓΑΙΟΥ																0
ELVO											271,672					271,672
TOTAL	51,243,480	0	119,870	360	33,714	1,806	1,409	720	129,609,913	155,915,982	770,282	124,307,809	29,019,379	240	609,362	491,634,326

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INTERCOMPANY RECEIVABLES - PAYBLES

01/01-31/12/06

RECEIVABLES \ PAYABLES	MYTILINEOS S.A.	ΔΕ-PRO	WIND POWER GROUP	HELLENIC SOLAR S.A.	MYTILINEOS POWER GENERATION & SUPPLIES S.A.	GENIKI VIOMICHANIKI	DEFENSE MATERIAL INDUSTRY	MYTILINEOS RENEWABLE WIND POWER S.A	MYTILINEOS FINANCE S.A.	ALLUMINIUM OF GREECE	METKA S.A.	ΘΟΡΙΚΗ ΑΒΕΕ	SOMETRA S.A.	ELVO	TOTAL
MYTILINEOS S.A. Customers / Creditors			18,853.65	372.96	1,932.70	155,349.45	0.00	10,308,545.92		3,694.50	10,119.75		0.00	*16,910.70*	**10,516,028.27**
MYTILINEOS S.A. Other Receiv. / Long-term Liabil.			75,000.00		0.00			29,151.88							**874,151.88**
MYTILINEOS S.A. Other Receiv. / Creditors			673,000.00	20,000.00	0.00			0.00				35,993,793.07			**36,686,793.07**
ΔΕ-PRO															**0.00**
WIND POWER GROUP					199,250.44										**199,250.44**
HELLENIC SOLAR S.A.															**0.00**
MYTILINEOS POWER GENERATION & SUPPLIES S.A.								1,200.00							**1,200.00**
MYTILINEOS POWER GENERATION & SUPPLIES S.A. Other Receiv./ Creditors			0.00	0.00											**0.00**
GENIKI VIOMICHANIKI															**0.00**
DEFENSE MATERIAL INDUSTRY															**0.00**
MYTILINEOS RENEWABLE WIND POWER S.A			119,000.00												**119,000.00**
ΘΟΡΙΚΗ ΑΒΕΕ										404,600.00	348,323.73		157,433,726.27		**158,186,650.00**
MYTILINEOS FINANCE S.A.	39,134,353.93									929,667.21		2,720.80	105,071.79		**40,171,813.73**
ALLUMINIUM OF GREECE	0.00				0.00				8,384,850.58		16,444,739.00				**24,829,589.58**
METKA S.A.	4,108.58				61,172.77					16,572,233.00				221,660.67	**16,859,175.02**
SOMETRA S.A.												56,085,611.11			**56,085,611.11**
ΑΠΒ ΑΙΓΑΙΟΥ															**0.00**
ELVO															**0.00**
TOTAL	**39,138,462.51**	**0.00**	**885,853.65**	**20,372.96**	**262,355.91**	**155,349.45**	**0.00**	**10,338,897.80**	**8,384,850.58**	**17,910,194.71**	**16,803,182.48**	**92,082,124.98**	**157,538,798.06**	**238,571.37**	**344,529,263.10**

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RECEIVABLES / PAYABLES	MYTILINEOS S.A.	ΔE-PRO	WIND POWER GROUP	HELLENIC SOLAR S.A.	MYTILINEOS POWER GENERATION & SUPPLIES S.A.	GENIKI VIOMICHANIKI	DEFENSE MATERIAL INDUSTRY	MYTILINEOS RENEWABLE WIND POWER S.A	MYTILINEOS FINANCE S.A.	ALLUMINIUM OF GREECE	METKA S.A.	ΘΟΡΙΚΗ ΑΒΕΕ	SOMETRA S.A.	ELVO	TOTAL
MYTILINEOS S.A. Customers / Creditors			674,852.39				4,262.21				2,721,851.08	-2,157.60	75,100,225.15	*16,910.70*	**78,499,033.23**
MYTILINEOS S.A. Other Receiv. / Long-term Liabil.															**0.00**
MYTILINEOS S.A. Other Receiv. / Creditors															**0.00**
ΔE-PRO															**0.00**
WIND POWER GROUP					290,088.17										**290,088.17**
HELLENIC SOLAR S.A.															**0.00**
MYTILINEOS POWER GENERATION & SUPPLIES S.A.	17,362.84														**17,362.84**
MYTILINEOS POWER GENERATION & SUPPLIES S.A. Other Receiv./ Creditors															**0.00**
GENIKI VIOMICHANIKI															**0.00**
DEFENSE MATERIAL INDUSTRY															**0.00**
MYTILINEOS RENEWABLE WIND POWER S.A															**0.00**
MYTILINEOS FINANCE S.A.	8,304,268.39									2,073,652.87					**10,377,921.26**
ALLUMINIUM OF GREECE					7,213.35				10,408,402.45		33,570,686.50				**43,986,302.30**
METKA S.A.					41,631.28										**41,631.28**
SOMETRA S.A.															**0.00**
ELEMKA S.A.	4,108.58										736.00				**4,844.58**
ELVO															**0.00**
TOTAL	**8,325,739.81**	**0.00**	**674,852.39**	**0.00**	**338,932.80**	**0.00**	**4,262.21**	**0.00**	**10,408,402.45**	**2,073,652.87**	**36,293,273.58**	**-2,157.60**	**75,100,225.15**		**133,217,183.66**

