



HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

Annual Financial Statements

In accordance with the International Financial Reporting Standards (“IFRS”)

Of the fiscal year that ended on 31 December 2006

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Balance Sheet

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS					
Non-current assets					
Property, plant and equipment	6	1,745,889,724	1,745,040,511	172,542	162,310
Intangible assets	8	5,295,872	7,497,745	-	-
Investment in properties	9	33,493,825	34,159,151	108,023,315	108,236,436
Investments in affiliate companies	10	15,254,855	16,553,444	-	-
Investments in subsidiary companies	11	-	-	688,449,988	728,801,964
Available-for-sale financial assets	12	10,531,668	7,969,560	32,279,887	29,927,613
Deferred tax assets	14	8,486,293	1,783,864	-	-
Derivative financial instruments	17	2,813,459	540,236	-	-
Other receivables	16	8,740,740	11,345,520	6,074	6,489
		1,830,506,436	1,824,890,031	828,931,805	867,134,812
Current assets					
Inventories	15	842,309,260	682,313,191	-	-
Trade and other receivables	16	763,530,205	608,804,256	4,191,531	3,152,552
Non-current assets for sale	7	3,918,560	-	-	-
Available-for-sale financial assets	12	3,268,758	12,141,799	-	10,000,000
Derivative financial instruments	17	15,873,614	21,622,488	-	-
Financial assets at fair value through profit & loss	13	293,897	1,002,873	-	-
Income tax down payment		21,460,451	8,087,381	-	-
Cash and cash equivalents	18	233,709,108	83,313,042	86,218,290	14,191,249
		1,884,363,853	1,417,285,030	90,409,821	27,343,801
Total assets		3,714,870,289	3,242,175,061	919,341,626	894,478,613
EQUITY					
Capital and reserves attributable to company's equity holders					
Share capital	19	59,842,227	59,842,227	59,842,227	59,842,227
Share premium account	19	411,618,152	411,618,152	411,618,153	411,618,153
Treasury stock	19	-8,005,437	-7,911,289	-	-
Translation reserve	20	2,076,289	100,347	-	-
Other reserves	20	238,263,789	250,974,754	29,661,368	29,663,449
Profits carried forward		385,315,687	258,938,793	391,555,938	368,644,329
Total		1,089,110,707	973,562,984	892,677,685	869,768,158
Minority interest		687,830,425	508,473,719	-	-
Total equity		1,776,941,132	1,482,036,703	892,677,685	869,768,158
LIABILITIES					
Non-current liabilities					
Borrowings	21	840,280,414	720,592,278	-	-
Liabilities from leasing activities	22	120,022	1,918,993	-	-
Derivative financial instruments	17	257,283	2,683,179	-	-
Deferred tax liabilities	14	186,527,865	203,583,567	19,183,009	19,007,585

Retirement and termination benefit obligations	23	20,542,508	19,341,347	40,063	38,080
Government grants	24	28,824,858	31,001,614	-	-
Provisions	26	15,373,630	10,173,915	-	-
Other non-current liabilities	25	328,198	39,697	-	-
		1,092,254,778	989,334,590	19,223,072	19,045,665
Current liabilities					
Trade and other payables	25	336,137,177	254,360,958	5,692,494	3,957,522
Current tax liabilities		52,570,089	14,515,499	1,748,374	1,707,269
Borrowings	21	445,705,330	488,886,241	-	-
Liabilities from leasing activities	22	2,095,850	1,867,522	-	-
Derivative financial instruments	17	5,072,041	9,711,317	-	-
Provisions	26	4,093,892	1,462,231	-	-
		845,674,378	770,803,768	7,440,868	5,664,791
Total liabilities		1,937,929,157	1,760,138,358	26,663,940	24,710,455
Total equity and liabilities		3,714,870,289	3,242,175,061	919,341,626	894,478,613

The notes on pages 9 to 68 are an integral part of these financial statements.

Income Statement

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		12 months until 31/12/2006	12 months until 31/12/2005	12 months until 31/12/2006	12 months until 31/12/2005
Sales		3,274,469,918	2,331,470,903	39,925	52,844
Cost of sales	27	-2,772,650,900	-2,024,297,501	-37,500	-42,000
Gross profit		501,819,018	307,173,402	2,425	10,844
Selling expenses	27	-149,295,056	-131,484,357	-	-
Administrative expenses	27	-84,258,266	-72,268,229	-2,813,197	-2,149,242
Other operating income/(expenses) (net)	31	13,058,541	-481,780	23,945,559	3,337,784
Operating profit		281,324,237	102,939,036	21,134,787	1,199,386
Finance costs - net	29	-56,244,059	-47,513,132	669,837	570,608
Income from dividends		1,089,419	1,810,519	17,237,267	12,458,589
Share of profit of associates		741,234	2,153,671	-	-
Profits before taxation		226,910,831	59,390,094	39,041,891	14,228,583
Income tax expense	30	-30,182,942	-25,749,360	-1,516,724	-1,176,068
Net profits of the period from ongoing activities		196,727,889	33,640,734	37,525,166	13,052,516
Attributable to:					
Equity holders of the parent company					
Minority interest		113,153,339	20,220,636	37,525,166	13,052,515
		83,574,549	13,420,099	-	-
		196,727,888	33,640,735	37,525,166	13,052,515
Earnings per share that are attributable to the equity holders of the parent company for the period (expressed in Euros per share)					
Basic and diluted	37	0.570	0.102	0.188	0.065

The notes on pages 9 to 68 are an integral part of these financial statements.

Statement of Changes in Equity

Consolidated

	Attributable to the equity holders of the parent company					Total	Minority Interest	Total Equity
	Share capital	Fair value reserves	Other reserves	Accumulated profits	Translation reserve			
Balance at 1 January 2005	463,549,092	-	213,023,305	292,783,016	-168,075	969,187,338	494,744,205	1,463,931,543
Application of IAS 32 & 39	-	8,953,940	-	2,931,047	-	11,884,987	-1,718,461	10,166,526
Currency translation differences	-	-	-	-	268,422	268,422	80,758	349,180
Profit/(loss) recognised directly in equity	-	-2,713,897	-	-	-	-2,713,897	3,220,647	506,750
Net profit for the period	-	-	-	20,220,636	-	20,220,636	13,420,099	33,640,735
Total recognised net profit for the year	-	-2,713,897	-	20,220,636	268,422	17,775,161	16,721,504	44,663,191
Affect of change in holdings percentage	-	-	-7,182,863	-3,141,081	-	-10,323,944	5,806,271	-4,517,673
Transfer to reserves	-	-	38,894,269	-38,894,269	-	-	-	-
Dividend	-	-	-	-14,960,556	-	-14,960,556	-7,079,800	-22,040,356
	-	-	31,711,406	-56,995,906	-	-25,284,500	-1,273,529	-26,558,029
Balance at 31 December 2005	463,549,092	6,240,043	244,734,711	258,938,793	100,347	973,562,986	508,473,719	1,482,036,705

	Attributable to the equity holders of the parent company					Total	Minority Interest	Total Equity
	Share capital	Fair value reserves	Other reserves	Accumulated profits	Translation reserve			
Balance at 1 January 2006	463,549,092	6,240,043	244,734,711	258,938,793	100,347	973,562,986	508,473,719	1,482,036,705
Currency translation differences	-	-	-	-	2,225,485	2,225,485	1,307,691	3,533,176
Total recognised net profit for the year	-	5,429,036	-	-	-	5,429,036	2,859,081	8,288,117
Net profit for the period	-	-	-	113,153,339	-	113,153,339	83,574,549	196,727,888
Total recognised net profit for the year	-	5,429,036	-	113,153,339	2,225,485	120,807,860	87,741,321	208,549,181
Affect of change in holdings percentage	-	132,271	-24,802,042	34,713,882	-249,543	9,794,568	101,182,825	110,977,393
Purchase of treasury stock	-94,148	-	-	-	-	-94,148	-	-94,148
Transfer to reserves	-	-	6,529,770	-6,529,770	-	-	-	-
Dividend	-	-	-	-14,960,557	-	-14,960,557	-9,567,440	-24,527,997
	-94,148	132,271	-18,272,272	13,223,555	-249,543	-5,260,137	91,615,385	86,355,248
Balance at 31 December 2005	463,454,944	11,801,350	226,462,439	385,315,687	2,076,289	1,089,110,709	687,830,425	1,776,941,134

The notes on pages 9 to 68 are an integral part of these financial statements.

Statement of Changes in Equity (cont'd)

Company

	Share capital	Fair value reserves	Other reserves	Accumulated profits	Total
Balance at 1 January 2005	471,460,380	516,608	27,966,333	371,147,843	871,091,164
Profit recognised directly in equity	-	585,036	-	-	585,036
Net profit for the period	-	-	-	13,052,515	13,052,515
Total recognised net profit for the period	-	585,036	-	13,052,515	13,637,551
Transfer to reserves (from distribution)	-	-	595,472	-595,472	-
Dividend	-	-	-	-14,960,557	-14,960,557
	-	-	595,472	-15,556,029	-14,960,557
Balance at 31 December 2005	471,460,380	1,101,644	28,561,805	368,644,329	869,768,158

	Share capital	Fair value reserves	Other reserves	Accumulated profits	Total
Balance at 1 January 2006	471,460,380	1,101,644	28,561,805	368,644,328	869,768,158
Profit recognised directly in equity	-	344,918	-	-	344,918
Net profit for the period	-	-	-	37,525,166	37,525,166
Total recognised net profit for the period	-	344,918	-	37,525,166	37,870,084
Transfer to reserves	-	-	-347,000	347,000	-
Dividend	-	-	-	-14,960,557	-14,960,557
	-	-	-347,000	-14,613,557	-14,960,557
Balance at 31 December 2006	471,460,380	1,446,562	28,214,805	391,555,938	892,677,685

The notes on pages 9 to 68 are an integral part of these financial statements.

Cash flow statement

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		1/1 to 31/12/2006	1/1 to 31/12/20054	1/1 to 31/12/2006	1/1 to 31/12/20054
Cash flows from operating activities					
Cash flows from operating activities		178,658,172	103,907,478	1,279,046	3,974,654
Interest paid		-60,228,271	-52,114,557	-	-
Income tax paid		-22,515,231	-25,398,546	-1,639,824	-320,710
Net cash (used in)/from operating activities		95,914,670	26,394,375	-360,778	3,653,944
Cash flows from investing activities					
Additions to property, plant equipment, investment in property and intangible assets		-129,270,872	-98,286,886	-2,764,871	-697,276
Proceeds from sale of property, plant equipment, investment in property and intangible assets		4,546,964	5,429,287	36,000	863,077
Dividends received		1,089,419	1,810,519	17,237,267	12,458,589
Purchase of available-for-sale financial assets		-2,687,574	-2,520,053	-2,556,240	-2,821,616
Sale of available-for-sale financial assets		10,680,337	511,715	10,767,488	511,715
Purchase of financial assets at fair value through profit and loss		-250,000	-900,000	-	-
Sale of financial assets at fair value through profit and loss		918,085	442,677	-	-
Interest received		6,866,241	4,601,425	669,837	-
Collections from government grants		1,139,400	1,486,203	-	-
Changes in holdings in companies		111,322,569	-5,688,059	63,958,895	-9,885,201
Net cash (used in)/from investing activities		4,354,569	-93,113,172	87,348,375	429,288
Cash flows from financing activities					
Dividends paid to equity holders of the parent company		-14,960,557	-13,197,881	-14,960,557	-14,960,557
Loans received		76,507,224	89,541,712	-	-
Changes in leasing capital		-1,570,644	-2,007,877	-	-
Dividends paid to minority interest		-9,849,197	-7,074,340	-	-
Net cash (used in)/from financing activities		50,126,826	67,261,614	-14,960,557	-14,960,557
Net (decrease)/increase in cash and cash equivalents		150,396,065	542,816	72,027,040	-10,877,324
Cash and cash equivalents at beginning of period		83,313,042	82,770,226	14,191,249	25,068,574
Cash and cash equivalents at end of period		233,709,107	83,313,042	86,218,290	14,191,250

Athens, 29 March 2007

THE CHAIRMAN OF THE
BOARD OF DIRECTORS

THE AUTHORISED
DIRECTOR

THE FINANCIAL DIRECTOR

Nikolaos M. Stasinopoulos
Id. Card No. A050486

Evangelos D. Moustakas
Id. Card No. B226935

Pantelis St. Mavrakis
Id. Card No. K259513

The notes on pages 9 to 68 are an integral part of these financial statements.

Notes to the consolidated financial figures from the transition to the International Financial Reporting Standards

1. General Information

- 1.1** The present financial statements include the annual corporate financial statements of VIOHALCO S.A. (the “Company”) and the annual consolidated financial statements of the Company and its subsidiaries (together the “Group”).
- 1.2** The present financial statements were approved by the Company’s Board of Directors, which is expected to convene on 29 March 2007, and are subject to the approval of the company’s Ordinary General Meeting, which is expected to convene on 15 June 2007.
- 1.3** VIOHALCO S.A. “Hellenic Copper and Aluminium Industry S.A. (“the Company”) and its subsidiary companies (together “the Group”) are active primarily in the process or production and sale of iron, steel, aluminium, copper and zinc products. The Group is active in Greece, Germany, England and Bulgaria, as well as in other countries and its shares are traded on the Athens Securities Exchange.
- 1.4** The Company is domiciled in Greece, in the Prefecture of Attiki, 2-4 Mesogheion Avenue. The Company’s electronic address is www.viohalco.gr.

2. Brief description of significant accounting principles

The main accounting principles that the Group applied during the preparation of these annual financial statements are described below. These principles have been consistently applied through the years.

2.1 New standards, interpretations and amendment of existing International Accounting Standards

Specific new IFRS, amendments and interpretations have been issued that are mandatory for accounting years that begin during the present year or thereafter. The estimation of the Group’s Management regarding the effect of the application of these new standards and interpretations are presented below.

Mandatory Standards for 2006

IAS 19 (amendment) Employee Benefits

This amendment provides companies with an alternative method of recognising actuarial profits

and losses. It may impose new recognition conditions for cases in which multi-employer plans have been adopted for which companies do not have sufficient information to apply a defined benefit accounting policy. In addition, it adds new disclosure requirements. The specific amendment does not apply to the Group. Whereas the Group has not changed the accountant principle that it has adopted for the recognition of actuarial profits or losses and does not participate in any multi-employer plans, the adoption of this amendment has affected only the presentation and extent of the disclosures that are presented in the financial statements.

IAS 39 (amendment) Financial Instruments: Recognition and Measurement (Hedging cash flows for anticipated inter-group transactions)

This amendment allows companies to determine likely anticipated inter-group transactions as an *item to be hedged provided* the transactions are expressed in a currency other than the functional currency of the company that participates in the transaction and the transactions are expected to affect the result. This amendment is not relative to the Group's operations.

IAS 39 (amendment) Financial Instruments: Recognition and Measurement

This amendment changes the definition of financial items at fair value through profit and loss and restricts the capacity of classifying financial tools in this category. The Group deems that this amendment will not have any effect on the classification of financial items, since both the Group will satisfy the amended criteria for determining financial items at fair value through profit and loss.

IAS 39 and IFRS 4 (amendment) Financial Instruments: Recognition and Measurement and Insurance Contracts (Financial guarantee contracts)

This amendment requires that the financial guarantees that have been issued, for which the Group has previously stated that they are insurance contracts, be recognised initially at their fair value and subsequently at the greater value between (a) the unamortized balance of the relative commissions that have been collected and the income has been postponed and (b) the expense that is required to settle the liability as of the balance sheet date. The present amendment does not apply to the Group.

IAS 21 (Amendment) Investment in a Foreign Operation

This amendment allows companies to reclassify, in their treasury stock, currency translation differences that arise from monetary items regardless of whether or not the monetary items are denominated in the operating currency of either the economic entity noted or of the foreign operation. The present amendment does not apply to the Group.

IFRS 6 Exploration for and Evaluation of Mineral Assets

This standard provides a specific accounting policy for companies that are active in exploration activities. The present standard does not apply to the Group.

Mandatory Interpretations for 2006

IFRIC 4 Determining Whether an Arrangement Contains a Lease

The present interpretation clarifies the conditions under which an arrangement is or contains a lease and must be accounted for in accordance with the privileges of IAS 17 Leases. IFRIC 4 does not affect the accounting presentation of existing business agreements and does not affect the Group's financial statements.

