



Interim Condensed Financial Statements for the nine-month period, ended the 30th of September 2007
Prepared in Accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”

SIDENOR STEEL PRODUCTS
MANUFACTURING COMPANY S.A.

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GREECE

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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Balance Sheet

<i>Amounts in Euro</i>	Note	Group		Company	
		30/9/2007	31/12/2006	30/9/2007	31/12/2006
ASSETS					
Non-current assets					
Land & Buildings		244.206.864	257.521.707	48.836.328	48.087.306
Machinery		418.181.109	435.003.936	85.067.565	89.832.969
Other Tangible Assets		115.642.031	57.023.098	8.680.231	3.660.385
Intangible assets		950.052	284.612	184.814	235.450
Investments in associates	6	30.433.606	19.194.034	9.070.812	5.836.460
Investments in subsidiaries	7	-	-	205.711.354	206.940.431
Available for sale financial assets		1.538.914	1.641.450	1.370.300	1.472.836
Deferred income tax assets		2.958.287	4.159.647	-	-
Derivative financial instruments	8	1.442.678	1.265.026	801.385	702.711
Other receivables		4.056.470	4.582.891	1.452.827	1.428.088
		819.410.011	780.676.401	361.175.616	358.196.636
Current Assets					
Inventories		368.820.744	301.534.300	80.510.292	86.327.589
Trade and other receivables		315.937.507	289.552.230	213.710.227	192.923.263
Non Current Assets available for sale		3.918.560	3.918.560	-	-
Derivative financial instruments	8	2.669.430	2.821.661	-	-
Financial assets at fair value through profit or loss		122.337	380.066	-	-
Cash and cash equivalents		22.546.600	17.616.636	1.049.624	2.807.322
		714.015.178	615.823.453	295.270.143	282.058.173
Total assets		1.533.425.189	1.396.499.854	656.445.759	640.254.809
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital		39.362.802	39.362.802	39.362.802	39.362.802
Share premium		119.661.720	119.661.720	119.661.720	119.661.720
Currency translation adjustments		-871.938	-341.832	-	-
Other reserves		102.491.926	91.490.829	55.556.254	54.027.373
Retained earnings		301.521.242	239.253.058	73.358.352	75.592.051
Total		562.165.752	489.426.578	287.939.128	288.643.946
Minority interest		144.876.002	128.204.673	-	-
Total equity		707.041.754	617.631.251	287.939.128	288.643.946
LIABILITIES					
Non-current liabilities					
Borrowings	9	332.770.113	331.383.153	191.590.910	170.181.819
Finance Lease liabilities	10	-	12.643	-	-
Derivative financial instruments	8	16.076	54.672	-	-
Deferred income tax liabilities		65.028.747	65.536.905	23.212.516	23.894.767
Retirement benefit obligations		4.783.426	6.186.164	1.516.910	1.438.102
Grants		14.043.941	15.170.722	402.193	461.920
Provisions		8.360.774	7.965.435	2.500.000	2.500.000
Other non current liabilities		-	13.468	-	-
		425.003.077	426.323.162	219.222.529	198.476.608
Current liabilities					
Trade and other payables		167.910.568	170.655.796	64.637.304	77.641.334
Current income tax liabilities		27.514.910	30.333.896	14.505.629	17.850.404
Borrowings	9	202.503.062	147.737.773	69.931.936	57.433.284
Finance Lease Liabilities	10	682.260	2.015.165	-	-
Derivative financial instruments	8	667.920	244.692	-	-
Retirement benefit obligations		1.143.807	215.916	209.233	209.233
Provisions		957.831	1.342.204	-	-
		401.380.358	352.545.442	149.284.102	153.134.255
Total liabilities		826.383.435	778.868.604	368.506.631	351.610.863
Total equity and liabilities		1.533.425.189	1.396.499.854	656.445.759	640.254.809

The notes on pages 6 to 29 form an integral part of these interim condensed financial statements.

Income Statement

<i>Amounts in Euro</i>	Note	Group			
		9 months to 30/9/2007	9 months to 30/9/2006	3 months from 1/7 to 30/9/2007	3 months from 1/7 to 30/9/2006
Sales		1.077.964.875	905.032.761	345.061.040	311.327.393
Cost of sales		-837.758.047	-695.960.536	-280.737.584	-229.524.854
Gross profit		240.206.828	209.072.225	64.323.456	81.802.539
Selling costs		-81.395.069	-74.276.811	-29.007.817	-24.018.078
Administrative expenses		-28.752.487	-24.916.117	-10.915.250	-8.120.500
Other operating income - net		16.487.798	11.854.356	7.432.791	1.551.853
Operating profit		146.547.070	121.733.653	31.833.180	51.215.814
Finance costs - net		-20.912.873	-20.415.285	-7.376.059	-7.041.521
Divident		96.175	594.106	0	0
Income from investements (net)		1.485.011	-	1.503.560	-
Share of profit/(loss) of associates	6	1.242.968	816.477	183.219	476.325
Profit before income tax		128.458.351	102.728.951	26.143.900	44.650.618
Income tax expense		-22.847.258	-21.288.567	-4.485.419	-9.934.821
Profit for the period from continued operations		105.611.093	81.440.384	21.658.481	34.715.797
Attributable to:					
Equity holders of the Company		87.403.525	63.713.784	18.405.267	27.632.957
Minority interest		18.207.568	17.726.600	3.253.214	7.082.840
		105.611.093	81.440.385	21.658.481	34.715.797
Earnings per share attributable to the equity holders of the Company for the period (expressed in €per share)					
Basic	16	0,910	0,667	0,192	0,289
Dilluted	16	0,908	0,667	0,191	0,289
Depreciation at September 30th 2007		38.865.453	37.760.654	12.484.444	12.596.658

<i>Amounts in Euro</i>	Note	Company			
		9 months to 30/9/2007	9 months to 30/9/2006	3 months from 1/7 to 30/9/2007	3 months from 1/7 to 30/9/2006
Sales		310.219.382	230.574.398	93.698.724	76.384.816
Cost of sales		-252.001.907	-175.089.858	-80.071.263	-55.819.731
Gross profit		58.217.475	55.484.541	13.627.462	20.565.086
Selling costs		-17.604.080	-14.662.755	-5.341.415	-5.186.337
Administrative expenses		-10.586.242	-9.225.190	-3.911.735	-3.286.195
Other operating income - net		2.535.345	1.378.517	882.140	502.112
Operating profit		32.562.498	32.975.112	5.256.452	12.594.665
Finance costs - net		-8.696.157	-7.866.812	-3.281.973	-2.934.395
Divident		7.973.408	1.496.977	0	0
Income from investements (net)		-1.431.283	-10.000	17.522	-
Profit before income tax		30.408.466	26.595.277	1.992.001	9.660.270
Income tax expense		-7.185.581	-11.504.380	-1.048.516	-5.466.233
Profit for the period from continued operations		23.222.885	15.090.897	943.485	4.194.036
Earnings per share attributable to the equity holders of the Company for the period (expressed in €per share)					
Basic	16	0,242	0,158	0,010	0,044
Dilluted	16	0,241	0,158	0,010	0,044
Depreciation at September 30th 2007		7.907.290	7.493.914	2.291.684	2.412.350

The notes on pages 6 to 29 form an integral part of these interim condensed financial statements.