6.40.2 Related Party Transactions according to IAS 24

Stock Sales	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company				
Subsidiaries	0.00	0.00	83,975,124.47	75,022,452.83
Associates	0.00	0.00	0.00	0.00
Other Related Parties	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**83,975,124.47**	**75,022,452.83**

Stock Purchases	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	50,240,801.80	47,079,836.98
Associates	0.00	0.00	0.00	
Other Related Parties	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**50,240,801.80**	**47,079,836.98**

Services Sales	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	7,368,672.60	1,508,605.40
Associates	438,226.20	258,184.04	240.00	170,520.00
Other Related Parties	556,559.83	15,868.14	0.00	0.00
Total	**994,786.03**	**274,052.18**	**7,368,912.60**	**1,679,125.40**

Services Purchases	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	1,002,677.81	543,011.64
Associates	271,672.25	151,291.37	0.00	0.00
Other Related Parties	134,982.62	37,547.65	0.00	0.00
Total	**406,654.87**	**188,839.02**	**1,002,677.81**	**543,011.64**

Loans given to Related Parties	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	33,914,859.53	0.00
Associates	0.00	0.00	0.00	0.00
Other Related Parties	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**33,914,859.53**	**0.00**

Loans received from Related Parties	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	39,138,462.51	8,304,268.39
Associates	0.00	0.00	0.00	0.00
Other Related Parties	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**39,138,462.51**	**8,304,268.39**

Balance from sales/purchases of stock/services Receivables	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	12,066,269.45	78,499,033.23
Associates	225,551.12	16,910.70	16,910.70	16,910.70
Other Related Parties	1933898.96	44799.64	0.00	0.00
Total	**2,159,450.08**	**61,710.34**	**12,083,180.15**	**78,515,943.93**

Balance from sales/purchases of stock/services Payable	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Parent company	0.00	0.00	0.00	0.00
Subsidiaries	0.00	0.00	0.00	21,471.42
Associates	75,482.71	0.00	0.00	0.00
Other Related Parties	3,642.16	41,788.00	0.00	0.00
Total	**79,124.87**	**41,788.00**	**0.00**	**21,471.42**

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction fro the above mentioned had any special terms and there were no guarantees given or received.

6.40.3 Management remuneration and fringes

	THE GROUP	THE COMPANY
	2006	**2006**
Short term employee benefits		
- wages and Salaries	2,300,539.07	1,093,660.11
- Insurance servise cost	241,663.64	45,889.18
- Bonus	139,690.00	89,690.00
- Other remunerations	7,121,896.48	2,033,982.48
	9,803,789.19	**3,263,221.77**
Pension Benefits:		
- Defined benefits scheme		
- Defined contribution scheme	2,047,862.00	328,862.00
- Other Benefits scheme		
Payments through Equity	0.00	0.00
Total	**11,851,651.19**	**3,592,083.77**

No loans have been given to members of BoD or other management members of the Group (and their families).

6.41 Proposed dividend

The Board of Directors of the parent company will propose to the general Assembly the distribution of dividends form 2006profit amounting to € 24.162.132 or €0,60 per share as opposed to €0,40/per share for the previous year (2005).

6.42 Post Balance Sheet events

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

There are no other significant subsequent events, apart from the abovementioned, which should be announced for the purposes of I.F.R.S.