IFRIC 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

The present interpretation clarifies the accounting entries that must be made in the case in which a company contributes to a Decommissioning, Restoration and Environmental Rehabilitation Funds. The present interpretation does not apply to the Group.

IFRIC 6 Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

The present interpretation does not apply to the Group.

Mandatory standards after 1 January 2007

IFRS 7 Financial Instruments: Disclosures and supplementary amendment of IAS 1 Presentation of Financial Statements: Disclosures relating to capital

The present standard and amendment entered into effect on 1 January 2007 and introduce additional disclosures with the purpose of improving the information that is provided relative to financial instruments. The Group assessed the affect of IFRS 7 and concluded that the additional disclosures that are required from their application is a sensitivity analysis with regard to the market risk and disclosures relating to capital. The Group will apply IFRS 7 and the amendment of IAS 1 from 1 January 2007.

IFRS 8 Operating Segments (the presented standard has not yet been adopted by the European Union)

The present standard shall enter into effect on 1 January 2009 and replaces IAS 14, according to which segments are recognised and presented on the basis of a performance and risk analysis.

According to IFRS 8, segments constitute components of an entity that are reviewed on an ordinary basis by the entity's Managing Director / Board of Directors and are presented in the financial statements based on this internal categorisation.

Mandatory Interpretations after 1 January 2007

IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

The present interpretation entered into effect on 1 March 2006 and provides guidance on the application of IAS 29 in a presentation period in which an entity recognises that the economy of its functional currency is hyperinflationary, provided the economy was not hyperinflationary in the previous period. Given that none of the Group's companies operate in a hyperinflationary economy, the present interpretation shall not affect the Group's financial statements.

IFRIC 8 Scope of IFRS 2

The present interpretation entered into effect on 1 May 2006 and examines transactions that include the issue of equity instruments –in which the identifiable consideration given appears to be less than fair value of the equity instruments issued– so as to determine whether or not these come under the scope of IFRS 2. The present interpretation shall not affect the Group's financial statements.

IFRIC 9 Reassessment of Embedded Derivatives

The present interpretation entered into effect on 1 June 2006 and requires an entity to assess whether an embedded derivative is required to be separated from the contract with which it was acquired and to be assessed as an isolated derivative when the entity first becomes a party to the contract. The present interpretation shall not affect the Group's financial statements.

IFRIC 10 Interim Financial Reporting and Impairment

The present interpretation entered into effect on 1 November 2006 and prohibits impairment losses recognised in an interim period in respect of goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed in balance sheets prepared at future dates. The present interpretation shall not affect the Group's financial statements.

IFRIC 11 – IFRS 2 Group and Treasury Share Transactions (the presented standard has not yet been adopted by the European Union)

The present interpretation entered into effect on 1 March 2007 and clarifies the accounting

treatment of transactions in which a subsidiary's employees are granted rights to equity instruments of its parent. In addition, it clarifies whether certain types of transactions must be considered equity-settled transactions or cash-settled transactions. The present interpretation shall not affect the Group's financial statements.

IFRIC 12 Service Concession Arrangements (the presented interpretation has not yet been adopted by the European Union)

The present interpretation shall enter into effect on 1 January 2008 and refers to companies that participate in service concession agreements. The present interpretation does not apply to the Group.

2.2 Framework in which the financial statements have been prepared

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale investments and financial assets and liabilities at reasonable value through profit and loss.

The preparation of financial statements according to the International Financial Reporting Standards requires the use of certain critical accounting estimates and also requires management to exercise judgment in the process of applying accounting policies. In addition, it requires the use of estimates and assumptions that affect asset and liability amounts, the notification of potential receivables and liabilities on the date the financial statements are prepared and income and expense figures during the said year. Despite the fact that these estimates are based on management's best possible knowledge of current conditions and actions, actual results may differ from these estimates.

The financial statements have been prepared by the management in accordance with the International Financial Reporting Standards ("IFRS"), which have been issued by the International Accounting Standards Board (IASB), including the International Accounting Standards ("IAS") and interpretations that have been issued by the International Financial Reporting Interpretations Committee, as these have been adopted by the European Union.

All IFRS that have been issued by the IASB and that were in effect during the preparation of these financial statements have been adopted by the European Commission through the procedure of their ratification by the European Union ("EU"), with the exception of specific provisions of International Accounting Standards (IAS) 39 "Financial Instruments: Recognition and Measurement" that concern deposit portfolio hedging.

Whereas the Group is not affected by the provisions concerning deposit portfolio hedging, which are not required by the issuance of IAS 39, as this has been ratified by the EU, the present

financial statements have been prepared in accordance with the IFRS as these have been adopted by the EU and the IFRS that have been issued by the IASB.

Preparation of financial statements in accordance with the International Financial Reporting Standards requires the use of certain estimates and judgments during the application of the Group's accounting principles. In addition, it requires the use of estimates and assumptions that affect asset and liability amounts, the disclosure of contingent receivables and liabilities on the date the financial statements are prepared and income and expense figures during the said year. Areas that required a significant degree of judgement or contained a significant degree of complexity or in which assumptions and estimations significantly affect the financial statements are noted in Note 4.

2.3 Consolidation

(a) Subsidiary companies

Subsidiary companies are companies that are controlled by a parent company. The existence of possible voting rights that may be exercised on the date on which financial statements are prepared is taken into consideration in determining whether or not a parent company exercises control over its subsidiaries. Subsidiaries are fully consolidated (total consolidation) from the date control over them is acquired and cease to be consolidated from the date this control is no longer exercised.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The acquisition cost of a subsidiary is the fair value of its assets that were transferred, of its shares that were issued and of its liabilities that were undertaken on the day the acquisition was effected, plus any cost that is directly associated with the acquisition. Identifiable assets, liabilities and contingent liabilities that are acquired through a business combination are estimated at the time of the acquisition at their fair values regardless of the percentage holding. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets that were acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the Group's share of the identifiable net assets that were acquired, the difference is recognised in the results.

Inter-company transactions, balances and non-realised profits from transactions between Group companies are eliminated. The same applies to non-realised losses, but are taken into consideration as an indication that the value of the asset transferred has been impaired. The accounting policies that are applied by the Group's subsidiary companies have been amended so that they may be consistent with those that have been adopted by the Group.

In the cases of transactions that concern increases in the Group's holding percentage in subsidiary companies, which do not come under the scope of IFRS 3, the Group recognises any affect that

arises due to the difference between the fair value of the consideration paid and the book value of third-party rights purchased directly in owner's equity.

In its individual financial statements, the Company records its investments in subsidiaries at their acquisition cost less impairment.

(b) Associate companies

Associate companies are companies over which the Group exercises significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate companies are accounted for by the equity method and are initially recognised at their acquisition cost. The account in which investments in associate companies are recognised includes the goodwill that arises on acquisition (net of any impairment losses).

The Group's share in the post-acquisition profits or losses of its associate companies is recognised in the results, while its share of post-acquisition movements in reserves is recognised in reserves. Cumulative changes affect the book value of the Group's investments in associate companies. If the Group's share in the losses in an associate company is greater than the value of its investment therein, these additional losses are not recognised, unless payments have been made or obligations have been incurred on behalf of the associate company.

Unrealised profits that arise from transactions between the Group and its associate companies are eliminated to the extent of the Group's interest therein. The same applies to unrealised losses, unless the transaction contains indications that the value of the asset that was transferred has been impaired. The accounting principles that are applied by the Group's associate companies have been amended so that they may be consistent with those that have been adopted by the Group.

(c) Joint Ventures

The Group's investments in joint ventures are accounted for based on the method of proportionate consolidation. The Group merges its share from the revenues, expenses, assets, liabilities and cash flows of each joint venture.

The Group recognises the share from the profits or losses that arise from the sales that it makes to joint ventures that corresponds to the joint venture's partners. The Group does not recognise its share from the profits or losses of the joint ventures that arose from the purchases that it made from the joint ventures up to the items that were purchased in order to be sold to third parties. Losses from such a transaction are recognised immediately if a reduction of the liquid value of current assets or impairment is established. The accounting principles of the joint ventures have been amended so that they may be consistent with those that have been adopted.

2.4 Segment reporting

A business segment is defined as a group of assets and operations that provide products and services that are subject to risks and returns different to those that other business segments are subject to. A geographical segment is defined as a geographic region in which products and services are provided and which is subject to risks and returns different to those that other regions are subject to.

2.5 Foreign currency translations

(a) Functional currency and presentation currency (the currency in which financial statements are expressed)

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

(b) Transactions and balances

Transactions that are carried out in foreign currency are converted to the functional currency based on the exchange rates that are applicable on the date each transaction is carried out. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except of the case in which they are directly transferred to net worth due to the fact that they refer to cash flow risk hedging acts and net investment risk hedging acts.

Changes to the fair value of securities denominated in foreign currency that have been characterised as available-for-sale are analysed in currency translations arising from the differentiation of the security's net value and other changes arising from the book value. Currency translations are recorded in the results while other translations are transferred directly to net worth.

Currency translations in non-financial assets and liabilities are included in profits or losses from the change in fair value. Currency translations in non-financial assets and liabilities such as shares at fair value through profit and loss are recorded in the results as part of the profit or loss arising from the change in fair value. Currency translations from non-financial items such as shares that are characterised as available-for-sale are recorded in a reserve account from the fair value to the net worth.

(c) The Group's Companies

Amounts recorded in the financial statements of the Group's companies (none of which operate in

a hyperinflation economy) that are expressed in a different functional currency from the Group's presentation currency, are converted as follows:

- (1) Assets and liabilities are translated at the closing rate at the balance sheet date,
- (2) Income and expenses are translated at the average exchange rates of the year (unless the average exchange rate is not a reasonable estimation of the cumulative effect of the exchange rates prevailing on the days the transactions were carried out, in which case income and expenses are translated using the actual exchange rates that were applicable on the days the transactions were carried out), and all resulting currency translations that may arise are recorded in a separate equity reserve account and transferred to the results when these companies are sold as part of the profit or loss of the sale.

Goodwill and adjustments to fair values that arise from the acquisition of foreign companies are regarded as assets and liabilities of the foreign company and are translated at the closing exchange rate.

2.6 Property, plant and equipment

Property, plant and equipment include primarily land for buildings and mechanical equipment.

Property, plant and equipment are recorded at their acquisition cost less accumulated depreciation and Impairment. The acquisition cost includes all expenses that are directly associated with the asset's acquisition.

Expenses that are incurred after the purchase of an asset are recorded as an increase in the asset's carrying amount book value or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance costs are recorded in the income statement when these are incurred.

Land is not depreciated. Other assets are depreciated on the straight line method with equal burdens during their expected useful lives, so that their cost may be deleted at their residual value. The expected useful lives of fixed assets are presented below.

Buildings	10-33 years
Factories	20 years
Mechanical equipment	5-20 years
Motor vehicles	5-7 years
Other equipment	3-8 years

Computers are included in the category of furniture and other fixtures.

The residual values and useful lives of these assets may be reviewed and adjusted if appropriate, at each balance sheet date.

When the carrying amount of an asset exceeds its recoverable amount, the difference (impairment) is immediately recorded in the results as an expense and the asset is recorded at its recoverable value (Note 2.11).

On the sale of an asset, any difference that may arise between the price that is received and the carrying amount thereof is recorded in the results as a profit or loss.

Borrowing costs incurred for the construction of an asset are capitalised during the period of the asset's construction. All other borrowing costs are recognised in the results.

2.7 Leases

The Group leases certain fixed assets. Leases of fixed assets, in which the Group substantially maintains all the risks and rewards of ownership, are classified as financial leases. Financial leases are capitalised at the lease's inception at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding obligations that arise from the leases, net of finance charges, are recorded as liabilities. The interest element of the finance cost that concerns the finance lease is charged to the results over the period of the lease. Fixed assets that were acquired through leasing are depreciated at the shorter period between the useful lives of the fixed assets and the term of their lease.

Leases, in which the lessor retains substantially all the risks and rewards of ownership, are classified as operating leases. Payments made under operating leases are charged to the results on a straight-line basis over the period of the lease.

2.8 Available-for-sale non-current assets

Non-current assets are classified for sale and are assessed at the lesser value between their present book value and fair value less cost of sale, provided it is assessed that this value shall be recovered by the Group through the sale thereof and not from the use thereof.

2.9 Intangible assets

(a) Software programs

Software licenses are recorded at their acquisition cost, less amortisation. These assets are amortised on the straight line method over their estimated useful lives, which ranges between 3 to 5 years.

Expenses that are associated with the software's maintenance are recognised as expenses in the year in which they are incurred.

(b) Trademarks and licenses

Licenses and trademarks that are acquired are presented at their historic cost and are estimated at their acquisition cost less amortisation. Trademarks and licenses are amortised with the straight-line method during their useful lives.

Trademarks and licenses are reviewed on an annual basis for impairment according to note 2.11.

2.10 Investments in properties

Properties, which primarily includes land and a hotel, are held by the Group for long-term rent and are not used by the Group. Investments in properties are presented at cost less depreciation. When the book values of investments in properties exceed their recoverable value, the difference (impairment) is directly recorded as an expense in the results (Note 2.11).

The Company classifies property that is leased to subsidiary companies in its corporate financial statements as Investments in Properties.

2.11 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher amount between an asset's fair value, less the costs to sell, and the value in use. In order to assess impairment losses assets, are grouped into smaller cash-generating units. Losses due to an asset's impairment are recorded in the results as an expense in the year in which they are incurred.

2.12 Financial assets

The Group's financial assets are classified into the categories noted below based on the purpose for which they were acquired. The Group's management decides on the investment's classification at the time the investment was initially recognised and re-examines its designation at every publication date.

(a) Financial assets recorded at fair value through profit and loss

This category includes financial assets that were acquired in order to be resold in the short-term. It also includes derivative financial instruments unless they are defined as risk hedging tools.

Financial assets in this category are recorded as current assets if they are held for commercial purposes or if they are expected to be sold within 12 months of the balance sheet date.

(b) Loans and Receivables

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

(c) Held-to-maturity investments

This category includes non-derivates with fixed or designated payments and with fixed maturities, and which the Group intends and has the capacity to hold onto until they mature.

(d) Available-for-sale financial assets

This category includes non-derivatives that are either designated in this category or cannot be classified in any of the abovementioned categories. These assets are recorded as non-current assets provided management does not intend to dispose of them within 12 months of the balance sheet date.

The purchase and sale of an investment is recognised on the trade-date, which is also the date on which the Group commits to purchase or sell the asset. Available-for-sale investments are initially recognised at their fair value plus transaction costs. Financial assets at fair value through profit and loss are initially recognised at fair value and transaction expenses are recorded as an expense in the results of the year. Investments are derecognised when the right to collect the cash flows arising therefrom expires or have been transferred and the Group has substantially transferred all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value and unrealised gains or losses are recognised in shareholders' equity until they are sold or impaired. When these assets are sold or impaired, the profit or loss is transferred to the results. Impairment losses that have been recognised in the results may not be reversed through profit and loss.

Realised and unrealised gains or losses that arise from changes in the fair value of financial assets through profit or loss are recognised in the results in the year in which they arise.

The fair values of financial assets that are traded on stock markets are based on determined by current bid prices. The fair values of financial assets that are not traded on stock markets are determined by using valuation techniques, such as recent arms length transactions, comparable assets that are traded and discounted cash flow analysis.

At each balance sheet date, the Group assess whether there is any objective evidence that leads to the conclusion that the values of its financial assets have decreased. With regard to shares that have been classified as “available-for-sale financial assets”, such an indication would be a significant or prolonged decrease in their fair value in relation to their acquisition cost. If the asset’s value has indeed decreased, the loss that has accumulated in the owner’s equity account, which constitutes the difference between the acquisition cost and the fair value, is transferred to the results. Devaluation losses regarding shares that are recorded in the results may not be reversed through profit and loss.

2.13 Derivatives

Derivatives are initially and subsequently recognised at their fair value. The method by which profits and losses are recognised depends on whether derivatives are designated as a hedging instrument or are held for commercial purposes. Derivatives are designated by the Group, on the day the relative transaction is concluded, as a hedge to the fair value of a receivable, liability or commitment (fair value hedge) or as a hedge of highly probable forecasted transactions (cash flow hedge) or as a hedge of net investments in a foreign company (net investment hedge).