Statement of changes in shareholders' equity

<i>Amounts in Euro</i>	Attributable to equity holders of the company				Minority	Total
	Share capital & Share Premium	Other Reserves	Retained earnings	Total	Interests	Equity
GROUP						
Balance at January 1st 2006	157.248.787	84.348.163	155.906.311	397.503.261	104.049.509	501.552.770
Currency translation differences	-	-155.452	-	-155.452	-	-155.452
Profit/(loss) recognised directly to equity (Cash Flow Headge)	-	1.989.462	-	1.989.462	268.589	2.258.051
Net profit for the period	-	-	63.713.784	63.713.784	17.726.600	81.440.384
Total recognised income for the period	-	1.834.010	63.713.784	65.547.794	17.995.189	83.542.983
Increase/(Decrease) in % equity interest in subsidiaries	-	794.431	-8.141.778	-7.347.347	-3.758.021	-11.105.368
Transfer of reserves	-	-209.131	209.131	-	-	-
Dividend	-	-	-15.281.060	-15.281.060	-270.066	-15.551.126
	-	585.300	-23.213.707	-22.628.407	-4.028.086	-26.656.493
Balance at September 30th 2006	157.248.787	86.767.474	196.406.388	440.422.649	118.016.611	558.439.259
Balance at September 30th 2006	157.248.787	86.767.474	196.406.388	440.422.648	118.016.611	558.439.260
Currency translation differences	-	-150.521	-	-150.521	-	-150.521
Profit/(loss) recognised directly to equity (Cash Flow Headge)	-	2.912.356	-	2.912.356	567.556	3.479.912
Net profit for the period	-	-	44.466.359	44.466.359	10.273.979	54.740.338
Total recognised income for the period	-	2.761.835	44.466.359	47.228.194	10.841.535	58.069.728
Issue/(reduction) of share capital	1.775.735	-	-	1.775.735	750.000	2.525.735
Transfer of reserves	-	1.619.689	-1.619.689	-	-	-
Dividend	-	-	-	-	-1.403.473	-1.403.473
	1.775.735	1.619.689	-1.619.689	1.775.735	-653.473	1.122.262
Balance at December 31st 2006	159.024.522	91.148.997	239.253.058	489.426.577	128.204.673	617.631.250
Balance at January 1st 2007	159.024.522	91.148.997	239.253.058	489.426.577	128.204.673	617.631.250
Currency translation differences	-	-530.106	-	-530.106	-45.147	-575.253
Profit/(loss) recognised directly to equity (Cash Flow Headge)	-	-208.108	-	-208.108	-61.298	-269.406
Net profit for the period	-	-	87.403.525	87.403.525	18.207.568	105.611.093
Total recognised income for the period	-	-738.214	87.403.525	86.665.310	18.101.124	104.766.434
Revenue of share issues	-	-	-	-	24.140	24.140
Increase/(Decrease) in % equity interest in subsidiaries	-	-372.623	10.448.196	10.075.573	2.155.693	12.231.266
Transfer of reserves	-	11.581.828	-11.581.828	-	-	-
Dividend	-	-	-24.001.708	-24.001.708	-3.609.628	-27.611.337
	-	11.209.205	-25.135.341	-13.926.136	-1.429.795	-15.355.931
Balance at September 30th 2007	159.024.522	101.619.988	301.521.242	562.165.752	144.876.002	707.041.753
COMPANY						
Balance at 1st of January 2006	157.248.787	53.627.983	62.357.376	273.234.146	-	273.234.146
Profit/(loss) recognised directly to equity (Cash Flow Headge)	-	845.384	-	845.384	-	845.384
Net profit for the period	-	-	15.090.897	15.090.897	-	15.090.897
Total recognised income for the period	-	845.384	15.090.897	15.936.281	-	15.936.281
Transfer of reserves	-	-743.269	743.269	-	-	-
Dividend	-	-	-15.281.060	-15.281.060	-	-15.281.060
	-	-743.269	-14.537.791	-15.281.060	-	-15.281.060
Balance at September 30th 2006	157.248.787	53.730.098	62.910.482	273.889.367	-	273.889.367
Balance at September 30th 2006	157.248.787	53.730.098	62.910.482	273.889.367	-	273.889.367
Profit/(loss) recognised directly to equity (Cash Flow Headge)	-	297.275	-	297.275	-	297.275
Net profit for the period	-	-	12.681.569	12.681.569	-	12.681.569
Total recognised income for the period	-	297.275	12.681.569	12.978.844	-	12.978.844
Issue/(reduction) of share capital	1.775.735	-	-	1.775.735	-	1.775.735
Balance at December 31st 2006	159.024.522	54.027.373	75.592.050	288.643.946	-	288.643.946
Balance at January 1st 2007	159.024.522	54.027.373	75.592.050	288.643.946	-	288.643.946
Profit/(loss) recognised directly to equity (Cash Flow Headge)	-	74.006	-	74.006	-	74.006
Net profit for the period	-	-	23.222.885	23.222.885	-	23.222.885
Total recognised income for the period	-	74.006	23.222.885	23.296.891	-	23.296.891
Transfer of reserves	-	1.454.875	-1.454.875	-	-	-
Dividend	-	-	-24.001.708	-24.001.708	-	-24.001.708
Balance at September 30th 2007	159.024.522	55.556.254	73.358.352	287.939.128	-	287.939.128

The notes on pages 6 to 29 form an integral part of these interim condensed financial statements.

Cash Flow Statement

<i>Amounts in Euro</i>	Note	Group		Company	
		1/1 to 30/9/2007	1/1 to 30/9/2006	1/1 to 30/9/2007	1/1 to 30/9/2006
Cash flows from operating activities					
Cash generated from operations	11	83.312.897	135.186.100	11.930.052	25.149.897
Interest paid		-19.804.523	-17.781.644	-7.139.570	-6.195.632
Income tax paid		-24.439.196	-5.226.705	-11.156.569	-1.472.480
Net cash generated from operating activities		39.069.178	112.177.751	-6.366.087	17.481.784
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		-84.076.685	-36.007.432	-9.340.470	-5.566.439
Purchase of intangible assets		-864.488	-2.112	-	-
Proceeds from sale of PPE		1.778.720	1.787.866	60.008	87.679
Disposals of subsidiaries		25.834.708	2.500	-	2.500
Dividends received		986.835	486.106	7.267.056	683.030
Acquisition of available for sale investments		-5.283	-	-5.283	-
Disposals of financial assets at fair value through profit and loss		278.686	900.000	-	-
Interest received		-	198.931	-	-
Increase in investments to associates		-4.329.809	-20.000	-3.126.533	-
Increase in investments to subsidiaries		-10.000	-11.199.528	-201.180	-11.989.130
Other		-40.154	-1.239	-	-
Net cash generated from investing activities		-60.447.470	-43.854.908	-5.346.402	-16.782.360
Cash flows from financing activities					
Dividends distributed to the shareholders of the parent company		-23.989.270	-15.274.489	-23.989.270	-15.274.489
Loans received		250.668.969	214.471.020	112.000.000	111.500.000
Loan Payments		-194.516.720	-271.770.415	-78.092.257	-103.932.248
Change of financial lease obligation		-1.345.548	-1.259.398	-	-
Dividends distributed to minorities		-5.041.958	-1.857.723	-	-
Proceeds from share capital increase		24.140	-	-	-
Other		1.038.319	99.288	36.319	46.070
Net cash generated from financing activities		26.837.933	-75.591.718	9.954.792	-7.660.667
Net decrease or increase in cash and cash equivalents		5.459.640	-7.268.875	-1.757.697	-6.961.242
Cash and cash equivalents at beginning of the period		17.616.636	18.389.841	2.807.322	7.864.506
Foreign Exchange differences in cash and cash equivalents		-529.676	-172.247	-	-
Cash and cash equivalents at end of the period		22.546.600	10.948.720	1.049.624	903.264

The notes on pages 6 to 29 form an integral part of these interim condensed financial statements.

Notes to the Interim Condensed Financial Statements**1. General information**

The main activities of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the “Company”) and its subsidiaries (together the “Group”) is the production and sale of steel construction and industrial products and steel pipes.

The Group operates in Greece, in the broader region of the Balkans and Europe, as well as in the United States of America. The Company’s shares are listed on the Athens Stock Exchange. The SIDENOR group of companies is a member of the VIOHALCO Group of companies.

The Company is registered in Greece, 2-4 Mesogeion Ave., 115 27 Athens, Attiki. The Company’s website address is www.sidenor.gr.

These interim condensed financial statements for the nine-month period ended the 30th of September 2007, have been approved for issue by the Board of Directors on November the 7th 2007.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for 2007***IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures***

This standard and amendment introduces new disclosures relating to financial instruments. The Group will comply with the requirements of IFRS 7 in its annual financial statements for 2007 as is relevant and applicable. For the current interim period the applicable IFRS 7 disclosures have only been presented in respect of events and transactions related to financial instruments which are material to an understanding of the current interim period.

IFRIC 10 - Interim Financial Reporting and Impairment

This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation does not have any impact on the Group’s financial statements.

Basis of preparation

These interim condensed financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss. Furthermore, these interim condensed financial statements should be read in combination with the annual financial statements of 2006, which are available through company’s web site.

Financial statements**(a) Subsidiary companies**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when

assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Change of the participation in subsidiaries

When there is an increase of the Group's equity interest in subsidiaries, this is treated as a transaction between the equity holders of the Group and therefore any difference between the consideration paid and the share of minority interest acquired is recorded directly in equity.

Segment Reporting

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

Foreign exchange conversions

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group Companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, Plant and Equipment

Land and buildings comprise mainly factories, and offices. All property, plant and equipment, is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

— Buildings.....	10-33 years
— Machinery.....	5-20 years
— Vehicles.....	6-7 years
— Furniture, fittings and equipment.....	3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Intangible Assets

Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as ‘trade and other receivables’ in the balance sheet.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity. The Group did not hold any investments in this category during the year.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category, including interest and dividend income, are presented in the income statement in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Derivative financial instruments and hedging activities*Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within other gains/(losses) – net.

Inventories

Stocks are estimated at the lower value between their acquisition cost and their net realisable value. The acquisition cost is determined based on the average monthly weighted cost method. Financial expenses are not included in the acquisition cost. The net realisable value is estimated based on the stock's current sales price, within the framework of ordinary business activities, less any possible selling expenses, wherever such a case concurs.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Cash and equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Income Tax

Income tax is calculated based on the tax rates enacted and are in effect in the countries where the Group operations take place, and is recognised as an expense during the year in which the related income arises.

Employee benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The employees in Greece are protected by Greek Labour Law 2112/20. Accordingly Company's compensation is payable to such employees upon dismissal or retirement. The amount of compensation is based on the number of years of service and the amount of remuneration at the date of dismissal or retirement.

If the employees remain in the employment of the Company until normal retirement age, they are entitled to retirement compensation, which is equal to 40% of the compensation amount that would be payable if they were dismissed at that time.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the

contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

Share Options Plan to employees

The company has granted prior to 2002, rights for the acquisition of shares (Share Option Plans) to certain executives which are vesting gradually from year 2002 up to year 2011. The exercise price of the right was fixed as the mid-closing price of the share on the Greek Stock Exchange. The company did not account for these Share Options in accordance with provisions of IFRS 2 "Share Based Payments", since they were granted before November 7, 2002, the effective date which IFRS 2 provisions become applicable.

Provisions

A provision shall be recognised when:

- (i) an entity has a present obligation (legal or constructive) as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Revenue Recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) **Sales of goods — wholesale**

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income.

(d) Dividends

Dividends are recognised when the right to receive payment is established.

Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Rounding

The numbers contained in these financial statements have been rounded to euros. Accordingly in certain cases, the sum of the numbers in a column may not conform to the total figure given for that column or the figure presented in the notes may differ to the number shown in the primary financial statements.

Earnings per Share

The basic earnings per share calculated by dividing the profits attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Company has one category of dilutive potential ordinary shares, share options. For the share options the calculation is made in order to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options

3. Financial risk management

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 unpredictability of the financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's central finance division, which operates with specific rules that have been approved by the Board of Directors. The Board of Directors provides instructions and guidelines for overall risk management, as well as special instructions on the management of specific risks, such as foreign exchange risk, interest rate risk and credit risk.

(a) Foreign exchange risk

The Group operates in Europe, and consequently the greater part of the Group's transactions are carried out in Euros. However, part of the Group's purchases is denominated in US Dollar. 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 allocated over a large number of clients. Goods and services are provided on a wholesale basis primarily to clients with an unappropriate credit history. The Department of Credit Control 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 and sufficient credit limits with collaborating banks.

(d) Interest rate risk

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

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) **Income Taxes**

The Group is subject to income taxes, mainly in Greece and Bulgaria, but also in other jurisdictions.

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

(b) **Provisions for pending legal cases, customer claims and impairment of investments.**

The Group recognises provisions for anticipated negative outcome of legal cases based on assessments performed by internal lawyers. Also, provisions are recognized, based on historical information and past experience, for estimated losses that are expected to arise in the future due to customer claims for contractual obligations undertaken by the Group. Provisions related to impairment of investments, are recognised in close relation to future income expected from their operations.

Critical judgments in applying the entity's accounting policies

The Group's subsidiary, Corinth Pipeworks SA, reassessed the potential offset of brought forward tax losses with future taxable profits and has recognised (Dec 2006) a deferred tax asset in relation to part of the brought forward tax losses amounting to € 69.305.025 for which it is probable that the company will realise the related economic benefit due to future taxable profits.

5. Segment Information

The Group is divided into two business sectors:

- (1) Steel Construction and Industrial Products.
- (2) Steel Pipe Products.

The results per segment for the 9-month period ended the 30th of September 2007 are the following

9 months to September 30th 2007 (Amounts in Euro)	Steel			Total
	Construction Products	Pipes	Unallocated	
Sales	1.022.419.559	290.400.156	-	1.312.819.715
Intragroup Sales	-228.389.834	-6.465.005	-	-234.854.840
Net Sales	794.029.724	283.935.151	-	1.077.964.875
Operating Profit	107.021.639	39.525.431	-	146.547.070
Finance Costs-Net	-	-	-20.912.873	-20.912.873
Income from Financial assets	-	-	1.581.186	1.581.186
Share of profits of associates	-	-	1.242.968	1.242.968
Profits before tax	107.021.639	39.525.431	-18.088.719	128.458.351
Income tax expense	-	-	-22.847.258	-22.847.258
Net Profit	107.021.639	39.525.431	-40.935.977	105.611.093
	Steel			
	Construction Products	Pipes	Unallocated	Total
Assets	1.154.612.413	348.379.170	-	1.502.991.583
Investments in Associates	22.987.625	7.445.981	-	30.433.606
Total Assets	1.177.600.038	355.825.151	-	1.533.425.189
Liabilities	603.682.888	222.700.547	-	826.383.435
Investments in property plant and equipment and intangible assets	76.808.448	8.132.726	-	84.941.174

Other items per segment included in the results for the 9-month period ended the 30th of September 2007

9 months to September 30th 2007 (Amounts in Euro)	Steel			Total
	Construction Products	Pipes	Unallocated	
Depreciation of Tangible Assets	29.906.769	8.759.621	-	38.666.389
Depreciation of Intangible Assets	90.366	108.698	-	199.063
Total Depreciation	29.997.134	8.868.318	-	38.865.453
Impairment of Receivables	42.901	489.511	-	532.412
Impairment of Inventories	-	-1.383.692	-	-1.383.692

The results per segment for the 9-month period ended the 30th of September 2006

9 months to September 30th 2006 (Amounts in Euro)	Steel			Total
	Construction Products	Pipes	Unallocated	
Sales	806.714.210	256.348.412	-	1.063.062.622
Intragroup Sales	-147.715.859	-10.314.002	-	-158.029.862
Net Sales	658.998.351	246.034.410	-	905.032.761
Operating Profit	98.976.544	22.757.109	-	121.733.653
Finance Costs-Net	-	-	-20.415.285	-20.415.285
Income from Financial assets	-	-	594.106	594.106
Share of profits of associates	-	-	816.477	816.477
Profits before tax	98.976.544	22.757.109	-19.004.702	102.728.951
Income tax expense	-	-	-21.288.567	-21.288.567
Net Profit	98.976.544	22.757.109	-40.293.269	81.440.384
31st of December 2006	Steel			Total
	Construction Products	Pipes	Unallocated	
Assets	1.036.314.384	340.991.437	-	1.377.305.820
Investments in Associates	19.194.034	-	-	19.194.034
Total Assets	1.055.508.418	340.991.437	-	1.396.499.854
Liabilities	542.463.117	236.405.486	-	778.868.604
Investments in property plant and equipment and intangible assets	52.922.173	5.161.254	-	58.083.427

Other items per segment included in the results for the 9-month period ended the 30th of September 2006

9 months to September 30th 2006 (Amounts in Euro)	Steel			Total
	Construction Products	Pipes	Unallocated	
Depreciation of Tangible Assets	28.817.265	8.848.483	-	37.665.748
Depreciation of Intangible Assets	94.906	-	-	94.906
Total Depreciation	28.912.171	8.848.483	-	37.760.654
Impairment of Receivables	-875.982	939.889	-	63.907
Impairment of Inventories	-	1.109.360	-	1.109.360

The expenses per sector have been defined by the operating activities of each segment.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions, similar to those applicable for transactions with unrelated third parties.