During the conclusion of a transaction the Group records the relation between hedging instruments and hedged items, as well as the strategic management of the relative risk. During a contract’s conclusion and on a continuous basis thereafter the Group records the probability regarding the high effectiveness of the hedge for both fair value hedges and cash flow hedges.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated as hedges to changes in hedged items are recorded in the results as are changes in the fair value of hedged items that are attributed to the risk that is being hedged.

(b) Cash flow hedge

The effective proportion of the change in the fair value of derivatives that are designated as means for hedging changes in cash flows is recorded in an equity reserve account. The gain or loss of the non-effective proportion is recognised directly in the results. Amounts that have accumulated as a reserve in equity are transferred to the income statement in the period in which the hedged item affects the profit or loss (e.g. when the forecasted sale of the item that is hedged is carried out). In the situations where forecasted future transactions that result to the recognition of a non-monetary asset (e.g. inventory) or liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedging relation does not currently fulfil

the criteria of hedge accounting, the profits or losses accumulated in equity remain as a reserve and are recognised in the results when the transaction that concerns it is recognised in the results. When a forecasted future transaction is no longer expected to be carried out, the profits or losses accumulated in equity are transferred to the results.

(c) Net investment hedge

A hedge of a net investment in a foreign company is managed in the same manner as cash flow hedges. Profits or losses of hedging instruments that are associated with the effective part of the hedge are recognised in an equity reserve account. Profits or losses that are associated with the non-effective part of the hedge are recognised in the results.

Profits or losses that have accumulated in owner's equity are transferred to the results when the foreign company is sold.

(d) Derivatives that are not considered as hedging instruments

Changes in the fair value of these derivatives are recorded in the results.

2.14 Inventories

Inventories are stated at the lower cost and net realisable value. The acquisition cost is determined based on the average monthly weighted cost method. The cost of finished products and semi-finished stocks includes the cost of materials, the direct labour cost and a proportion of the general production overhead. Borrowing costs are not included in the acquisition cost. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

Impairments are recognised in the results of the financial year in which they arise.

2.15 Trade and other short-term receivables

Receivables from clients are initially recorded at their fair value and are subsequently estimated at using the effective interest method, less any impairment loss. Impairment losses are recognised when there is an objective indication that the Group is not in a position to collect all the amounts that are due pursuant to the relative contractual terms. The amount of the allowance is equal to the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recorded as an expense in the income statement.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits, short-term (up to 3 months)

highly-liquid and low-risk investments and overdraft bank accounts.

2.17 Share capital

Ordinary shares are included in owner's equity.

Direct expenses that are associated with the issue of shares are recorded, after the relative income tax has been deducted, as a reduction to the proceeds. Direct expenses relating to shares that have been issued for the acquisition of a company are included in the acquisition cost thereof.

The acquisition cost of treasury shares is recorded as a reduction to equity attributable to the Company's equity until these shares are sold, cancelled or re-issued. Any profit or loss that arises from the sale of treasury, net of other direct expenses that are associated with the transaction and taxes, is recorded as a reserve in equity attributable to the Company's equity holders.

2.18 Borrowings

Loans are initially recorded at their fair value, net of any direct expenses that are required in order to complete the transaction. They are subsequently stated at their unamortised cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recognised in the results during the term of the loan based on the effective interest rate method.

Loans are classified as current liabilities unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date. In this case, loans are classified as non-current liabilities.

2.19 Deferred income tax

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

Deferred tax assets are recognised to the extent that it is probable that a future taxable profit will arise from the use of the temporary difference that created the deferred tax asset.

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

Deferred income tax is determined based on the tax rates that are applicable at the balance sheet date.

2.20 Taxation

Income tax is estimated based on the tax legislation and tax rates that are in force in the countries where the Group is active and is recorded as an expense in the period in which income is earned.

2.21 Employee benefits

(a) Short-term benefits

Short-term benefits to employees in cash or in kind are recorded as an expense when these accrue.

(b) Benefits following withdrawal from the Service

Benefits following withdrawal from the service include both defined contribution programs and defined benefit programs.

The accrued cost of defined contribution programs is recorded as an expense in the period that it concerns.

The liability that is recorded in the balance sheet for defined benefit programs is the present value of the commitment for the fixed benefit less the fair value of the program's assets, the changes that arise from the unrecognised actuarial gains and losses and the cost of past service. The commitment of the defined benefit is calculated by an independent actuary using the projected unit credit method. The present value of the commitment for the defined benefit is determined on the basis of future cash flows that have been estimated through the use of the interest rates that would have applied to high quality corporate bonds or State instruments, the dates of maturity of which approach the time limits of the relative liability.

Actuarial gains and losses that arise from adjustments on the basis of experience adjustments and are above or below the margin of 10% of the accumulated liability are recorded in the results spread over the employees' expected average remaining working lives. The cost of past service is recorded directly in the results, with the exception of the case in which changes to the program depend on the remaining term of the employees remaining in service for a specific period of time (the vesting period). In this case, the cost of past service is recorded in the results based on the straight-line basis over the vesting period.

(c) Employment termination benefits

Employment termination benefits are paid when employees decide to retire prior to their normal

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

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

2.22 Grants

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

Government grants that relate to expenses are recorded in transit accounts and are recognised in the results so that these will match the expenses that they will cover.

Government grants that have been granted for the purchase of property, [plant and equipment are recorded as non-current liabilities as government grants of subsequent financial years and are transferred as income to the income statement on the straight-line method over the expected service life of these assets.

2.23 Provisions

Provisions are recognised when:

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

Wherever there are various similar liabilities, the possibility that an outflow shall be required for the settlement thereof is determined by examining the liability category overall. A provision is recognised even when the possibility of an outflow regarding any asset included in the same liability category may be small.

2.24 Revenue recognition

(a) Sale of goods

Sales of goods are recognised when the Group delivers the goods to its customers, when the goods are received by the latter and when collection of the claim is reasonably guaranteed. In the case in which cash refunds regarding sales of goods is guaranteed, refunds are accounted for on

each balance sheet date as a reduction to income, based on statistical data.

(b) Provision of services

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

(c) Income from interest

Income from interest is recognised on the time proportion basis using the effective interest rate method. When receivables are impaired, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the original effective interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied on the impaired (new book) value.

(d) Dividends

Dividends are accounted for as income when a right to collect has been established.

2.25 Distribution of dividends

The distribution of dividends is recognised when the distribution thereof is approved by the General Meeting of the shareholders.

2.26 Comparative information and Rounding

Certain comparative figures have been reclassified so that they may be comparable with the corresponding figures of the current year.

The amounts that are contained in these financial statements have been rounded off to Euros. Due to this fact, differences that may arise are due to the aforementioned rounding off.

3 Management of financial risks

3.1 Financial risk factors

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

Risk management is carried out by the Group's central finance department, which operates with specific rules that have been approved by the Board of Directors. The Board of Directors provides

instructions and guidelines on the general management of risks, as well as special instructions on the management of specific risks, such as foreign exchange risks, interest rate risks and credit risks.

(a) Foreign exchange rate risk

The Group is active in Europe, and consequently the greater part of the Group's transactions are carried out in Euros. However, part of the Group's merchandise purchases is denominated in US Dollars. Immediate payment of these suppliers significantly reduces the foreign exchange risk.

(b) Credit risk

The Group has adopted and applies credit control procedures with the purpose of minimising doubtful claims and immediately covering claims with commercial paper. No client exceeds 10% of sales and, consequently, commercial risk is spread over a large number of clients. Goods and services are provided on a wholesale basis primarily to clients with a creditable credit history. The credit control department sets the credit limits of each client and applies specific sales and collections terms. According to the Group's policy, receivables from clients are secured.

(c) Liquidity risk

Liquidity risk is kept at a low level by having sufficient cash on hand, liquid securities and sufficient open credit limits.

(d) Interest rate fluctuation risk

The Group's loan obligations are associated with floating interest rates that, depending on market conditions, may either remain floated or may become fixed. The Group uses derivatives in order to offset interest rate risks (SWAPS).

(e) Raw material price fluctuating risk

The Group's activities are affected by the stock market prices of metals. In order to cover part of this risk the Group uses derivative financial instruments to hedge the risk of changes in the prices of metals.

3.2 Determining fair values

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

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

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

4 Accounting estimates and judgements of the management

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

4.1 Critical accounting estimates and acknowledgments

The Group makes estimates and assumptions regarding the development of future events. Estimates and assumptions that most likely will cause substantial adjustments to the carrying amounts of assets and liabilities in the following 12 months are:

a) The Group's judgement is required in order to raise an income tax provision. The provision is an area that management believes involves a significant risk that there will be substantial differentiations in the future due to the tax legislation that is in force in Greece, where the company's tax liabilities are deemed final only after the competent tax authorities conduct a tax audit. In order to determine the income tax provision the Group's judgment is necessary whereas there are many transactions and calculations for which the ultimate tax determination is uncertain. If the final tax that shall be determined differs from the initially recognised tax, the difference shall affect the income tax and the provision for deferred taxation for the period.

The subsidiary company of SIDENOR S.A., Corinth Pipeworks S.A., re-evaluated its capacity to offset transferred losses with future taxable profits and recognised a deferred tax claim for the transfer of part of the tax losses of an amount of 69,3 million Euros for which a relative financial gain may arise due to future taxable profits.

b) The Group raises a provision for disputed cases based on evidence provided by the Group's legal department. In addition, the Group raises provisions for the impairment of receivables when there is an objective indication that it is not in a position to collect all of the amounts that are due pursuant to the contractual terms.

c) The Group raises provisions for contractual obligations to its clients, which are estimated

based on historical and statistical data that arose from the resolution of corresponding past cases.

d) The Group raises provisions for impairment of holdings by taking into consideration the future benefits that shall arise therefrom.

e) The Group estimates inventories at the lesser value between their current and net liquid value. The liquid value may differ in relation to that which was estimated at the time the financial statements were prepared.

f) The Group estimates tangible and intangible assets and investment property at the lesser value between their current and recoverable value. Actual amounts may differ in relation to that which was estimated at the time the financial statements were prepared.

4.2 Crucial judgements of the Management regarding the application of accounting principles

No field whatsoever required the use of the Management's crucial judgments with regard to the application of accounting principles.

5 Information per segment

Primary type of information – business segments

The Group is divided into six primary business segments:

- Steel products used in construction activities
- Pipework products
- Copper products
- Cables
- Aluminium products
- Services

Sales and operating profits per segment for the fiscal year that ended on 31 December 2005 were as follows:

	Steel	Pipeworks	Copper products	Cable products	Aluminum	Other	Services	Non-allocated	Total
Total gross sales per segment	873,307,993	270,703,809	625,158,245	200,968,563	775,956,641	14,350,345	88,176,370	89,549,670	2,938,171,636
Inter-company sales								-	
	-203,863,204	-6,882,368	-189,757,417	-11,726,247	-98,192,896	-10,635,986	12,650,718	-72,991,897	-606,700,733
Net sales	669,444,789	263,821,441	435,400,828	189,242,316	677,763,745	3,714,359	75,525,652	16,557,773	2,331,470,903
Operating profits	43,210,663	8,875,187	14,862,233	6,196,270	21,571,894	207,829	6,337,161	1,677,800	102,939,037
Finance income – costs	-	-	-	-	-	-	-	-47,513,132	-47,513,132
Income from dividends	-	-	-	-	-	-	-	1,810,519	1,810,519
Share in results of associate companies	-	-	-	-	-	-	-	2,153,671	2,153,671
Profits before taxes	43,210,663	8,875,187	14,862,233	6,196,270	21,571,894	207,829	6,337,161	-41,871,142	59,390,095
Income tax								-25,749,360	-25,749,360
Net profit	43,210,663	8,875,187	14,862,233	6,196,270	21,571,894	207,829	6,337,161	-67,620,502	33,640,735

Assets and liabilities per segment as of 31 December 2005 are as follows:

	Steel	Pipeworks	Copper products	Cable products	Aluminum	Other	Services	Non-allocated	Total
Assets	937,119,439	372,894,368	439,823,458	222,407,660	962,600,552	10,398,666	69,368,267	227,562,653	3,242,175,063
Total liabilities	428,524,565	277,463,250	285,945,716	121,025,432	337,667,240	2,219,468	33,652,269	273,640,419	1,760,138,359
Investments in tangible and intangible assets and investments in property	39,241,732	4,990,143	13,879,209	5,000,277	34,608,788	-	-	566,737	98,286,886

Other items per segment included in the results for the 12 months until 31 December 2005 are as follows:

	Steel	Pipeworks	Copper products	Cable products	Aluminum	Services	Other	Non-allocated	Total
Depreciation of tangible assets	35,429,038	12,260,757	14,420,558	5,971,365	40,998,698	645,402	-	2,537,818	112,263,636
Amortisation of intangible assets	158,625	-	391,544	845,121	1,693,621	25,838	-	21,721	3,136,470
Amortisation of investments in property	-	-	-	-	102,146	21,827	-	684,901	808,874
Total depreciation & amortisation	35,587,663	12,260,757	14,812,102	6,816,486	42,794,465	693,067	-	3,244,440	116,208,980
Impairment and deletion of	533,902	-	-	-	-	-	-	-	533,902

intangible & tangible assets

Impairment of receivables	1,000,149	1,261,074	382,355	808,873	744,783	1,500	70,000	174,443	4,443,177
Impairment of inventories	4,552	1,344,660	233,988	919	147,600	-	-	12	1,731,731

Sales and operating profits per segment for the fiscal year that ended on 31 December 2006 were as follows:

	Steel	Pipeworks	Copper products	Cable products	Aluminum	Services	Other	Non-allocated	Total
Total gross sales per segment	1,174,417,815	330,303,103	1,194,265,341	321,273,194	956,382,304	131,760,441	34,765,012	5,443,637	4,148,610,847
Inter-company sales	-279,413,417	-13,767,339	-383,611,856	-24,171,242	-125,310,734	-25,913,590	-16,724,796	-5,227,956	-874,140,928
Net sales	895,004,398	316,535,764	810,653,485	297,101,952	831,071,571	105,846,851	18,040,216	215,681	3,274,469,918
Operating profits	143,303,528	30,159,026	52,460,845	18,321,168	44,669,754	1,491,267	-3,699,996	-5,381,356	281,324,236
Finance income – costs	-	-	-	-	-	-	-	-56,244,060	-56,244,060
Income from dividends	-	-	-	-	-	-	-	1,089,419	1,089,419
Share in results of associate companies	-	-	-	-	-	-	-	741,234	741,234
Profits before taxes	143,303,528	30,159,026	52,460,845	18,321,168	44,669,754	1,491,267	-3,699,996	-59,794,762	226,910,829
Income tax	-	-	-	-	-	-	-	-30,182,943	-30,182,943
Net profit	143,303,528	30,159,026	52,460,845	18,321,168	44,669,754	1,491,267	-3,699,996	-89,977,705	196,727,887

Assets and liabilities per segment as of 31 December 2006 are as follows:

	Steel	Pipeworks	Copper products	Cable products	Aluminum	Services	Other	Non-allocated	Total
Assets	1,055,508,418	340,991,437	662,211,902	179,067,237	1,016,193,733	69,726,615	213,336,692	177,834,259	3,714,870,293
Total liabilities	521,645,387	227,333,117	429,991,824	159,249,843	433,693,220	29,950,227	83,548,767	52,516,770	1,937,929,155
Investments in tangible and intangible assets and investments in property	57,838,165	5,161,254	23,687,800	6,421,669	27,000,678	440,566	5,914,764	2,805,977	129,270,873

Other items per segment included in the results for the 12 months until 31 December 2006 are as follows:

	Steel	Pipeworks	Copper products	Cable products	Aluminum	Services	Other	Non-allocated	Total
Depreciation of tangible assets	-37,792,688	-11,769,309	15,033,133	-6,236,779	43,482,198	-157,899	-2,604,215	-430,110	117,506,331
Amortisation of intangible assets	-253,314	-	-226,958	-976,601	-3,025,539	-25,653	-137,675	-5,450	-4,651,190
Amortisation of investments in property	-	-	-	-	-290,345	-21,564	-691,843	-	-1,003,752
Total depreciation & amortisation	-38,046,002	-11,769,309	15,260,091	-7,213,380	46,798,082	-205,116	-3,433,733	-435,560	123,161,273
Impairment of receivables	-1,107,596	770,734	-1,241,208	-2,552,502	-2,947,474	-	-45,747	-	-7,123,793
Impairment of inventories	-	842,375	-8,927,719	-1,630,096	-640,535	-	-206,597	-	-10,562,572

Transfers and transactions between segments are carried out under actual market terms and conditions in accordance with those that apply to transactions with third parties.