6. Investments in associates

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Balance at the beginning	19.194.034	17.665.947	5.836.460	5.836.460
Share of Profit/(loss) after tax	1.242.968	1.902.977	-	-
Income from dividends	-683.728	-466.551	-	-
Currency translation differences	-224.322	-	-	-
Additions	4.329.809	-	3.126.533	-
Reclass from available for sale financial assets	107.820	-	107.820	-
Participation to associate with fixed assets contribution.	6.467.026	-	-	-
Increase in investments to associates (fixed assets contribution)	-	91.660	-	-
Balance at the end	30.433.606	19.194.034	9.070.812	5.836.460

The associate companies that are consolidated using the equity method are the following:

Corporate Name	Country	Participation	
		30/9/2007	31/12/2006
SIDMA SA	Greece	24,15%	24,15%
DIAPEM SA	Greece	33,35%	33,35%
VEPEM SA	Greece	50,00%	50,00%
METALLOURGIA OF ATTICA	Greece	50,00%	50,00%
ZAO TMK - CPW	Russia	39,14%	-
DOMOPLEX LTD	Cyprus	45,00%	-
ELKEME SA	Greece	20,00%	20,00%

Financial information of associates:

	30/9/2007	31/12/2006	30/9/2006
Assets	256.210.966	205.038.297	-
Liabilities	151.992.644	132.126.057	-
Sales	143.108.481	-	112.411.615
Profits after tax	7.050.703	-	6.293.866

During 2007 the subsidiary, CORINTH PIPEWORKS S.A., in cooperation with TMK (a Russian nationality company) established in Russia ZAO TMK – CPW as joint venture company, with a 49% participation. For this establishment, CPW has contributed machinery of € 6.333 thousands. Main activity of this company is the production and commerce of excellent quality steel pipes and hollow sections to serve the increased demand of these specific products by the developing sectors of Energy and Constructions both in Russia and it's neighbour countries.

During last trimester SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. acquired an additional 31,6% percentage of DOMOPLEX's LTD ordinary shares, a Cypriot nationality company, hence has increased it's participation from 13,4 % to 45,0 %.

7. Investments in Subsidiaries

<i>Amounts in Euro</i>	Company	
	30/9/2007	31/12/2006
Balance at the beginning of the period	206.940.431	192.703.801
Additions	201.180	14.239.130
Disposals	-	-2.500
Impairments	-1.430.256	-
Balance at the end of the period	205.711.354	206.940.431

Investments in subsidiaries, which are fully consolidated are as follows:

Company	Country	(%) direct interest held	(%) indirect interest held	Bussiness segment
<u>2007</u>				
SOVEL S.A.	Greece	62,56%	62,56%	Steel Construction Products
DEPAL S.A.	Greece	90,92%	90,92%	Steel Construction Products
STOMANA INDUSTRY S.A.	Bulgaria	85,97%	85,97%	Steel Construction Products
ERLIKON S.A.	Greece	98,92%	98,92%	Steel Construction Products
AEIFOROS S.A.	Greece	90,00%	90,00%	Steel Construction Products
ETAL S.A.	Greece	83,26%	93,73%	Steel Construction Products
PROSAL S.A.	Greece	70,00%	70,00%	Pipes
PROSAL TUBES S.A.	Bulgaria	0,00%	70,00%	Pipes
TEPRO STEEL EAD	Bulgaria	100,00%	100,00%	Steel Construction Products
DOJLAN STEEL LLCOP	FYROM	75,00%	75,00%	Steel Construction Products
ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	100,00%	Steel Construction Products
BOZETTI LTD	Cyprus	100,00%	100,00%	Steel Construction Products
VEMET S.A.	Greece	100,00%	100,00%	Steel Construction Products
ETIL S.A.	Greece	3,89%	63,98%	Steel Construction Products
PRAKSIS S.A.	Greece	51,00%	51,00%	Steel Construction Products
DIADIPETHIV S.A.	Greece	30,50%	71,73%	Pipes
AEIFOROS BULGARIA S.A.	Bulgaria	0,00%	90,00%	Steel Construction Products
VET S.A.	Greece	0,00%	61,62%	Pipes
VEAT S.A.	Greece	0,00%	40,66%	Steel Construction Products
SIDEROM STEEL Srl	Romania	100,00%	100,00%	Steel Construction Products
ANAMET Shpk	Albania	100,00%	100,00%	Steel Construction Products
SIGMA S.A.	Bulgaria	0,00%	63,34%	Steel Construction Products
ARGOS S.A.	Greece	0,00%	63,34%	Steel Construction Products
CORINTH PIPEWORKS S.A.	Greece	0,00%	79,87%	Pipes

Company	Country	(%) direct interest held	Direct and indirect interest held	Business segment
<u>2006</u>				
SOVEL S.A.	Greece	62,56%	62,56%	Steel Construction Products
DEPAL S.A.	Greece	90,92%	90,92%	Steel Construction Products
STOMANA INDUSTRY S.A.	Bulgaria	85,97%	85,97%	Steel Construction Products
ERLIKON S.A.	Greece	98,92%	98,92%	Steel Construction Products
AEIFOROS S.A.	Greece	90,00%	90,00%	Steel Construction Products
ETAL S.A.	Greece	83,26%	93,73%	Steel Construction Products
PROSAL S.A.	Greece	70,00%	70,00%	Pipes
PROSAL TUBES S.A.	Bulgaria	0,00%	70,00%	Pipes
TEPRO STEEL EAD	Bulgaria	100,00%	100,00%	Steel Construction Products
DOJLAN STEEL LLCOP	FYROM	75,00%	75,00%	Steel Construction Products
ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	100,00%	Steel Construction Products
BOZETTI LTD	Cyprus	100,00%	100,00%	Steel Construction Products
VEMET S.A.	Greece	100,00%	100,00%	Steel Construction Products
ETIL S.A.	Greece	3,89%	63,98%	Steel Construction Products
PRAKSIS S.A.	Greece	51,00%	51,00%	Steel Construction Products
DIADIPETHIV S.A.	Greece	30,50%	72,94%	Pipes
AEIFOROS BULGARIA S.A.	Bulgaria	0,00%	90,00%	Steel Construction Products
VET S.A.	Greece	0,00%	61,62%	Pipes
VEAT S.A.	Greece	0,00%	40,66%	Steel Construction Products
SIGMA S.A.	Bulgaria	0,00%	63,34%	Steel Construction Products
ARGOS S.A.	Greece	0,00%	63,34%	Steel Construction Products
CORINTH PIPEWORKS S.A.	Greece	0,00%	82,21%	Pipes

In March 2007, SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. sold 2.900.000 shares of CORINTH PIPEWORKS SA through the 100% subsidiary company Elmonte Holdings LTD, thereby decreasing its shareholding percentage in CORINTH PIPEWORKS SA from 82,21% to 79,87%.

At August 9th 2007 subsidiary company CORINTH PIPEWORKS S.A. sold its whole participation (99,9%) in METALLOURGIA OF CORINTHOS S.A., to NOVAL S.A.

Moreover during last trimester SIDENOR S.A. acquired 100 % of ordinary shares of Albanian nationality company ANAMET ShpK for € 10.000,00. An additional sum of € 1.270.000,00 has already been transferred to ANAMET Shpk as an advanced payment of a future increase of its share capital. With this money land has been acquired by the company, to the purpose of warehouses to be constructed. In addition SIDENOR S.A. founded a Romanian nationality company SIDEROM STEEL Srl and therefore owns 100% of its ordinary shares for € 150.000,00.

8. Derivative financial instruments

	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
<i>Amounts in Euro</i>				
Non - Current Assets				
Interest rate swaps	1.442.678	1.265.026	801.385	702.711
Total	1.442.678	1.265.026	801.385	702.711
Current Assets				
Forward foreign exchange contracts for cash flow hedge	2.669.430	2.821.661	-	-
Total	2.669.430	2.821.661	-	-
Long Term Liabilities				
Interest rate swaps	16.076	54.672	-	-
Total	16.076	54.672	-	-
Short Term Liabilities				
Forward foreign exchange contracts for cash flow hedge	667.920	223.088	-	-
Forward foreign exchange contracts available for sale	-	21.604	-	-
Total	667.920	244.692	-	-
Amounts that were charged in the Income Statement as income or (expense)	-4.474.169	-1.590.982	-	-
Details on interest rate swap				
Nominal Values of swaps (in EURO)	167.200.000	167.200.000	113.000.000	113.000.000
Nominal Values of forwards (in USD)	77.660.000	140.916.349	-	-
Nominal Values of forwards (in GBP)	6.236.485	11.601.814	-	-

The above derivative financial instruments cover foreign exchange risk from purchases (US Dollar) as well as interest rate risk.

The duration of the above derivatives, as well as their nominal value, is similar to that of the underlying assets/liabilities

The interest rates of long-term loans covered by interest rate swaps ranged from 3,16% to 5,3%. The basic floating rates are based on EURIBOR.

Gains and losses relating to forward foreign exchange contracts and interest-rate swap contracts recognised in equity (hedging reserve) at September the 30th 2007, will be recognised in profit or loss during the next eight months from the balance sheet date.

9. Borrowings

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Non Current borrowings				
Bank loans	76.770.111	98.716.485	1.590.910	12.681.819
Finance Lease liabilities	-	12.643	-	-
Bond loans	256.000.002	232.666.668	190.000.000	157.500.000
Total long-term loans	332.770.113	331.395.796	191.590.910	170.181.819
Current borrowings				
Current Bank Accounts	11.458.774	1.024.146	-	1.466
Bank loans	191.044.288	146.713.627	69.931.936	57.431.818
Finance Lease liabilities	682.260	2.015.165	-	-
Total current borrowings	203.185.322	149.752.938	69.931.936	57.433.284
Total borrowings	535.955.436	481.148.734	261.522.845	227.615.103

The maturity dates of non - current borrowings are:

<i>Amounts in Euro</i>				
Between 1 and 2 years	139.325.885	121.521.899	86.590.909	72.181.819
Between 2 and 5 years	181.735.588	186.432.372	105.000.001	98.000.000
Later than 5 years	11.708.641	23.428.882	-	-
	332.770.113	331.383.153	191.590.910	170.181.819

The effective weighted average interest rates on the date of the balance sheet are:

	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Bank borrowings (long-term)	5,59%	4,91%	6,52%	6,70%
Bank borrowings (short-term)	5,43%	4,52%	5,51%	6,70%
Bond loans	4,87%	4,10%	5,01%	4,01%
Finance Lease Obligations	3,35%	3,35%	-	-

10. Finance Lease Liabilities

<i>Amounts in Euro</i>	Group	
	30/9/2007	31/12/2006
Finance Lease liabilities-minimum lease payments		
Up to 1 year	691.543	2.101.283
Between 1 and 5 years	-	13.006
Total	691.543	2.114.289
Less: Future finance charges	-9.283	-86.481
Present Value of Finance Lease liabilities	682.260	2.027.808

The present value of finance lease liabilities is analysed as follows:

Up to 1 year	682.260	2.015.165
Between 1 and 5 years	-	12.643
Present Value of Finance Lease liabilities	682.260	2.027.808

The finance leases relates to machinery and vehicles of the subsidiary companies Corinth Pipeworks SA and Aeiforos SA.

11. Cash Generated from Operations

<i>Amounts in Euro</i>	Group		Company	
	1/1 to 30/9/2007	1/1 to 30/9/2006	1/1 to 30/9/2007	1/1 to 30/9/2006
Profits for the period	105.611.093	81.440.384	23.222.885	15.090.897
Adjustments for:				
Tax	22.847.258	21.288.567	7.185.581	11.504.380
Depreciation of property plant and equipment	38.666.390	37.665.748	7.856.654	7.484.180
Depreciation of intangible assets	199.063	94.906	50.636	9.734
Impairment (charges) / reversals	1.383.692	-1.109.360	-	-
(Profit)/losses from the sale of property plant and equipment	-127.955	-60.577	170.845	-1.604
Profits/(losses) from the sale of investments (see below)	-1.486.038	-	-	-
Fair value (Profit)/losses from the sale of financial assets at fair value through profit or loss	-20.957	-12.000	-	-
Interest Income	-1.035.684	-198.931	-33.684	-7.157
Interest Expense	21.951.192	20.713.504	8.732.476	7.912.882
Income from dividends	-96.175	-594.106	-7.973.408	-1.496.977
Amortisation of grants	-788.356	-962.624	-59.728	-79.252
Share of (Profits)/losses of associate companies	-1.242.968	-816.477	-	-
Impairment of subsidiaries	-	-	1.430.256	-
Loss from the impairment of fixed assets	3.500	36.109	-	-
Income \ Losses from fixed assets' disposal to associates	-3.288.969	-	-	-
Other	800.504	188.586	-2.635	-38.912
	183.375.590	157.673.729	40.579.877	40.378.170
Changes in working capital				
(Increase)/decrease in inventories	-69.781.555	-19.809.158	5.817.297	-20.335.919
(Increase)/decrease in receivables	-26.887.712	-43.520.337	-20.005.078	-41.066.657
Increase/(decrease) in liabilities	-2.397.134	38.521.448	-14.440.580	45.464.174
Increase/(decrease) in provisions	-521.445	2.641.981	-100.273	875.982
Increase/(decrease) in employee retirement benefit obligations	-474.847	-321.563	78.809	-165.852
	-100.062.693	-22.487.629	-28.649.826	-15.228.272
Net cash flows from operating activities	83.312.897	135.186.100	11.930.052	25.149.897