Secondary Type of Information – Geographic Segments

CONSOLIDATED FIGURES

COMPANY FIGURES

Sales	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Greece	1,041,049,999	809,768,435	39,925	52,844
European Union	1,349,139,114	858,312,949	-	-
Other European countries	408,096,211	251,459,600	-	-
Asia	142,661,805	129,477,226	-	-
America	198,439,460	167,652,164	-	-
Africa	122,514,110	100,490,647	-	-
Oceania	12,569,218	14,309,882	-	-
Total	3,274,469,918	2,331,470,903	39,925	52,844

Analysis of sales per category	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Sale of merchandise & products	3,150,367,171	2,144,830,066	-	-
Income from services	105,846,851	124,110,456	-	-
Other	18,255,896	62,530,381	39,925	52,844
Total	3,274,469,918	2,331,470,903	39,925	52,844

Total assets	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Greece	2,923,192,685	2,656,440,290	919,341,627	894,478,617
International	791,677,607	585,734,773	-	-
Total	3,714,870,292	3,242,175,063	919,341,627	894,478,617

Investments in tangible and intangible assets and investment property	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Greece	67,647,823	62,960,294	2,764,871	697,276
International	61,623,050	35,326,592	-	-
Total	129,270,873	98,286,886	2,764,871	697,276

6 Property, plant and equipment

Consolidated

	Land & Buildings	Machinery & motor vehicles	Furniture & fixtures	Assets under construction	Total
Cost					
Balance as at 1 January 2005	696,988,197	1,144,054,703	35,932,770	57,472,101	1,934,447,771
Currency translation	1,630,660	3,451,297	210,499	38,434	5,330,890
Additions	14,483,356	29,517,565	2,729,074	53,635,037	100,365,032
Sales	-1,425,703	-1,841,979	-581,027	-269,898	-4,118,607
Destructions	-1,486,387	-141,944	-94,081	-	-1,722,412
Impairment	-	-531,802	-	-	-531,802
Buy outs of subsidiary companies	-	15,068	739	-	15,807
Reclassifications	1,905,080	34,371,436	775,299	-38,850,648	-1,798,833
Sale of subsidiary companies	-	-320,240	-	-	-320,240
Balance as at 31 December 2005	712,095,203	1,208,574,104	38,973,273	72,025,026	2,031,667,606
Accumulated depreciation					
Balance as at 1 January 2005	-30,298,242	-117,255,429	-25,647,584	-	-173,201,255
Currency translation	-859,364	-1,088,588	-186,305	-	-2,134,257
Depreciation for the period	-18,730,081	-89,521,819	-4,011,736	-	-112,263,636
Sales	40,753	559,046	357,812	-	957,611
Destructions	412,932	97,063	16,029	-	526,024
Buy outs of subsidiary companies	-	-6,499	11,622	-	5,123
Reclassifications	-62,461	-130,984	-323,260	-	-516,705
Balance as at 31 December 2005	-49,496,463	-207,347,210	-29,783,422	-	-286,627,095
Undepreciated value as at 31 December 2005	662,598,740	1,001,226,894	9,189,851	72,025,026	1,745,040,511
Cost					
Balance as at 1 January 2006	712,095,203	1,208,574,104	38,973,273	72,025,026	2,031,667,606
Currency translation	1,906,389	3,783,897	320,711	188,689	6,199,686.00
Additions	14,440,066	41,913,054	2,444,407	68,972,212	127,769,739
Sales	-1,597,521	-4,339,758	-428,639	-347,079	-6,712,997
Impairment	-2,700,314	-3,544,973	-161,047	-688,546	-7,094,880
Reclassifications	1,551,972	23,744,861	662,928	-27,386,514	-1,426,753
Balance as at 31 December 2006	725,695,795	1,270,131,185	41,811,633	112,763,788	2,150,402,401

Accumulated depreciation

Balance as at 1 January 2006	-49,496,463	-207,347,210	-29,783,422	-	-286,627,095
Currency translation	-1,134,979	-1,955,222	-313,571	-	-3,403,772
Depreciation for the period	-19,364,087	-94,459,725	-3,682,521	-	-117,506,333
Sales	107,940	1,961,352	325,729	-	2,395,021
Impairment	218,656	257,066	153,780	-	629,502
Reclassifications	-182,118	296,052	-113,934	-	-
Balance as at 31 December 2006	-69,851,051	-301,247,687	-33,413,939	-	-404,512,677

Undepreciated value as at 31

December 2006	655,844,744	968,883,498	8,397,694	112,763,788	1,745,889,724
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Lased machinery and motor vehicles that are included above based on leasing:

Machinery

	31/12/2006	31/12/2005
Cost	9,115,657	9,069,380
Accumulated depreciation	-3,011,829	-2,393,424
Net undepreciated value	6,103,828	6,675,956

Motor vehicles

	31/12/2006	31/12/2005
Cost	607,847	391,382
Accumulated depreciation	-218,057	-109,843
Net undepreciated value	389,790	281,539

Company

	Machinery	Motor vehicles	Furniture & fixtures	Assets under construction
Cost				
Balance as at 1 January 2005	6,212	614,515	87,301	708,028
Sales	-	-9,453	-	-9,453
Balance as at 31 December 2005	6,212	605,062	87,301	698,575

Accumulated depreciation

Balance as at 1 January 2005	-2,718	-401,786	-63,541	-468,045
Depreciation for the period	-932	-75,339	-1,188	-77,459
Sales	-	9,239	-	9,239

Balance as at 31 December 2005	-3,650	-467,887	-64,729	-536,265
Undepreciated value as at 31 December 2005	2,562	137,176	22,572	162,310
	Machinery	Motor vehicles	Furniture & fixtures	Total
Cost				
Balance as at 1 January 2006	6,212	605,062	87,301	698,575
Additions	-	98,400	-	98,400
Sales	-6,212	-47,301	-	-53,513
Balance as at 31 December 2006	-	656,162	87,301	743,463
Accumulated depreciation				
Balance as at 1 January 2006	-3,650	-467,887	-64,729	-536,265
Depreciation for the period	-260	-48,260	-1,188	-49,708
Sales	3,909	11,142	-	15,052
Balance as at 31 December 2006	-	-505,004	-65,917	-570,921
Undepreciated value as at 31 December 2006	-	151,158	21,384	172,542

The Company does not currently hold any leased tangible fixed assets.

With regard to liens that have been obtained on the Group's tangible fixed assets please see note 35.

The Board of Directors of "Corinth Steelworks S.A.", a subsidiary company of "SIDENOR S.A.", reached a decision on 3 April 2006 according to which the company will seek to utilise the machinery of the Corinth plant. The total value of this machinery amounts to 3,719,503 Euros and is included in the value of tangible fixed assets. The said machinery has been estimated at the lesser value between its cost and net liquid value.

Subsidiary company Bridgnorth is temporarily not using machinery of an undepreciated value of 3,7 million Euros. The said subsidiary company operates as a cash generating unit and based on its forecasted cash flows there is no need for any impairment.

7. Available-for-sale Non-current Assets

Available-for-sale non-current assets concern machinery of “STOMANA INDUSTRY S.A.”, a subsidiary company of SIDENOR S.A., of a total value of 3,919 thousand Euros, which, according to a relative decision of the Board of Directors of the said subsidiary company, shall be sold in 2007.

These fixed assets were assessed at the lesser value between their current book value and their fair value less cost of sale. These fixed assets have not been depreciated according to IFRS 5.

8. Intangible assets

Consolidated

	Trade marks and licenses	Software	Other	Total
Cost				
Balance as at 1 January 2005	2,668,461	11,546,047	431,905	14,646,413
Currency translation	-	29,852	3,947	33,799
Additions	27,005	883,248	249,660	1,159,913
Deletions	-	-	-3,499	-3,499
Buy outs of subsidiary companies	-	293	-	293
Reclassifications	29,835	1,359,774	-	1,389,609
Balance as at 31 December 2005	2,725,301	13,819,214	682,013	17,226,528

Accumulated amortisation

Balance as at 1 January 2005	-691,899	-5,798,444	-141,484	-6,631,827
Currency translation	-	-11,462	-970	-12,432
Amortisation for the period	-245,962	-2,666,678	-223,830	-3,136,470
Deletions	-	-	1,399	1,399
Buy outs of subsidiary companies	-	-293	-	-293
Reclassifications	-	50,840	-	50,840
Balance as at 31 December 2005	-937,861	-8,426,037	-364,885	-9,728,783

Undepricated value as at 31 December 2005

1,787,440	5,393,177	317,128	7,497,745
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	Trade marks and licenses	Software	Other	Total
Cost				
Balance as at 1 January 2006	2,725,301	13,819,214	682,013	17,226,528
Currency translation	-	92,457	3,081	95,538
Additions	99,980	1,032,291	35,644	1,167,915
Sales	-	-1,847	-	-1,847
Impairment	-	-174,978	-	-174,978
Deletions	-	-19,266	-	-19,266
Reclassifications	282,534	1,079,238	59,772	1,421,544
Balance as at 31 December 2006	3,107,815	15,827,109	780,510	19,715,434

Accumulated amortisation

Balance as at 1 January 2006	-937,861	-8,426,037	-364,885	-9,728,783
Currency translation	-	-61,182	-811	-61,993
Amortisation for the period	-272,151	-4,071,990	-307,049	-4,651,190
Sales	-	1,847	-	1,847
Deletions	-	18,495	-	18,495
Reclassifications	-37,543	96,987	-59,443	1
Impairment	2,061	-	-	2,061
Balance as at 31 December 2006	-1,245,494	-12,441,880	-732,188	-14,419,562
Undepreciated value as at 31 December 2006	1,862,321	3,385,229	48,322	5,295,872

The parent company does not own any intangible assets.

9 Investments in properties

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance at beginning of period net	34,159,151	30,893,542	108,236,436	108,545,004
Additions	333,218	291,113	2,666,471	697,276
Sales	-	-	-	-545,460
Deletions*	-	-	-2,439,368	-
Transfers to and from reserves and owner-occupancy of properties	5,208	3,783,370	-	-
Deprecation for the year	-1,003,752	-808,874	-440,224	-460,384
Balance in the balance sheet	33,493,825	34,159,151	108,023,315	108,236,436

* The aforementioned deletion concerns the demolition of one of the Company's buildings within the framework of erecting an investment property, which, on a consolidated level, has been included in tangible fixed assets.

Due to the fact that the real estate market of the areas in which the properties are located have not changed significantly, Management believes that the aforementioned values approach the properties' current value.

The figures noted in the table below are related to investments in properties that have been recognised in the fiscal year's income statement:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from recognised rents	4,295,768	2,949,455	2,274,067	2,233,982
Direct operating expenses relating to investments in properties from which rents re collected	-1,283,386	-808,719	-	-
Direct operating expenses that do not generate income from rents	-446,254	-317,413	-	-

10 Investments in associate companies

Companies that are consolidated based on the net worth method are as follows:

Name of Company	Country of incorporation	Assets	Liabilities	Income (turnover)	Profits/(losses) after taxes	Holding percentage
2005						
SIDMA S.A.	GREECE	149,382,746	94,083,912	124,213,520	2,753,417	23.98%
V.EPE.M. A.B.E.E	GREECE	40,824	-	-	-3,058	50.00%
ENERGY SOLUTIONS S.A.	BULGARIA	1,708,731	645,248	1,939,323	238,772	38.60%
THISVIS POWER PLANT S.A.	GREECE	89,898	-	-	-5,028	20.00%
HELLENIC STEELWORKS S.A.	GREECE	1,413,129	1,110,772	47,627	-6,175	20.63%
INNOVAL S.A.	GREECE	2,401,478	2,282,933	712,712	-354,182	49.00%
BONIFACI LIMITED	CYPRUS	29,819	30,137	-	3,323	100.00%
VIOHALCO EXPORTS LTD (COPPERPROM LTD)	GREECE	-	-	-	-	20.00%
		155,066,625	98,153,002	126,913,182	2,627,069	

Name of Company	Country of incorporation	Assets	Liabilities	Income (turnover)	Profits/(losses) after taxes	Holding percentage
2006						
SIDMA S.A.	GREECE	161,931,545	104,858,234	130,739,181	7,339,112	21.97%
V.EPE.M. A.B.E.E	GREECE	36,200	-	-	-2,312	60.39%
ENERGY SOLUTIONS S.A.	BULGARIA	3,582,000	2,505,000	3,239,000	37,677	40.67%
THISVIS POWER PLANT S.A.	GREECE	73,710	72	-	-34,660	13.62%
DE LAIRE LTD	CYPRUS	184,670	32,124	559,426	113,209	53.94%
EDE S.A.	GREECE	108,066	6,020	-	-2,165	53.94%
		165,916,191	107,401,450	134,537,607	7,450,861	

DE LAIRE LTD, V.EPE.M. A.B.E.E. and EDE S.A. have been consolidated based on the net worth method and not on the total conciliation method due to the fact their figures were deemed negligible.

11 Investments in subsidiary companies

	31/12/2006	31/12/2005
Beginning of period	728,801,964	718,916,763
Additions	4,591,605	9,885,201
Sales / Reductions	-45,316,703	-
Other changes (Transfer Note 12)	373,123	-
Balance at end of period	688,449,988	728,801,964

During 2006 sales / reductions concern (a) the sale of 10,081,305 shares (10.05% of the Share Capital) of subsidiary company SIDENOR S.A. through private placement, (b) the sale of 450,000 shares (approximately 0.4% of the Share Capital) of subsidiary company HALCOR S.A., and (c) the reduction of the Share Capital of TEPRO METAL S.A.

Additions for 2006 concern an increase in the acquisition cost of NOVAL S.A. and KERAMEIA AXIOU S.A., both of which constitute 100% subsidiary companies. For 2005, additions concern an increase in the share capital of NOVAL S.A., which constitutes a 100% subsidiary company, and an increase in the holding percentage in ANTIMET S.A.

The companies that are consolidated based on the total consolidation method are as follows:

Subsidiary Company	Unaudited Fiscal Years	Country	Indirect Holding %	Subsidiary Company	Unaudited Fiscal Years	Country	Indirect Holding %
AEIFOROS BULGARIA S.A.	2005 - 2006	BULGARIA	51.00%	AEIFOROS S.A.	2003 -2006	GREECE	51.00%
ALUBUILD SRL	2005 - 2006	ITALY	37.26%	AKRO A.E.B.E.	2003 - 2006	GREECE	57.57%
ALURAME SRL	2005 - 2006	ITALY	61.42%	ALKOMET S.A.	2003 - 2006	GREECE	88.73%
ANAMET DOO	-	SERBIA	83.21%	ANAMET S.A.	2000 - 2006	GREECE	83.21%
ANAMET EOOD	2004 - 2006	BULGARIA	83.21%	ANTIMET S.A.	2001 - 2006	GREECE	100.00%
BELANTEL HOLDINGS LTD	1999 - 2006	CYPRUS	68.13%	ARGOS A.E.B.E.X.	2005 - 2006	GREECE	41.84%
BEMET S.A.	2003 - 2006	GREECE	56.67%	ATTIKI S.A.	2003 - 2006	GREECE	50.00%
BLYTHE LTD	-	CYPRUS	64.08%	BEAT S.A.	2003 - 2006	GREECE	41.46%
BOZETTI LTD	2003 - 2006	CYPRUS	56.67%	BET S.A.	2003 - 2006	GREECE	62.83%
BRIDGNORTH LTD	-	GREAT. BRITAIN	64.08%	VIOMAL S.A.	2002 - 2006	GREECE	32.06%
VIEXAL LTD	2003 - 2006	GREECE	65.16%	VITROUVIT S.A.	2001 - 2006	GREECE	100.00%
COPPERPROM LTD	2003 - 2006	GREECE	56.28%	DEPAL S.A.	2002 - 2006	GREECE	60.60%
CPW America Co	2005 - 2006	U.S.A.	46.59%	DIVIPETHIV S.A.	2002 - 2006	GREECE	52.58%
CPW European GmbH	2000 - 2006	GERMANY	46.59%	DIAPEM COMMERCIAL S.A.	2003 - 2006	GREECE	62.95%
DOIRAN STEEL LLCOP	2006	BULGARIA	56.67%	DIATOUR S.A.	2003 - 2006	GREECE	97.19%
ELVAL AUTOMOTIVE GMBH	-	GERMANY	62.87%	ELMONTE HOLDINGS LTD	2001 - 2006	CYPRUS	56.67%
ELVAL COLOUR S.A.	2005 - 2006	GREECE	64.23%	EVITE S.A.	2003 - 2006	GREECE	68.13%
ETEM S.A.	2005 - 2006	GREECE	37.26%	ELVAL S.A.	2003 - 2006	GREECE	64.08%

ETEM SCG DOO	2004 - 2006	SERBIA	37.26%	ELKEME S.A.	2003 - 2006	GREECE	60.84%
GENECOS S.A.	2005 - 2006	FRANCE	49.39%	HELLENIC CABLES S.A.	2003 - 2006	GREECE	53.94%
HUMBEL LTD	2004 - 2006	CYPRUS	46.59%	ERGOSTEEL S.A.	2004 - 2006	GREECE	36.47%
ICME ECAB S.A.	2003 - 2006	ROMANIA	53.17%	ERLIKON S.A.	2001 - 2006	GREECE	57.03%
INOS BALKAN S.A.	-	SERBIA	83.21%	ETAL S.A.	1999 - 2006	GREECE	57.86%
LESCO ROMANIA S.A.	2003 - 2006	ROMANIA	35.07%	ETEM SYSTEMS SRL	2005 - 2006	ROMANIA	19.01%
LESCO OOD	2003 - 2006	BULGARIA	53.47%	ETIL S.A.	2001 - 2006	GREECE	42.26%
LLC ETEM SYSTEMS (UKR)	2005 - 2006	UKRAINE	37.26%	KANAL S.A.	2005 - 2006	GREECE	57.38%
METAL AGENCIES LTD	2005 - 2006	GREAT BRITAIN	63.44%	KERAMEIA AXIOU S.A.	2006	GREECE	100.00%
METAL GLOBE DOO	2002 - 2006	SERBIA	62.24%	ATTIKIS STEELWORKS S.A.	2002 - 2006	GREECE	28.34%
MKC GmbH	-	GERMANY	62.87%	CORINTH STEELWORKS S.A.	2002 - 2006	GREECE	46.59%
MOPPETS LTD	2003 - 2006	CYPRUS	37.26%	NOVAL S.A.	2003 - 2006	GREECE	100.00%
OGWELL LIMITED	2005 - 2006	CYPRUS	68.13%	XENKA S.A.	2003 - 2006	GREECE	100.00%
PROSAL TUBES S.A.	2006	BULGARIA	39.67%	PRAKSIS S.A.	2005 - 2006	GREECE	28.90%
SANIPARK S.A.	2006	GREECE	100.00%	PROSAL S.A.	2004 - 2006	GREECE	39.67%
SIGMA S.A.	2002 - 2006	BULGARIA	41.84%	SANITAS S.A.	2003 - 2006	GREECE	100.00%
SOFIA MED AD	2005 - 2006	BULGARIA	68.13%	SANITAS AGENCIES S.A.	2005 - 2006	GREECE	100.00%
SOVEL S.A.	2006	GREECE	63.94%	SIDENOR S.A.	2005 - 2006	GREECE	56.67%
STEELMET (1) BULGARIA	1998 - 2006	BULGARIA	37.26%	STEELMET S.A.	2003 - 2006	GREECE	60.76%
STEELMET (2) BULGARIA	2004 - 2006	BULGARIA	37.26%	SYLLAN S.A.	2005 - 2006	GREECE	68.13%
STEELMET CYPRUS LTD	2005 - 2006	CYPRUS	60.76%	SYMETAL S.A.	2003 - 2006	GREECE	64.08%
STEELMET EXPORTS S.A.	2006	GREECE	61.06%	CORINTH PIPEWRTOKS S.A.	2003 - 2006	GREECE	46.59%
STEELMET ROMANIA S.A.	2002 - 2006	ROMANIA	60.33%	TEKA SYSTEMS S.A.	2003 - 2006	GREECE	50.01%
STOMANA IDUSTRY S.A.	2005 - 2006	BULGARIA	48.72%	TELECABLES S.A.	2004 - 2006	GREECE	53.94%
TEPRO METAL AG	1992 - 2006	GERMANY	62.87%	HALCOR S.A.	2005 - 2006	GREECE	68.13%
TEPRO METAL S.A.	1998 - 2006	BULGARIA	100.00%	CHABAKIS LTD	2003 - 2006	GREECE	68.13%
TEPRO METAL VERTRIEBS GMBH	-	GERMANY	62.87%	TEPROSTEEL EAD	2002 - 2006	BULGARIA	56.67%

- KERAMEIA AXIOU S.A., which was established on 30 September 2005 and began operating on 1 January 2006 was consolidated for the first time in 2006.
- The Board of Directors of FITCO S.A. and HALCOR S.A., during their meetings of 30 January 2006, decided on the merger of their two companies with the absorption of the former company by the latter company with a merger balance sheet date 31 January 2006. Pursuant to the provisions of Law 2166/1933 and Codified Law 2190/1920, the merger was approved by the General Meetings of the companies that were held on 15 June 2006 and was completed with decision No. K2-9666 of the Minister of Development on 30 June 2006.
- On 24 July 2006, HALCOR S.A. proceeded in the buy-out of all of the corporate shares of CHABAKIS LTD AGENCIES, which is active in the representation of metal products.
- The Board of Directors of VECTOR S.A. and ELVAL COLOUR S.A., during their meetings of 19 April 2006, decided on the merger of their two companies with the absorption of the

former company by the latter company with a merger balance sheet date 30 April 2006. Pursuant to the provisions of Law 2166/1933 and Codified Law 2190/1920, the merger was approved by the General Meetings of the companies that were held on 19 September 2006 and was completed with decision No. 29975/29.9.2006 of the Prefecture of Athens.

- On 1 June 2006, SIDENOR S.A. proceeded in the purchase of 6,650,000 shares of Corinth Pipeworks S.A. through Elmonte Holdings Ltd., a 100% subsidiary company. With this purchase Elmonte Holdings Ltd. increased its holding percentage in CORINTH PIPEWORKS S.A. from 76.58% to 82.21%.
- During the year DOJRAN STEEL, a company seated in FYROM, was established, which had initially leased, exclusively and with the right to future buy-out, the properties and machinery of VELDER Import – Export Ltd. During the third quarter, the company, exercising its contractual right, proceeded in the buy-out of fixed assets, realising an equivalent share capital increase.
- In addition, during the year PROSAL TUBES, a company seated in Bulgaria, was established as a subsidiary of PROSAL S.A., the main activity of which is the production of pipes.
- In November 2006, ETEM S.A. together with Libyan entrepreneurs established the societe anonyme with the corporate name “A LAMAR S.A. – Production & Stock Joint Company”.

12. Available-for-sale financial assets

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Opening balance	20,111,359	18,289,227	39,927,613	-
Effect from the application of IAS 32 & 39	-	3,462,572	-	36,698,841
Currency translation	-16	-	-	-
Additions	2,687,574	2,860,186	2,556,240	2,821,616
Sales	-10,657,984	-177,880	-10,657,950	-177,880
Valuation that directly affected Equity	114,186	-3,283,497	827,107	585,036
Reclassification	1,545,307	-1,039,249	-373,123	-
Year-end balance	<u>13,800,426</u>	<u>20,111,359</u>	<u>32,279,887</u>	<u>39,927,613</u>
Non-current assets	10,531,668	7,969,560	32,279,887	29,927,613
Current assets	3,268,758	12,141,799	-	10,000,000
	<u>13,800,426</u>	<u>20,111,359</u>	<u>32,279,887</u>	<u>39,927,613</u>

Available-for-sale financial assets include the following:

	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Listed titles	3,360,278	3,657,451	3,019,191	3,652,301
- Domestic participating titles	2,446	15,826	-	-
- International participating titles				
Unlisted titles	6,418,679	2,557,029	28,851,522	25,490,657
- Domestic participating titles	497,587	305,608	-	-
- International participating titles	-	10,000,000	-	10,000,000
Debentures	3,521,436	3,575,445	409,174	784,655
Other	<u>13,800,426</u>	<u>20,111,359</u>	<u>32,279,887</u>	<u>39,927,613</u>

The effect from the application of IAS 32 & 39 was used only for the opening balances of 1/1/2005, which is also the date these standards were applied for the first time.

1. The part of the available-for-sale financial assets that concerns non-listed titles was estimated at acquisition value whereas it could not be estimated at its fair value.

13 Financial assets at fair value through profit and loss

Consolidated

	31/12/2006	31/12/2005
Opening balance	1,002,873	-
Effect from the application of IAS 32 & 39	-	548,968
Additions	250,000	900,000
Sales	-	-447,896
Sales	-900,000	-
Changes in fair value	27,193	1,801
Reclassification	-86,169	-
Year-end balance	293,897	1,002,873

Financial assets at fair value through profit and loss include the following:

	31/12/2006	31/12/2005
<u>Listed titles</u>	-	68,000
- Domestic participating titles		
<u>Unlisted titles</u>	7,337	7,337
- Domestic participating titles	250,000	900,000
- Debentures	28,329	27,536
- Mutual funds	8,231	-
Other	293,897	1,002,873

The effect from the application of IAS 32 & 39 was used only for the opening balances of 1/1/2005, which is also the date these standards were applied for the first time.

The parent company does not have any financial assets through profit and loss.

14 Deferred taxation

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets with current tax liabilities and when deferred income taxes concern the same tax principle. The amounts that are offset are the following:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Deferred tax assets	8,486,293	1,783,864	-	-
Deferred tax liabilities				
Net deferred tax amount	-186,527,865	-203,583,567	-19,183,009	-19,007,585
	-178,041,572	-201,799,703	-19,183,009	-19,007,585

Most of the deferred tax liabilities are recoverable after 12 months.

The total change in deferred income tax is as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance at beginning of year	-201,799,703	-191,000,886	-19,007,585	-19,105,510
Effect from the application of IAS 32 & 39	-	-2,521,181	-	-
Currency translation	95,346	88,380	-	-
(Debit)/credit recorded in Equity	367,098	-	-	-
(Debit)/credit recorded in the income statement	23,295,684	-9,091,179	306,763	97,925
Tax that was (debited)/credited in equity	-	-	-482,187	-
Reclassification	-	725,163	-	-
Balance at end of period	-178,041,575	-201,799,703	-19,183,009	-19,007,585

The rate with which deferred tax is calculated is equal to the rate that is believed to apply when the temporary tax differences will be reversed. The tax rate that applies to companies that are active in Greece is set at 25%.

Changes in deferred tax assets and liabilities during the fiscal year are as follows:

CONSOLIDATED FIGURES	Difference in amortisation	Difference in provisions	Non-recognised intangible assets	Tax losses	Other	Total
Balance as at 1/1/2005	-214,579,897	4,499,395	19,706,049	-99,999	-3,047,615	-193,522,067
Currency translation	3,443	-	-	-	84,937	88,380

(Debit)/credit recorded in profit and loss	-9,058,616	-790,324	-1,157,219	581,234	1,333,746	-9,091,179
Reclassification	-	-	-	-	725,163	725,163
Balance as at 31/12/2005	-223,635,070	3,709,071	18,548,830	481,235	-903,769	-201,799,703
Balance as at 1/1/2006	-223,635,070	3,709,071	18,548,830	481,235	-903,769	-201,799,703
Currency translation	111,308	-20,110	-168	3,688	628	95,346
(Debit)/credit recorded in profit and loss	4,048,675	586,225	-1,059,866	17,290,058	2,430,592	23,295,684
(Debit)/credit recorded in Equity	-22,316	-	-	-	389,414	367,098
Reclassification	7,950,625	313,099	-15,104,848	-59,205	6,900,329	-
Balance as at 31/12/2006	-211,546,778	4,588,285	2,383,948	17,715,776	8,817,194	-178,041,575

COMPANY FIGURES	Goodwill of fixed assets/Difference in amortisation	Difference in provisions	Non-recognised intangible assets	Other	Total
Balance as at 1/1/2005	-19,242,649	-9,458	19,064	127,533	-19,105,510
(Debit)/credit recorded in profit and loss	108,844	114	-5,332	-5,701	97,925
Balance as at 31/12/2005	-19,133,805	-9,344	13,732	121,832	-19,007,585
Balance as at 1/1/2006	-19,133,805	-9,344	13,732	121,832	-19,007,585
Currency translation	316,732	-671	-9,297	-	306,764
(Debit)/credit recorded in profit and loss	-	-	-	-482,187	-482,187
(Debit)/credit recorded in Equity	-18,817,073	-10,015	4,435	-360,355	-19,183,009
Balance as at 31/12/2006	-19,242,649	-9,458	19,064	127,533	-19,105,510

The subsidiary company of SIDENOR S.A., Corinth Pipeworks S.A., re-evaluated its capacity to offset transferred tax losses with future taxable profits and recognised a deferred tax claim for the transfer of part of the tax losses of an amount of 69,3 million Euros for which a relative financial gain may arise due to future taxable profits. The subsidiary company did not recognise a deferred tax claim for the remaining part of the losses of an amount of 30,4 million Euros (2005: 119,5 million Euros).

The tax losses of HELLENIC CABLES S.A., a subsidiary company of HALCOR S.A., against which a deferred tax claim has not been recognised, amount to approximately 1,1 million Euros as at 31 December 2006 on a consolidated level.

15 Inventories

	CONSOLIDATED FIGURES	
	31/12/2006	31/12/2005
Merchandise	68,950,870	55,631,123
Finished products	285,108,858	229,965,243
Semi-finished products	131,626,996	115,587,484
By-products and scrap	24,922,246	16,524,651
Work in progress	40,584,401	31,584,891
Raw and auxiliary materials – consumables – spare parts and packaging materials	290,156,088	222,217,072
Down payments for the purchase of inventories	12,921,874	12,534,459
Total	854,271,333	684,044,923
Less: Provisions for scrap, delayed and destroyed inventories		
Merchandise	-467,216	-316,488
Finished products	-3,161,888	-1,380,570
Semi-finished products	-949,070	-
By-products and scrap	-37,410	-
Work in progress	-2,239,427	-11,228
Raw and auxiliary materials – consumables – spare parts and packaging materials	-5,013,031	-23,446
Down payments for the purchase of inventories	-94,031	-
	-11,962,073	-1,731,732
Total net liquid value	842,309,260	682,313,191

The parent company does not have in its possession any inventories.

No liens have been obtained on the parent company's inventories.

The greater part of the impairment, of an amount of 10,6 million Euros, for 2006 concerns a provision that was raised for the devaluation of the inventories of the HALCOR Group of Companies, which devaluated its inventories at their net liquid value primarily due to the decrease in the price of metals.

16 Trade and other receivables

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	636,640,881	508,093,704	165,622	151,769
Less: Provisions for impairment	-11,011,329	-8,592,426	-	-
Net receivables from customers	<u>625,629,552</u>	<u>499,501,278</u>	<u>165,622</u>	<u>151,769</u>
Advance payments	2,694,870	2,647,887	-	-
Receivables from associate entities (Note 36)	24,411,989	14,604,966	860,412	1,536,047
Other taxes	75,021,748	43,601,147	901,739	630,912
Other debtors	48,305,723	61,242,057	2,269,831	840,313
Less: Provisions for impairment	-3,792,937	-1,447,559	-	-
Total	<u>772,270,945</u>	<u>620,149,776</u>	<u>4,197,605</u>	<u>3,159,041</u>
Current receivables	763,530,205	608,804,256	4,191,531	3,152,552
Non-current receivables	8,740,740	11,345,520	6,074	6,489
Total receivables	<u>772,270,945</u>	<u>620,149,776</u>	<u>4,197,605</u>	<u>3,159,041</u>

The Group has not concentrated its credit risk in relation to receivables from customers whereas it has a large number of customers.

The Group recognised a loss of an amount 7,1 million Euros (2005: 4,4 million Euros) for the impairment of receivables during 2006. The loss was recorded in the selling expenses account of the income statements.

The Company did not recognise a loss for the impairment of receivables during 2005 and 2006.