12. Commitments

Contractual commitments

The Group has entered into agreement for the purchase of fixed assets related to subsidiaries, as follows:

<i>Amounts in Euro</i>	Group	
	30/09/07	31/12/2006
Property plant and Equipment	11.237.849	15.919.729
Other	-	1.360.764
	11.237.849	17.280.493

These commitments refer to contracts made between subsidiaries and vendors of fixed assets regarding investments which are on progress. The subsidiaries mentioned are Corinth Pipeworks S.A. (€ 2.380) and Stomana Industry S.A. (€ 8.858).

Operating lease commitments

The Group leases vehicles under operating lease agreements. The future aggregate minimum lease payments under these agreements are as follows:

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Up to 1 year	846.999	770.951	382.202	354.325
Between 1 and 5 years	1.810.732	1.542.214	763.501	669.179
More than 5 years	580.263	593.397	-	-
	3.237.995	2.906.561	1.145.703	1.023.505
Charged to the Income Statement	961.410	958.635	362.110	408.221

Capital Commitments

There are no significant capital commitments that have been contracted but not yet incurred at the Balance Sheet date.

13. Contingent Liabilities – Assets

The group has contingent liabilities and assets related to banks, other guarantees and other issues arising in the ordinary course of business, as follows:

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Liabilities				
Guarantees for securing payables towards suppliers	40.814.737	76.309.136	16.305.686	13.041.318
Good performance guarantees to customers	38.709.175	54.408.199	1.006.671	1.006.671
Counter-guarantees for European Investment Bank (CPW)	37.266.200	40.519.356	-	-
Other contingent liabilities	16.779.889	22.679.170	2.500.000	2.500.000
Total	133.570.001	193.915.860	19.812.357	16.547.989

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Lawsuits of employees	3.028.920	3.386.830	-	-
Other Lawsuits	349.046	3.343.805	-	-
Contractual Liabilities	3.739.819	1.882.318	-	-
Bank Letters of Guarantee	4.118.485	8.493.802	-	-
Tax Liabilities	5.543.619	5.572.415	2.500.000	2.500.000
Total	16.779.889	22.679.170	2.500.000	2.500.000

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Receivables				
Guarantees for securing receivables from customers	6.690.627	1.077.496	2.983.496	1.077.496
Other Receivables	640.470	296.868	-	-
Total	7.331.097	1.374.363	2.983.496	1.077.496

A share retention agreement has been made between the company and the “International Finance Corporation”, in order its subsidiary “STOMANA SA”, based in Bulgaria, to be granted long term loans.

The subsidiary CORINTH PIPEWORKS S.A., had formed a provision of € 913.998 up to year 2006 for the negative outcome of lawsuits. During the period ended September the 30th 2007, an additional provision of € 314.484 was formed.

In addition up to the year 2006, the latter subsidiary company had formed a provision of € 4.763.569 for possible losses from contractual obligations to customers. During the period ended September the 30th 2007 an amount of € 790.295 was used to cover its obligations and an additional provision of € 1.243.892 was formed.

During the fiscal year 2005, final tax audit reports were issued against the subsidiary company ETIL SA, which concern the tax audit of fiscal years 1999 and 2000. According to these tax audit reports, additional taxes have been imposed

amounting to €2,728 thousand, which is analyzed as €938 thousand as basic income tax and €1,790 thousand as additions. The subsidiary company did not accept this liability and legally objected such by filing an appeal to the Administrative Courts on 15/2/2006. At the same time it submitted a request towards the committee, of article 70 L. 2238/94, aiming at exempting the service rendering sector from the off-balance sheet definition. The company's management's view is that the issue will be resolved with a significant reduction in the company's final liability. The subsidiary has recognised (Dec 2006) a provision of €371 thousand against profit or loss, which is the amount payable if the company's request is approved.

Against subsidiary company STOMANA S.A., lawsuits are pending issued by former employees due to dismissals and labour accidents amounting to € 342 thousand. The subsidiary has recognised a provision (Dec 2006) of € 358 thousand against profit or loss. Until today a sum of 13 thousand euro has fulfilled part of this obligation.

The Group based on article no.2 of Law 3220/2004 and for fiscal years 2003 and 2004 has formed tax-free reserves of € 8.490 thousand (€ 7.489 thousand the company and € 1.001 thousand the Hellenic subsidiaries). The European Committee has decided that these tax-free reserves are incompatible with the Single Market and need to be recovered from the beneficiaries. The Company estimates that the potential income tax liability will be about € 2.844 thousand and has formed (until the end of fiscal year 2006) a provision for this amount by charging its income statement.

14. Collaterals

There are mortgages and liens on the immovable property of subsidiaries CORINTH PIPEWORKS S.A. amounting to € 73.204 thousand (for loans with outstanding balance € 37.266 thousand) and STOMANA S.A. amounting to € 55.000 thousand, in favour of banks (for loans with outstanding balance of € 46.150 thousands).

15. Related Parties

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
Sale of goods				
Subsidiary companies	-	-	116.280.513	66.028.603
Other Related Parties	45.833.265	24.760.349	11.975.777	5.878.241
	45.833.265	24.760.349	128.256.290	71.906.844
Sale of services				
Subsidiary companies	-	-	23.609.940	23.153.921
Other Related Parties	3.360.119	1.061.982	211.793	68.915
	3.360.119	1.061.982	23.821.734	23.222.836
Sale of fixed assets				
Subsidiary companies	-	-	60.000	87.415
Other related parties	-	-	-	-
	-	-	60.000	87.415
Purchase of goods				
Subsidiary companies	-	-	76.248.067	45.318.305
Other related parties	56.235.834	50.462.220	14.155.381	8.790.790
	56.235.834	50.462.220	90.403.448	54.109.095
Purchase of services				
Subsidiary companies	-	-	3.629.386	439.913
Other Related Parties	13.216.099	10.844.531	6.028.651	5.044.937
	13.216.099	10.844.531	9.658.037	5.484.851
Purchase of fixed assets				
Subsidiary companies	-	-	1.944.847	1.360.889
Other Related Parties	5.347.242	618.985	126.842	173.749
	5.347.242	618.985	2.071.689	1.534.637
Benefits to Key Management				
<i>Amounts in Euro</i>				
Salaries and other benefits to directors and key management	3.272.377	2.927.279	1.983.328	1.117.830
Compensations due to the termination of employment	72.545	1.061.781	-	-
	3.344.922	3.989.060	1.983.328	1.117.830