17 Derivative financial assets

	CONSOLIDATED FIGURES	
	31/12/2006	31/12/2005
Non-current assets		
Interest rate swaps	2,075,115	-
Fx future contracts	82,481	25,657
Future contracts	655,863	514,579
Total	2,813,459	540,236
Current assets		
Interest rate swaps	20,216	-
Foreign exchange swaps	42,899	41,961
Forwards for hedging cash flows	2,821,661	160,812
Fx future contracts	964,820	876,718
Future contracts	12,024,018	20,542,997
Total	15,873,614	21,622,488
Non-current liabilities		
Interest rate swaps	109,344	1,668,103
Foreign exchange swaps	147,346	361,797
Future contracts	593	653,279
Total	257,283	2,683,179
Current liabilities		
Interest rate swaps	92,113	751,787
Foreign exchange swaps	33,394	-
Fx future contracts	979,920	818,781
Forwards for hedging cash flows	223,088	2,555,509
Future contracts	3,743,526	5,585,240
Total	5,072,041	9,711,317
Amounts recorded in the results as income or (expense)	-13,463,635	-9,797,460
Nominal value of contracts	753,875,519	388,201,621

The above valuation of open positions of derivative financial instruments was effected according to the requirements of IAS 39 “Financial Instruments: Recognition and Measurement”.

The Group’s accounting principle regarding risk hedging is described in note 2.13.

The abovementioned derivative financial instruments cover risks from:

- Market currency translations (US Dollar)
- Changes in loan interest rates
- Changes in the prices of metals
- Changes in the prices of other currencies

The term of the above derivative financial instruments and the nominal value thereof corresponds to those of underlined assets/liabilities.

18 Cash and cash equivalents

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash on hand and in banks	4,338,477	3,781,223	14,754	18,903
Current bank deposits	229,370,631	79,531,819	86,203,536	14,172,346
Total	233,709,108	83,313,042	86,218,290	14,191,249

The aforementioned cash on hand constitutes the cash on hand and cash equivalents for the purposes of the cash flow statement.

19 Share capital

Consolidated

	Number of shares	Common shares	Above par	Treasury stock	Total
1 January 2005	199,474,091	59,842,227	411,618,152	-7,911,289	463,549,090
31 December 2005	199,474,091	59,842,227	411,618,152	-7,911,289	463,549,090
Treasury stock bought	-	-	-	-94,148	-94,148
31 December 2006	199,474,091	59,842,227	411,618,152	-8,005,437	463,454,942

Company

	Number of shares	Common shares	Above par	Total
1 January 2005	199,474,091	59,842,227	411,618,153	471,460,380
31 December 2005	199,474,091	59,842,227	411,618,153	471,460,380
31 December 2006	199,474,091	59,842,227	411,618,153	471,460,380

The nominal value of shares amounts to 0.30 Euros each.

The share capital is fully paid up.

20 Other reserves

Consolidated

	Statutory reserve	Special reserves	Tax exempt reserves	Other reserves	Total	Fair value reserves	Translation reserve	Total
Balance as at 1 January 2005	35,269,750	2,328,135	168,185,427	7,239,993	213,023,305	-	-168,075	212,855,230
Application of IAS 32 & 39	-	-	-	-	-	8,953,940	-	8,953,940
Currency translation	-	-	-	-	-	-	268,422	268,422
Profit recognised directly in Equity								
Capital	-	-	-	-	-	-2,713,897	-	-2,713,897
Effect of change in holding percentage	-128,325	842,622	-7,248,241	-648,917	-7,182,861	-	-	-7,182,861
Transfer of reserves	4,426,685	357,045	33,972,060	138,479	38,894,269	-	-	38,894,269
Balance as at 31 December 2005	39,568,110	3,527,802	194,909,246	6,729,555	244,734,713	6,240,043	100,347	251,075,103
Balance as at 1 January 2006	39,568,110	3,527,802	194,909,246	6,729,555	244,734,713	6,240,043	100,347	251,075,103
Currency translation	-	-	-	-	-	-	2,225,485	2,225,485
Profit recognised directly in Equity								
Capital	-	-	-	-	-	5,429,036	-	5,429,036
Effect of change in holding percentage	-4,075,500	-717,263	-16,700,184	-3,309,098	-24,802,045	132,271	-249,543	-24,919,317
Transfer of reserves	4,377,233	2,300,000	-473,524	326,062	6,529,771	-	-	6,529,771
Balance as at 31 December 2006	39,869,843	5,110,539	177,735,538	3,746,519	226,462,439	11,801,350	2,076,289	240,340,078

Company

	Statutory reserve	Tax exempt reserves	Special reserves	Total	Fair value reserves	Total
Balance as at 1 January 2005	16,867,708	9,321,105	1,777,520	27,966,333	-	27,966,333
Application of IAS 32 & 39	-	-	-	-	516,608	516,608
Distribution	594,000	1,472	-	595,472	-	595,472
Other	-	-	-	-	585,036	585,036
Balance as at 31 December 2005	17,461,708	9,322,577	1,777,520	28,561,805	1,101,644	29,663,450
Balance as at 1 January 2006	17,461,708	9,322,577	1,777,520	28,561,805	1,101,644	29,663,450
Distribution	653,000	-1,000,000	-	-347,000	-	-347,000
Other	-	-	-	-	344,919	344,919
Balance as at 31 December 2006	18,114,708	8,322,577	1,777,520	28,214,805	1,446,563	29,661,368

The effect from the application of IAS 32 & 39 was used only for the opening balances of 1/1/2005, which is also the date these standards were applied for the first time.

(a) Statutory reserve

The provisions of articles 44 and 45 of Codified Law 2190/1920 stipulate that a statutory reserve must be formed and used as follows: At least 5% of the true (accounting) net profits that are earned during each fiscal year is withheld, mandatorily, in order to form a statutory reserve until the accumulated amount thereof equals 1/3 of a company's nominal share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of the shareholders and as a result thereof it cannot be used for any the reason whatsoever.

(b) Special reserves

These reserves have been formed following the decisions of the Ordinary General Meeting of previous fiscal years. They are not formed for a specific purpose and therefore they can be used for any purpose whatsoever following a decision Ordinary General Meeting.

(c) Tax exempt reserves

Special law tax exempt reserves

Reserves that are formed from net profits are monitored. These reserves, pursuant to special provisions of incentive laws that are in force each time, are not taxed whereas they were used for the acquisition of new production equipment. In other words, these reserves are formed from net profits for which no tax is calculated and paid.

Reserves from income exempt from taxation and income taxed pursuant to special laws

These reserves are formed from the undistributed part of net profits that arises from income exempt from taxation and income taxed pursuant to special laws with the exhaustion of the tax liability.

The above reserves may be capitalised and distributed (after taking into consideration the restrictions that are in force each time) following a decision of the Ordinary General Meeting of the shareholders.

Pursuant to Hellenic Legislation, tax exempt reserves are exempted from income taxation, under the condition that these reserves shall not be distributed to shareholders. The Group does not intend to distribute these specific reserves and, therefore, it has not proceeded in estimating the income tax that would had arisen in the case in which these reserves would had been distributed.

The Group's tax exempt reserves include reserves that the company has formed pursuant to article 2 of Law 3220/2004. The European Commission issued Announcement 2006/C20/05, according to which, it deems that tax exempt reserves constitute a form of State aid and has requested from the Hellenic Government to officially state its position thereon. Due to the unfavourable development of the said matter the companies burdened their results by raising a relative provision with the corresponding tax amount.

21 Borrowings

CONSOLIDATED FIGURES

31/12/2006 31/12/2005

Non-current borrowings

Bank loans	201,363,746	228,592,278
Liabilities from leasing activities (Note 22)	120,022	1,918,993
Debenture loans	638,916,668	492,000,000
Total non-current borrowings	840,400,436	722,511,271

Current borrowings

Open bank accounts	1,024,322	12,713,583
Bank loans	444,681,008	476,172,658
Liabilities from leasing activities (Note 22)	2,095,850	1,867,523
Total current loans	447,801,180	490,753,764

Total loans

1,288,201,616 1,213,265,035

The maturity dates of non-current loans are as follows:

Between 1 and 2 years	296,115,977	172,852,126
Between 2 and 5 years	515,898,297	512,031,369
Over 5 years	28,266,139	35,708,784
	840,280,413	720,592,279

The true weighted average interest rates as at the balance sheet date are as follows:

CONSOLIDATED FIGURES

31/12/2006 31/12/2005

Bank loans (non-current)	4.91%	5.30%
Bank loans (current)	4.52%	3.70%
Debenture loans	4.10%	3.40%
Liabilities from leasing activities	3.28%	3.30%

The reasonable values of loans are approximately equal to their book values.

On 13 June 2006, the ordinary General Meeting of SIDENOR S.A. decided to additionally issue a

joint bonded loan in the amount of 130 million Euros that would be covered, in its entirety, by banks and which would be used, in part, to replace a current loan with a non-current loan and, in part, to fund the company's investment programmes and to participate in the share capital increases of subsidiary companies. As of the date of publication of the current financial statements, 65 million Euros have been received.

As noted in Note 35, a mortgage has been filed against the property of ICME ECAB (Romania), a subsidiary company of HELLENIC CABLES S.A., including the equipment thereof, while a lien has been obtained on the company's movable property (with the exception of receivable sand stocks) for the acquisition of a non-current loan, the amount of which, as of 31 December 2006, amounted to 4,6 million Euros.

The Company does not have any borrowings.

22 Leasing

	CONSOLIDATED FIGURES	
	31/12/2006	31/12/2005
Liabilities from leasing activities – minimum rents		
Up to 1 year	2,185,309	2,097,739
From 1 to 5 years	111,222	3,932,082
Over 5 years	15,066	-
Total	2,311,596	6,029,821
Less: Future leasing financial charges	-95,724	-2,243,306
Current value of liabilities from leasing activities	2,215,872	3,786,515

The current value of liabilities from leasing activities is analysed as follows:

Up to 1 year	2,095,850	1,867,522
From 1 to 5 years	106,554	1,918,993
Over 5 years	13,468	-
Current value of liabilities from leasing activities	2,215,872	3,786,515

The Company does not have any liabilities from leasing activities.

23 Retirement and termination benefit obligations

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Liabilities recorded in the balance sheet for:				
Retirement benefits	20,542,508	19,341,347	40,063	38,080
Charges to results				
Retirement benefits	5,952,472	5,262,487	1,983	10,673
Retirement benefits				
Present value of non-funded liabilities	24,165,738	22,198,966	40,063	38,080
Non-recorded actuarial (profits)/losses	-3,100,082	-2,539,860	-	-
Non-recorded cost of past service	-523,148	-317,759	-	-
Liability recorded in the Balance Sheet	20,542,508	19,341,347	40,063	38,080
Changes in net liability recognised in the Balance Sheet				
Net liability at beginning of period	19,341,347	19,507,361	38,080	27,407
Employer contributions	-807,007	-2,262,246	-	-
Benefits paid	-3,944,303	-3,166,255	-	-
Total expenditure recognised in the income statement	5,952,472	5,262,487	1,983	10,673
Net liability at end of period	20,542,509	19,341,347	40,063	38,080
Analysis of expenditures recognised in the income statement				
Cost of current employment	1,939,815	1,578,781	-	-
Interest against the liability	773,094	728,519	-	-
Cost of additional benefits	1,838,842	1,496,152	-	-
Cost of arrangement from employee transfers	24,893	-80,624	-	-
Profit from cutbacks from employee transfers	1,048,091	1,279,100	-	-
Expenses	306,335	237,401	1,983	10,673
Cost of past service during the period	21,402	23,159	-	-
Total expenditure recognised in the income statement	5,952,472	5,262,488	1,983	10,673

The main actuarial acknowledgments that were used for accounting purposes are the following:

	31/12/2006	31/12/2005	31/12/2004
Discount rate	4,1% - 5%	8%	9.1%
Future salary increases	3,5% - 6%	8%	8.1%

24 Government grants

Consolidated

	31/12/2006	31/12/2005
Balance at beginning of year	31,001,614	30,984,470
Currency translations	350	-
Collection of government grants	1,139,400	1,486,203
Transfer of government grants to receivables/liabilities	-543,192	1,754,614
Amortisation of government grants (Note 31)	-2,940,000	-3,223,673
Transfer to results	166,686	-
Balance at year-end	28,824,858	31,001,614

Government grants have been received due to an investment in tangible fixed assets. The Company has not received any Government Grant.

25 Trade and other payables

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	171,163,670	141,220,697	749,873	6,215
Notes payable	51,301,481	33,668,856	-	-
Cheques payable	1,265,210	349,021	-	-
Advance payments from customers	30,759,444	10,606,470	1,423	2,148
Social security funds & other taxes-duties	8,312,094	11,897,734	40,773	3,944
Amounts due to associate entities (Note 36)	3,287,194	3,147,943	341,454	781,539
Dividends payable	1,486,577	1,768,335	-	-
Sundry creditors	13,726,213	17,239,985	4,534,672	3,150,188
Deferred income	9,555,565	14,990,864	24,170	7,280
Accrued expenses	33,882,417	17,294,198	-	6,078
Other credit transitory accounts	5,111,991	2,216,552	130	130
Other taxes and fees	6,285,321	-	-	-
Total	336,465,375	254,400,655	5,692,494	3,957,522

26 Provisions

Consolidated

Nom-current Liabilities

	Pending court cases	Indemnifications to customers	Other provisions	Total
1 January 2005	8,753,124	8,506,716	587,930	17,847,770
Currency translation	-	-	-7,960	-7,960
Additional provisions for the fiscal year	-	686,395	311,424	997,819
Restructuring	-	-	1,497,474	1,497,474
Provisions used during the fiscal year	-3,714,000	-5,800,000	-647,188	-10,161,188
31 December 2005	5,039,124	3,393,111	1,741,680	10,173,915
Currency translation				
Additional provisions for the fiscal year	788,639	1,964,719	4,114,875	6,868,233
Restructuring	-39,124	-	-369,902	-409,026
Provisions used during the fiscal year	-	-594,262	-665,230	-1,259,492
31 December 2006	5,788,639	4,763,568	4,821,423	15,373,630

Current Liabilities

	Pending court cases	Indemnifications to customers	Other provisions	Total
1 January 2005			9,298	9,298
Additional provisions for the fiscal year	974,731	-	842,811	1,817,542
Restructuring	-92,000	-	-31,863	-123,863
Provisions used during the fiscal year	-	-	-240,746	-240,746
31 December 2005	882,731		579,500	1,462,231
Additional provisions for the fiscal year	335,000	337,275	2,384,494	3,056,769
Restructuring	-281,155	453,209	-237,690	-65,636
Provisions used during the fiscal year	-140,000	-	-219,472	-359,472
31 December 2006	796,576	790,484	2,506,832	4,093,892

The Company has not raised any provisions.

The SIDENOR S.A. Group of Companies has raised additional provisions in the amount of 5,167 thousand Euros, of which 2,844 thousand Euros concern an income tax provision of the tax

exempt reserves of Law 3220/2004, while the remaining amounts of 1,964 thousand Euros and 357 thousand Euros concern provisions raised by Corinth Pipeworks S.A. for contingent customer indemnifications and pending court cases, respectively, due to a work-related accident that occurred at the Corinth factory.

The provisions raised by subsidiary company ELVAL S.A. concern the possible purchase of CO2 rights according to the National Allocation Plan (see note 34) and an income tax provision of the tax exempt reserves of Law 3220/2004 in the amount of 473 thousand Euros.

Subsidiary company HALCOR S.A. has raised a provision in the amount of 5,4 million Euros regarding the fine that has been imposed thereon by the European Commission in relation to the company's violation of the rules of competition in the irrigation copper pipes market, including interest (Note 26), as well as a provision in the amount of 570 thousand Euros for the contingent payment of taxes in relation to the formation of the tax exempt reserves of law 3220/2004 of an amount of 3,9 million Euros, which the European Union, with a relative decision, considers an indirect State subsidy.

A lawsuit has been filed against HALCOR S.A. by a former associate of the company on the grounds of unlawful contract rescission. The indemnification claimed by the company's former associate amounts to 150 thousand Euros for which the Company has raised an equivalent provision.

With regard to unaudited fiscal years 2002 to 2004 of subsidiary company HALCOR S.A., the relative tax audit was completed in early February 2007, from which taxes in the amount of 659,704 Euros arose for which a corresponding provision has been raised.

27 Expenses per category

Consolidated

2005

	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	28	-150,802,429	-27,797,761	-34,218,892	-212,819,082
Cost of inventory recognised as an expense		-1,564,898,402	-3,022,603	-1,679,609	-1,569,600,614
Depreciation		-106,358,730	-2,681,361	-6,489,656	-115,529,747
Insurance premiums		-4,736,698	-2,733,620	-1,794,525	-9,264,843
Rent		-4,911,602	-2,461,882	-1,935,274	-9,308,758
Transportation		-23,299,557	-45,919,634	-1,340,527	-70,559,718
Fees – benefits to third parties		-89,406,718	-22,084,471	-17,899,531	-129,390,720
Provisions		-	-2,407,919	-407,443	-2,815,362
Other expenses		-79,351,563	-22,375,106	-6,502,772	-108,229,441
Impairment of fixed assets		-531,802	-	-	-531,802
Total		-2,024,297,501	-131,484,357	-72,268,229	-2,228,050,087

2006

	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	28	-167,731,747	-26,914,575	-38,731,806	-233,378,128
Cost of inventory recognised as an expense		-2,137,661,854	-280,941	-76,677	-2,138,019,472
Depreciation		-111,926,331	-3,316,602	-6,507,166	-121,750,099
Insurance premiums		-4,231,236	-5,597,105	-1,404,435	-11,232,776
Rent		-5,632,397	-136,720	-2,267,042	-8,036,159
Transportation		-25,633,107	-61,568,039	-1,271,514	-88,472,661
Fees – benefits to third parties		-87,265,395	-23,285,508	-18,602,748	-129,153,650
Provisions		-4,949,747	-3,450,542	-822,694	-9,222,983
Other expenses		-224,261,531	-24,745,024	-14,399,206	-263,405,761
Impairment of fixed assets		-3,357,554	-	-174,978	-3,532,532
Total		-2,772,650,900	-149,295,056	-84,258,266	-3,006,204,222

Depreciation is analysed as follows:

	2006	2005
Cost of sales	111,926,331	106,358,730
Selling expenses	3,316,602	2,681,361

Administrative expenses	6,507,166	6,489,656
Other income/(expenses) – net	1,411,176	679,233
	123,161,275	116,208,980

Company

2005

	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	28	-	-	-533,189	-533,189
Depreciation		-	-	-548,152	-548,152
Insurance premiums		-	-	-35,931	-35,931
Rent		-	-	-4,844	-4,844
Transportation		-	-	-20,584	-20,584
Fees to third parties		-	-	-506,852	-506,852
Other expenses		-42,000	-	-499,690	-541,690
Total		-42,000	-	-2,149,242	-2,191,242

2006

<i>Amounts in thousand of Euros</i>	Note	Cost of sales	Selling expenses	Administrative expenses	Total
Employee benefits	28	-	-	-993,257	-993,257
Depreciation		-	-	-489,932	-489,932
Insurance premiums		-	-	-25,403	-25,403
Rent		-	-	-31,329	-31,329
Transportation		-	-	-19,849	-19,849
Fees to third parties		-	-	-363,474	-363,474
Other expenses		-37,500	-	-889,954	-927,454
Total		-37,500	-	-2,813,197	-2,850,697

28 Employee benefits

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2006	2005	2006	2005
Personnel fees and expenses	176,538,483	159,780,808	134,048	105,604
Social security expenses	40,726,355	39,727,504	19,060	17,417
Retirement cost of defined contribution programs	383,393	411,551	874	865
Retirement cost of defined benefit programs (Note 23)	5,952,472	5,262,487	1,983	10,673
Other employee benefits	11,014,501	7,973,601	837,292	398,630
Total	234,615,204	213,155,951	993,257	533,189

Employee benefits are allocated as follows:

	2006	2005	2006	2005
Cost of sales	167,731,747	150,802,429	-	-
Selling expenses	26,914,575	27,797,761	-	-
Administrative expenses	38,731,806	34,218,892	993,257	533,189
Other operating income/(expenses) (net)	1,237,076	336,869	-	-
Total	234,615,204	213,155,951	993,257	533,189

BRIDGNORTH LTD, a subsidiary company of ELVAL S.A., within the framework of restricting its cost of production, reduced its personnel with a cost of approximately 850 thousand Euros that has burdened the consolidated results of the year.

29 Finance cost

Consolidated

	2006	2005
Income		
Interest income	6,986,628	3,972,743
Currency translations	611,201	90,112
Interest rate swaps	-	312,507
Other	811,154	226,063
Total income	8,408,983	4,601,425
Expenses		
Interest charges and related expenses	-60,997,976	-49,370,194
Promissory notes	-2,067,896	-1,533,603
Leasing	-245,145	-311,027
Interest rate swaps	-366,797	-195,372
Other	-975,228	-704,361
Total expenses	-64,653,042	-52,114,557
Finance cost (net)	-56,244,059	-47,513,132

The company finance income in the amount of 571 thousand Euros represent credit interest.

30 Income tax

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current tax	-53,478,626	-16,658,181	-1,823,487	-1,273,993
Deferred tax	23,295,684	-9,091,179	306,762	97,925
Total	-30,182,942	-25,749,360	-1,516,725	-1,176,068

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Accounting profit before taxes	226,910,831	59,390,094	39,041,891	14,228,583
Corresponding tax	-65,804,141	-19,004,830	-11,322,148	-4,553,147
Effect of permanent differences	-11,214,206	-7,283,027	-4,030,177	-558,104
Income for which a tax exempt reserve has been formed	9,400,429	2,204,003	8,937,384	-
Income exempt from taxation	1,594,659	194,660	5,073,025	4,029,620
Effect of tax losses of previous years	26,374,256	-12,202,917	-	-
Effect on the tax of the year due to different tax rates	9,964,482	9,263,733	-	-
Effect of the change in tax rates	7,310,923	2,525,011	-49,082	-27,418
Supplementary tax	-1,077,160	-408,028	-68,222	-67,019
Differences from tax audit of previous years	-2,845,062	-895,529	-57,504	-
Tax provision for tax exempt reserves of Law 3220/2004	-3,887,122	-142,436	-	-
Total income tax	-30,182,942	-25,749,360	-1,516,724	-1,176,068

The income tax rate that applies to companies that are active in Greece is set at 29% (2005: 32%).

As noted in Note 26, the SIDENOR, HALCOR and ELVAL Groups of Companies have raised a provision in the amount of 3,9 million Euros for the possible payment of taxes in relation to the formation of tax exempt reserves of Law 3220/2004, which has burdened the results of the current year.

From 2001 to 31 December 2006, subsidiary company ELVAL S.A. had made investments in the amount of approximately 100 million Euros, which fall under incentive laws 2601/1998 and 3299/2004. Pursuant to these laws the company has the right to form a tax exempt reserve from accounting profits and sufficient taxable profits of the following year of a maximum amount of

approximately 63 million Euros. This right gradually expires from 2011. The company has formed a future taxable benefit in the amount of approximately 1,7 million Euros, estimating, conservatively, the possibility of achieving the required undistributed taxable profits on a short-term basis (usually one year).

In 2006, the company was tax audited by the competent tax authorities for fiscal years 2002 until and including 2004 and the total tax difference that arose, 57 thousand Euros, burdened the results.

During the present year the SIDENOR Group of companies, parent company and subsidiary companies, was tax audited, from which additional taxes in the amount of 2,2 million Euros arose, which burdened the results of the current year.

Subsidiary company HALCOR S.A. was audited by the competent tax authorities for unaudited years 2002 until and including 2004. The tax audit was completed in early February 2007, from which taxes in the amount of 660 thousand Euros arose, for which a corresponding provision has been raised.

During the present year its subsidiary companies ELVAL S.A., ETEM S.A. and ELVAL COLOUR S.A. were tax audited for fiscal years 2000 until and including 2004, from which additional taxes in the amount of 589 thousand Euros arose, an amount which was offset with a provision that was raised in previous years of a total amount of 641 thousand Euros. The unused provision of an amount of 51 thousand Euros benefited the consolidated results of the current year.

HELLENIC CABLES S.A., a subsidiary company of HALCOR S.A., is currently being tax audited for fiscal years 2003 – 2005, which is expected to be completed in 2007.

Contingent liabilities that arise with regard to the tax are noted in detail in Note 34.

31 Other Income / (Expenses)

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Amounts in Euros				
Other income	909,793	352,907	-	-
Grants of the fiscal year	4,398,641	3,997,463	2,356,025	2,308,062
Income from incidental activities	2,872,559	-	-	-
Insurance compensation	1,263,520	-	-	-
Rent from buyidings machinery	2,349,737	-	-	-
Income from previous years' provisions	10,784	596,137	-	-
Interest income (from operating activities)	2,518,761	-	-	-
Profits from the fair value of forwards	2,940,000	3,223,673	-	-
Amortisation of government grants received	395,000	-	-	-
Income form the sale of emission permits	8,839,198	6,231,940	-	-
Currency translations	933,353	-	-	-
Income form th eproviison of consulting services	8,016,960	4,569,567	687,781	378,485
Other income	35,448,306	18,971,687	3,043,806	2,686,547
Total other income				
Other expenses				
Production related expenses not incorporated in the operating cost	-1,357,222	-3,083,575	-	-
Development related expenses	-142,138	-155,610	-	-
Impairment of holdings and other financial assets	-	-62,830	-	-
Impairment of fixed assets	-34,524	-109,399	-2,439,368	-
Currency translations	-4,560,172	-	-	-
Provisions for contingencies	-1,539,081	-	-	-
Provisions for doubtful receivables	-764,713	-	-	-
Loss for the destruction of fixed assets	-2,439,368	-	-	-
Other expenses	-8,079,023	-9,914,258	-	-
Total other expenses	-18,916,241	-13,325,672	-2,439,368	-
Profits/(Losses) from the sale of fixed assets	228,985	2,228,336	-2,461	317,403
Profits from the sale of holdings	-	39,955	23,234,035	-
Profits from the sale of other financial assets	40,438	328,615	109,547	333,834
Derivative financial instruments (transfer from Equity)	-3,742,947	-8,724,701	-	-
Other operating income-expenses (net)	13,058,541	-481,780	23,945,559	3,337,784

BRIDGNORTH LTD, a subsidiary company of ELVAL S.A., sustained damages due to a fire, and

as a result thereof it was forced to suspend its production activities for three weeks. Insurance compensation in the amount of 2,75 million Euros have been collected for loss of income, which have been recorded in the consolidated results, while, approximately 1,6 million Euros has been collected for material damages, which has been offset with the cost of repair.

32 Cash generated from operations

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		1/1 to 31/12/2006	1/1 to 31/12/2005	1/1 to 31/12/2006	1/1 to 31/12/2005
Profits for the period		196,727,888	33,640,734	37,525,166	13,052,515
Adjustments for:					
Tax	30	30,182,943	25,749,360	1,516,725	1,176,068
Depreciation of property, plant equipment & intangible assets and investments in property	7,8,9	123,161,275	116,742,882	489,932	537,843
Impairment	7-8-9	6,639,066	6,295,013	2,439,368	-
(Profits)/losses from the sale of property, plant equipment		-228,985	-2,268,291	2,461	-317,403
Goodwill of subsidiary companies		-	1,011,136	-	-
Other provisions		17,686,365	2,815,362	-	-
(Profits)/losses from the sale of holdings		-	-	-23,234,035	-
Profit from the sale of financial assets		-40,438	-328,615	-109,547	-
(Profits)/losses from the fair value of investments and derivative financial assets		13,463,636	-	-	-333,835
Interest income	29	-8,408,982	-4,601,425	-669,837	-
Interest expenses	29	64,286,245	52,114,557	-	-
Income from dividends		-1,089,419	-1,810,519	-17,237,267	-12,458,589
Amortisation of government grants	24	-2,940,000	-3,223,673	-	-
(Profits)/losses from associate companies		-741,234	-2,153,670	-	-
Currency translations		608,721	-775,054	-	-
Employee benefits due to retirement	24	5,952,472	5,262,487	1,983	-
Others		166,686	-	-	-
		<u>445,426,239</u>	<u>228,470,284</u>	<u>724,948</u>	<u>1,656,600</u>
Changes in working capital					
(Increase)/decrease in derivative financial assets		-9,132,141	-	-	-
(Increase)/decrease in inventories		-170,558,643	-42,503,122	-	-
(Increase)/decrease in trade and other receivables		-158,245,414	-73,310,381	-1,038,562	-1,196,894
Increase/(decrease) in trade and other payables		78,288,502	6,490,479	1,592,660	3,504,275
Increase/(decrease) in provisions		1,549,500	-9,811,282	-	-
Increase/(decrease) in retirement and termination benefit obligations		-4,751,311	-5,428,501	-	10,673
Increase/(decrease) in available-for-sale non-current assets		-3,918,560	-	-	-
		<u>-266,768,067</u>	<u>-124,562,807</u>	<u>554,098</u>	<u>2,318,054</u>
Net cash generated from operations		<u>178,658,172</u>	<u>103,907,477</u>	<u>1,279,046</u>	<u>3,974,654</u>

33 Assumed liabilities

1. Contractual commitments

	CONSOLIDATED FIGURES	
	31/12/2006	31/12/2005
Plant, property and equipment	21,160,026	20,962,221
Others	1,360,764	1,360,764
	22,520,790	22,322,985

2. Liabilities from operating leases

	CONSOLIDATED FIGURES	
	31/12/2006	31/12/2005
Up to 1 year	2,220,461	2,162,470
From 1 to 5 years	5,348,674	5,619,272
Mor than 5 years	1,396,910	982,552
	8,966,045	8,764,294

The company does not have any significant commitments and liabilities from Operating Leases as at the date of the balance sheet.

There are no contractual liabilities for future repairs and maintenances of investment properties.

34 Contingent Liabilities – Receivables

Consolidated

Liabilities

31/12/2006

Guarantees for securing liabilities to suppliers	112,297,157
Guarantees for securing the good performance of contracts with customers	69,124,635
Mortgages and statutory notices of mortgage filed against lots & buildings	4,360,958
Counter-guarantees for loan of the European Investment Bank	40,519,356
Other liabilities	78,390,943
Lawsuits filed by employees due to a work-related accident in Corinth	3,386,830
Other lawsuits	3,343,805
Contractual liabilities	1,882,318
Letters of guarantee issued by Banks	9,454,373
Tax liabilities	5,572,415
Total	328,332,790

No significant burdens are expected to arise from the contingent liabilities that are presented in the table above. The Company does not have any contingent liabilities in relation to banks, other guarantees and other matters that arise within the framework of its ordinary business activities.

Pursuant to Hellenic Legislation, the Company's tax obligations and the tax obligations of its subsidiary companies, for certain years, have not been finalised as it is noted in detail in Note 11. The additional burden that may arise in the case of a tax audit for the Group's companies may not be estimated at the present stage.

SIDENOR S.A. and 'International Finance Corporation', an international organisation, have signed a contract pursuant to which the company guarantees that its holding in subsidiary company STOMANA Industry S.A., a company seated in Bulgaria, shall not change so that it may receive a non-current loan of an amount of 55 million Euros, while the current balance of the relative loan is 48 million Euros.

In the event that the pending lawsuits are not decided in the favour of Corinth Pipeworks S.A., a subsidiary company of SIDENOR S.A., the company raised a provision until and including fiscal year 2005 amounting to 921,855 Euros. During the current fiscal year, an amount of 140,000 Euros was paid to plaintiffs, an amount of 347,341 Euros was transferred to results and an additional

provision of an amount of 335,000 Euros was raised. Moreover, the subsidiary company until and including fiscal year 2005 raised a provision for losses that may arise as result of its contractual liabilities against customers amounting to 3,393,112 Euros. During the current fiscal year the company used an amount of 594,262 Euros to cover liabilities and raised an additional provision amounting to 1,964,719 Euros.

In 2005, the competent tax authorities issued final audit certificates to ETIL S.A., a subsidiary company of SIDENOR S.A., concerning fiscal years 1999 & 2000. According to these certificates additional taxes in the total amount of 2,728 thousand Euros arose, 938 thousand Euros of which constitutes the principle income tax while the remaining 1,790 thousand Euros constitute surcharges. Whereas ETIL S.A. did not accepting this liability, it filed an appeal before the Administrative Courts on 15 February 2006. It concurrently filed a request before the committee of article 70 of Law 2238/94 with the purpose of requesting that the service sector be excluded from non-accounting computation. The company's management bases its opinion in the fact that the final decisions will significantly reduce the company's liability. The Company raised a relative provision and correspondingly burdened its results of an amount of 371 thousand Euros that corresponds to the Income Tax that it will be called to pay if its request for the segregation of sectors is accepted.