<i>Amounts in Euro</i>	Group		Company	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Receivables from related parties:				
Subsidiary companies	-	-	31.283.874	33.386.943
Other Related Parties	55.793.699	51.177.327	35.138.295	33.965.112
	55.793.699	51.177.327	66.422.168	67.352.055
Advances for Inventories Purchasing				
Subsidiary companies	-	-	271.421	1.352.952
Other Related Parties	-	368.466	-	-
	-	368.466	271.421	1.352.952
Liabilities to related parties:				
Subsidiary companies	-	-	30.598.265	53.799.404
Other related parties	8.370.642	9.907.214	1.164.174	1.889.417
Compensations Payables due to the termination of employment	750.000	1.500.000		
	9.120.642	11.407.214	31.762.439	55.688.821

The services and sales/purchases of goods to and from related parties, are carried out on the basis of pricelists that are in force with non related parties.

16. Earnings per share

Basic

<i>Amounts in Euro</i>	Group			
	9 months to 30/9/2007	3 months from 1/7 to 30/9/2007	9 months to 30/9/2006	3 months from 1/7 to 30/9/2006
Profits attributable to the shareholders of the parent company	87.403.525	63.713.784	18.405.267	27.632.957
Weighted average number of shares	96.006.833	95.506.626	96.006.833	95.506.626
Basic and diluted earnings per share (€ per share)	0,910	0,667	0,192	0,289

<i>Amounts in €</i>	Company			
	9 months to 30/9/2007	3 months from 1/7 to 30/9/2007	9 months to 30/9/2006	3 months from 1/7 to 30/9/2006
Profits attributable to the shareholders of the parent company	23.222.885	15.090.897	943.485	4.194.036
Weighted average number of shares	96.006.833	95.506.626	96.006.833	95.506.626
Basic and diluted earnings per share (€ per share)	0,242	0,158	0,010	0,044

Diluted

<i>Amounts in Euro</i>	Group			
	9 months to 30/9/2007	3 months from 1/7 to 30/9/2007	9 months to 30/9/2006	3 months from 1/7 to 30/9/2006
Profits attributable to the shareholders of the parent company	87.403.525	63.713.784	18.405.267	27.632.957
Weighted average number of shares	96.303.130	95.506.626	96.303.130	95.506.626
Total weighted average number of shares for diluted earnings per share	96.303.130	95.506.626	96.303.130	95.506.626
Diluted earnings per share (Euro per share)	0,908	0,667	0,191	0,289

<i>Amounts in Euro</i>	Company			
	9 months to 30/9/2007	3 months from 1/7 to 30/9/2007	9 months to 30/9/2006	3 months from 1/7 to 30/9/2006
Profits attributable to the shareholders of the parent company	23.222.885	15.090.897	943.485	4.194.036
Weighted average number of shares	96.303.130	95.506.626	96.303.130	95.506.626
Total weighted average number of shares for diluted earnings per share	96.303.130	95.506.626	96.303.130	95.506.626
Diluted earnings per share (Euro per share)	0,241	0,158	0,010	0,044

The basic diluted earnings per share are calculated by dividing the profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the time period, excluding ordinary shares purchased by the company and held as treasury shares.

17. Fiscal years non-audited by tax authorities

The Company has been audited by the tax authorities up to the year 2006. Several of the Group's subsidiary companies have not been audited by the tax authorities for various fiscal years, from 1999 until 2006.

Company	Non-audited fiscal years
SIDENOR S.A.	-
SOVEL S.A.	2006
DEPAL S.A.	2002 - 2006
STOMANA INDUSTRY S.A.	2005 - 2006
ERLIKON S.A.	2001 - 2006
AEIFOROS S.A.	2003 - 2006
ETAL S.A.	1999 - 2006
PROSAL S.A.	2004 - 2006
TEPRO STEEL EAD	2002 - 2006
ELMONTE HOLDINGS LIMITED	2001 - 2006
BOZETTI LTD	2003 - 2006
VEMET S.A.	2003 - 2006
ETIL S.A.	2001 - 2006
PRAKSYS S.A.	2005 - 2006
DIADIPETHIV S.A.	2002 - 2006
AEIFOROS BULGARIA SA	2005 - 2006
VET S.A.	2003 - 2006
VEAT S.A.	2003 - 2006
SIGMA S.A.	2002 - 2006
ARGOS AEVEX	2005 - 2006
CORINTH PIPEWORKS S.A.	2003 - 2006
SIDMA S.A.	2006
DIAPEM S.A.	2003 - 2006
VEPEM S.A.	2003 - 2006
METALOURGIA OF ATTICA S.A.	2002 - 2006
ELKEME S.A.	2003 - 2006
DOJLAN STEEL LLCOP	2006
PROSAL TUBES S.A.	2006
SIDEROM STEEL Srl	-
ANAMET Shpk	2006
ZAO TMK - CPW	-
DOMOPLEX LTD	2002 - 2006

In regular basis group's companies calculate the annual income tax according to the relevant tax laws. Under these circumstances the Group management believes that there will be no significant additional taxes imposed in the future due to audits carried out by the tax authorities.

In October 2007, taxation authorities concluded company's audition for the fiscal years 2005 and 2005. Therefore an amount of euro 271.668,65, as additional income tax for those years, imposed to the Company and has been recognized both to company's expenses and liabilities.

18. Number of Personnel

Number of personnel employed at the end of current period: the Group 3.548 & the Company 365. On September 30th 2006 Group's personnel amounted to 3.562 employees and Company's to 370 employees.

19. Significant Events

On 12th June 2007, the company's shareholders Annual General Meeting approved the annual financial statements of 2006 as well as the proposed distribution of profits for the year 2006. Furthermore the repeated Annual General Meeting, that took place on 27th June 2007 of the shareholders approved the issue of bond loans up to € 100 million, which will be covered by banks.