Employees of STOMANA Industry S.A., a subsidiary company of SIDENOR S.A., have filed lawsuits against the company due to their discharge and work-related accidents in the amount of 649 thousand Euros. The company has, in turn, appealed to the local courts, which it believes will significantly reduce this liability. The company has burdened its results by 358 thousand Euros.

In a research study that the Competition Director General of the European Commission conducted regarding the European copper pipe manufacturers, it established that certain companies violated the rules of competition in the copper water pipes market and imposed fines on seven companies, one of which was HALCOR S.A. HALCOR's fine amounted to 9,16 million Euros for which the Company has issued a letter of guarantee of a corresponding value. The company deems that the abovementioned fine is unjustified and unfair and that the amount of the fine imposed was exorbitantly high. It has filed an appeal before the Tribunal of the European Communities against the Commission's decision. The Company's management, based on the opinion of its legal department as to the validity of its appeal, deems that the final amount of the abovementioned fine (if the validity of the fine is judicially justified and confirmed) will not exceed 5 million Euros, a provision has been raised which has burdened the 2004 operating results. In December 2006, a supplementary provision was raised in the amount of 0,4 million Euros for corresponding interest charges.

Pursuant to Directive 2003/87/EC (which has already been incorporated into Greek Legislation

pursuant to Joint Ministerial Decision H.Π. 54409/2632/27-12-2004) of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community, a National Allocation Plan for the three-year period 2005-2007 has been submitted. This Plan, the finalisation of which is pending, establishes the total amount of allowance, the allocation among liable installations, and the basic rules that govern allowance allocation and the operation of the relative system. ELVAL S.A., based on the initial allocation that corresponds thereto from 1 January 2005 according to the National CO₂ Emission Allocation Plan, has estimated deficiencies that concern fiscal years 2005 and 2006. For 10,000 tons, the company proceeded in the purchase of rights and for the remaining forecasted deficiency it raised a provision in the amount of approximately 95,000 Euros.

The existing collateralised liens that have been obtained against the property of the Group's companies are noted in Note 35.

35 Existing collateralised liens

Mortgages have been filed against the property of ICME ECAB S.A., a subsidiary company of HALCOR S.A., in the amount of 4,6 million Euros (Note 21).

Mortgages have been filed against the property of SOFIA MED S.A., a subsidiary company of HALCOR S.A., in the amount of 4,4 million Euros.

Mortgages and statutory notices of mortgage in favour of banks in the amount of 73 million Euros have been filed against the property of Corinth Pipeworks S.A., a subsidiary company of SIDENOR S.A., for loans of a current balance of 40,7 million Euros, and against the property of STOMANA AD, a subsidiary company of SIDENOR S.A., for loans of a current balance of 48,2 million Euros.

36 Related party transactions

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Sale of goods/services				
Subsidiary companies	-	-	2,360,863	2,395,973
Other associate entities	14,019,331	9,889,662	-	-
	14,019,331	9,889,662	2,360,863	2,395,973
Sale of fixed assets				
Subsidiary companies	-	-	4,000	-
Other associate entities	-	6,245,663	-	-
	-	6,245,663	4,000	-
Purchase of goods/services				
Subsidiary companies	-	-	64,794	40,752
Other associate entities	10,644,465	8,607,917	-	-
	10,644,465	8,607,917	64,794	40,752
Purchase of fixed assets				
Subsidiary companies	-	-	205,935	-
Other associate entities	593,959	-	-	-
	593,959	-	205,935	-
Benefits to Management				
	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Fees-remuneration to Directors and Executives	10,765,660	-	837,292	398,630
Fees to Directors and Managign Directors through distribution	2,629,467	-	-	-
Benifts following termination of employment	1,061,781	-	-	-
	14,456,908	6,071,020	837,292	398,630

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

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Receivables from associate entities:				
Subsidiary companies	-	-	860,412	1,327,251
Other associate entities	24,411,989	14,604,966	-	208,796
	24,411,989	14,604,966	860,412	1,536,047
Liabilities to associate companies:				
Subsidiary companies	-	-	341,454	781,532
Other associate entities	3,287,194	3,147,943	-	7
	3,287,194	3,147,943	341,454	781,539

37 Earnings per share

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profits that correspond to the shareholders of the parent company	113,153,339	20,220,636	37,525,166	13,052,515
Weighted average number of shares	198,679,701	198,689,701	199,474,09	199,474,09
			1	1
Basic and diluted earnings per share (Euros per share)	0.570	0.102	0.188	0.065

38 Dividends per share

The dividends for 2005 that amounted to 14,961 thousand Euros (0.075 Euros per share) were approved by the Annual General Meeting of the shareholders that convened in June 2006.

39 Personnel

The number of persons employed by the Group and Company at the end of the current year amounted to 8,872 and 3 persons respectively.

40 Events that took place after the balance sheet date

On 30 March 2007, the Company's Board of Directors decided to propose to the Ordinary General Meeting that shall convene on 15 June 2007 the distribution of the following dividends to the shareholders:

Proposed dividend of fiscal year 2006	0.08 € per share
Number of shares	199,474,091
Total proposed dividend	15,957,927

Following the balance sheet date, Corinth Pipeworks S.A., a subsidiary company of SIDENOR S.A., established the joint venture TMK-CPW with the Russian company TMK, with registered offices in Russia, which holds 49% of its share capital. The scope of the said company is the production and trade of high quality copper pipes and hollow sections, which will be used to meet the increased demand in Russia and neighboring countries in the sector of energy and construction.

In December 2006, the Company announced the conclusion of a share agreement with Furukawa-Sky Aluminum Corp., a Japanese company, pursuant to which a commercial company shall be incorporated in Greece with the purpose of promoting in the European market a series of new aluminium products that are used in the construction of alternative thermal automobiles. ELVAL and Furukawa – Sky shall take part in this company with a 50% holding each. Furukawa-Sky, with which ELVAL has already established a long-standing technical support and collaboration agreement, is the largest rolled aluminium manufacturer in Japan. The new products shall be manufactured by ELVAL with the transfer of know-how, for which a contract has been signed between ELVAL and Furukawa-Sky, and shall be promoted through the commercial company to refrigerator and air conditioning manufacturers for the automobile industry in Europe. The new products that shall be manufactured for the first time by ELVAL are rolled products of three alloy strips, achieving various features on each surface of the products so that they may be used in the construction of materials for alternative heat for vehicles with the brazing method. The transfer of technology and the certification of the production process are expected to be completed in the first semester of 2007 and the new products shall begin to be sold immediately thereafter.

In January 2007 subsidiary company HALCOR S.A. proceeded in the sale of 75% of its holding in affiliate company ELECTRO-PRODUCTION THISVIS S.A. against 29,700 Euros.

In January 2007, ETEM S.A., a subsidiary company of ELVAL S.A., paid the due share capital of subsidiary company MOPPETS LTD, an amount of 2,512,500 Euros. MOPPETS LTD is held

entirely (100%) by ETEM AS.A. and shall constitute in the future the company with which ETEM S.A. shall participate in the investment in Libya.

In March 2007, VIOHALCO S.A. and its subsidiary companies ALCOMET S.A. and DIATOUR S.A. sold, through private placement, 18 million shares of subsidiary company HALCOR S.A. to 'special investors, under the meaning of Law 3401/2005, in Greece and internationally. Following the completion of this placement, VIOHALCO S.A. holds the majority of the share capital of HALCOR S.A., holding 50.43% of the share capital and minority rights. Citigroup and NBGI acted as Book Administrators.

41 Reclassification of figures

- In the consolidated data reclassification of figures of the previous year are presented in the table below:

	Published	Amended	Differences	
Property, plant and equipment	1,741,327,602	1,745,040,511	3,712,909	(a)
Inventories	669,778,732	682,313,191	12,534,459	(a)
Trade and Other receivables	625,051,624	608,804,256	-16,247,368	(a)
Provisions - Non-current	9,398,915	10,173,915	775,000	(b)
Deferred tax liabilities	202,624,411	203,583,567	959,156	(b)
Current tax liabilities	16,249,653	14,515,497	-1,734,156	(b)

(a) In the consolidated data of the published Balance Sheet of 31 December 2005, advance payments for the purchase of inventories and property, plant and equipment are presented in account 'Trade and other receivables'. In the comparative amended data, as these are presented in the present Financial Statements, the said amounts were reclassified in 'Inventories' and 'Property, plant and Equipment'. respectively.

(b) An amount of 775,000 Euros was transferred from 'Deferred tax liabilities' to 'Non-current Provisions' and receivables in the amount of 1,734,156 Euros was transferred from 'Deferred tax liabilities' to 'Current tax liabilities'.

An amount of 570,608 Euros of the previous year was reclassified - transferred in the corporate data from net operating income / (expenses) to net financial expenses – income. From this change, operating results appear equivalently reduced.

Independent auditor's report

To the Shareholders of "Viohalco Hellenic Copper and Aluminium Industry S.A."

Report on the Financial Statements

We have audited the accompanying financial statements of Viohalco Hellenic Copper and Aluminium Industry S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") presented on pages 1 to 68 which comprise the company and consolidated balance sheet as of 31 December 2006 and the company and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Without qualifying our audit opinion, we draw attention to Note 11 of the financial statements that set out in detail the uncertainties that exist in respect of the Company's and Group's tax obligations.

Report on Other Legal and Regulatory Requirements

The information included in the Board of Directors' Report is consistent with the accompanying financial statements.

Athens, 29 March 2007

PricewaterhouseCoopers S.A

Report of the Board of Directors of the Societe Anonyme

“VIOHALCO HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.”

on the Financial Statements –Consolidated and Corporate– of fiscal year 2006

To the Ordinary General Meeting

of the Shareholders of 15 June 2007

Athens, 29 March 2007

Dear Shareholders,

We hereby submit before you the financial statements that have been prepared according to the International Financial Reporting Standards, as these have been adopted on 1 January 2005, as well as the present report for the fiscal year from 1 January to 31 December 2006.

General remarks – consolidation

The consolidated Financial Statements arose from the integrated consolidation of the corresponding financial statements of the fiscal year of “VIOHALCO S.A.” and its subsidiaries.

SIDENOR S.A., ELVAL S.A., HALCOR S.A., NOVAL S.A., ANAMET S.A., SANITAS AGENCIES S.A., TEKA SYSTEMS S.A., ALCOMET S.A., VITRUVIT S.A., DIATOUR S.A., ATTIKA METALWORKS S.A., ANTIMET S.A., DIAPEM S.A., ELKEME S.A., ATITKI S.A. and KERAMEIA AXIOU S.A., a newly established company seated in Athens, TEPROMETAL AG seated in Düsseldorf, Germany, and TEPROMETAL S.A., seated in Pernik, Bulgaria.

Holdings in E.VI.KE S.A., ALMET LTD, SANITAS TRADING S.A., SYMETAL S.A. and SIDMA S.A. were valued based on the acquisition cost method since most of the financial assets are unlisted titles that cannot be valued at fair value, while ETEM S.A. was incorporated based on the integrated consolidation method by subsidiary company ELVAL S.A.

Notes to the Balance Sheet

Group

The Group’s total Net Worth amounts to 1,776,941 thousand Euros in relation to 1,482,037

Thousand Euros of the previous year. Third-party rights on equity and profits amount to 687,830 thousand Euros and have been recorded as a liability in the Balance Sheet.

Company

In 2006, the Company's fixed assets amounted to 828,932 thousand Euros in relation to 867,135 thousand Euros of 2005, while its current assets amounted to 90,410 thousand Euros in relation to 27,344 thousand Euros of 2005.

Turnover

In 2006, the Group's turnover increased by 40%, amounting to 3,274,470 thousand Euros in relation to 2,331,471 thousand Euros of 2005. The Group's turnover is analysed as follows:

The Group's consolidated turnover

Company name	Turnover (thousand of Euros)
SIDENOR S.A.	1,228,121
ELVAL S.A.	859,914
HALCOR S.A.	1,246,692
ANAMET S.A.	106,732
TEKA SYSTEMS S.A.	14,754
TEPRO METAL A.G.	114,522
VITRUVIT S.A.	8,224
TEPRO METAL S.A.	1,897
NOVAL S.A.	2,643
DIATOUR S.A.	0
ATTIKI S.A.	310
ANTIMET S.A.	2,011
SANITAS AGENCIES S.A.	0
KERAMEIOU AXIOU S.A.	4,939
ATTIKIS METALWORKS S.A.	2,453
DIAPEM S.A.	0
ELKEME S.A.	1,338
VIOHALCO S.A.	<u>40</u>
Total amount before deletions	3,594,590
Less: Deletions	<u>320,120</u>

3,274,470

**Total consolidated sales
(after deletions)**

Financial Results

Group:

The Group's consolidated profits before taxes and third-party rights for fiscal year 2006 increased by 281% and amounted to 226,910 thousand Euros, and after income tax to 53,479 thousand Euros and deferred tax – income to 23,296 thousand Euros, total net profits amount to 196,728 thousand Euros and are increased by 485% in relation to 2005. Profits before taxes, financial and investment results and depreciation (EBITDA) amounted to 404,485 thousand Euros.

Earnings per share amounted to 0.570 Euros, recording an increase by 459% in relation to 2005.

It should be noted that income from holdings does not include dividends received from the previous year's profits of subsidiary companies due to the integrated consolidation thereof.

The Group's gross profit for the present fiscal year amounted to 501,819 thousand Euros in relation to 307,173 thousand Euros that it recorded during the previous fiscal year, recording an increase of 63% and corresponds to 15% of its turnover in relation to 13% of the previous year.

Company

The company's profits before taxes for fiscal year 2006 amounted to 39,142 thousand Euros in relation to 14,229 thousand Euros of 2005, recording an increase of 174% in relation to the previous year due to an increase in income from dividends of subsidiary companies that amounted to 17,237 thousand Euros in relation to 12,458 thousand Euros.

Financial position

The ratios that express the Group's and Company's financial position for fiscal years 2006 and 2005 are presented below:

<u>Group Ratios:</u>	2006	2005
Liquidity:		
	Current Assets	

	Current Liabilities	
	2.23	1.84

Owned Capital to Borrowed Capital:	$\frac{\text{Equity}}{\text{Loan Capital}}$	1.38	1.23
Net Worth:	$\frac{\text{Profits before taxes}}{\text{Equity}}$	0.13	0.04
Asset turnover:	$\frac{\text{Equity}}{\text{Fixed assets}}$	1.00	0.83
<u>Company Ratios:</u>		2006	2005
Liquidity:	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	12.15	4.83
Net Worth:	$\frac{\text{Profits before taxes}}{\text{Equity}}$	0.04	0.02
Asset turnover:	$\frac{\text{Equity}}{\text{Fixed assets}}$	8.25	8.02

Conclusions – prospects

The positive growth that the VIOHALCO Group of Companies realised in terms of its results of 2006 reflects the increasing growth and reinforcement of the Group's companies in both the domestic and international market, through investments in technology and equipment over the past six years.

The Group aims to further increase productivity, decrease cost of production, improve the quality of its products and expand into new products together with the further application of environmental protection methods.

The Group's total investments in 2006 in tangible and intangible assets and property amounted to 129,271 thousand Euros.

Proposed dividends, pending the approval of the General Meeting of the shareholders, amounts to 0.08 Euros per share, recording an increase of 6.7% in relation to 2005.

Finally, we would like to turn your attention to the financial statements of the present report that have been prepared according to the IFRS, which are an integral part thereof.

In conclusion, we request you approve the Consolidated and Corporate Financial Statements of fiscal year 2006.

Athens, 29 March 2007

THE BOARD OF DIRECTORS

The Chairman of the Board of Directors

Nikolaos M. Stasinopoulos

CERTIFICATION

We hereby verify that the present Report of the Board of Directors, which is comprised of four (4) pages, is that which is noted in the auditor's report that I issued on 29 March 2007.

Athens, 31 March 2007

The Certified Auditor Accountant

Kiriakos Riris

Ass. of Cert. Aud. –Acc. Reg. No. 12111

PRICEWATERHOUSECOOPERS

Auditing Societe Anonyme