

**HALCOR
METAL WORKS S.A.**

**Financial Statements (Individual and Consolidated)
as of 31 December 2005
in accordance with the International Financial Reporting Standards**

**HALCOR S.A.
COMPANY REGISTRATION No. 2836/06/B/86/48
Address: Athens Tower, 2nd Building, 2-4 Messogeion Avenue, 11527, Athens**

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Report of the Board of Directors**A. GENERAL OVERVIEW**

Fiscal year 2005 was not a very good year in terms of results mainly due to the conditions that the Company faced with regard to prices of copper and to the effects thereof on the market. The results of most of the company's subsidiaries remained stable in relation to 2004. As a result of the increases in the average prices of metal, the parent company's turnover increased by 14.7%, while, correspondingly, consolidated turnover increased by 27.2%. Profit margins, however, did not increase since competition was particularly severe in the international and, primarily, European market. In spite of unfavourable conditions, HALCOR group of companies managed to increase its quantities and improve its position in the copper sector.

In 2005, the average price of metal increased and was set at 2,977 Euros per ton, for cash prices, and 2,835 per ton, for quarterly prices, respectively, while in 2004 the corresponding prices were 2,307 Euros and 2,246 Euros.

These high copper prices naturally led to increased demands in working capital, which in turn led to an increased financial cost, the effect of which was offset, to a great extent, by the implementation of expenditure restraining and inventory reduction programs.

The parent company's profits before taxes amounted to approximately 14.2 million Euros, increased by 11.6% in comparison to the previous fiscal year. This increase was also due to the high sale price of copper during the year, which created capital gains. On a consolidated level, profits before taxes decreased by 3%, amounting to approximately 12.5 million Euros.

In 2005, HALCOR group of companies proceeded in investments of a total amount of approximately 18 million Euros, of which approximately 8.2 million Euros was invested in SOFIA MED S.A. in order to further expand the range of products that the company produced. Correspondingly the parent company proceed in investments of an amount of approximately 5 million Euros that concerned improvements in existing production equipment and in other investment projects.

Taking into consideration the progress that has been made and the prospects for future years, the company's management proposes a dividend distribution of 0.065 Euros per share against 0.05 per share that was distributed last year. Overall, the management proposes a dividend distribution of approximately 6.3 million Euros, a 30% increase in comparison to 2004.

B. FINANCIAL POSITION

The ratios that express the company's financial position developed as follows:

<u>Ratios:</u>		2005	2004
Liquidity:	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2.74	3.99
Owned Capital to Borrowed Capital:	$\frac{\text{Equity}}{\text{Loan Capital}}$	1.10	1.07
Capital Profitability:	$\frac{\text{Profits before taxes \& Financial}}{\text{Equity + Loan Capital}}$	6.3%	5.9%
Net Worth:	$\frac{\text{Net Profits}}{\text{Equity}}$	5.6%	8.7%

The coefficients that express the financial position of HALCOR Group of Companies are as follows:

<u>Ratios:</u>		2005	2004
Liquidity:	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.68	1.97
Owned Capital to Borrowed Capital:	$\frac{\text{Equity}}{\text{Loan Capital}}$	0.59	0.63
Capital Profitability:	$\frac{\text{Profits before taxes \& Financial}}{\text{Equity + Loan Capital}}$	4.4%	4.6%
Net Worth:	$\frac{\text{Net Profits}}{\text{Equity}}$	2.3%	7.7%

C. GOALS AND PROSPECTS

The growth that we achieved in 2006 in combination with the prospects of an improved financial climate in the European Union and the United States of America leads us to have an optimistic attitude for 2006. The stabilisation of prices of metal also helps the demand for copper products to recover.

The new titanium zinc products that we began to produce from the beginning of 2005 have been well received by our customers in the European markets. We expect to increase our sales and achieve a greater profit margin in 2006. The merger between HALCOR and FITCO S.A., with the latter's absorption by the former, following the relative approvals of the companies' General Meetings, is considered a significant business venture on an economies of scale level.

To recapitulate, we believe that 2006 shall be a significant year in which we will achieve our primary goal, which is the to further develop HALCOR and to expand its activities in copper products.

Balance Sheet

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
ASSETS				
Non-current assets				
Tangible fixed assets	297,714,814	301,134,083	112,504,324	116,482,024
Intangible fixed assets	2,832,015	2,978,592	397,784	300,896
Investments in real estate	2,168,074	2,168,074	-	-
Investments	6,842,589	7,535,319	105,184,381	85,470,088
Financial assets available for sale	730,890	1,042,312	252,272	252,272
Deferred tax claims	1,022,073	809,888	-	-
Other receivables	3,293,307	748,212	407,662	393,105
Total non-current assets	314,603,763	316,416,479	218,746,422	202,898,386
Current assets				
Inventories	165,766,955	167,254,525	59,982,112	74,243,441
Trade and other receivables	202,224,088	163,545,958	90,866,895	79,972,778
Derivatives	1,622,157	-	972,507	-
Financial assets at reasonable value through the profit and loss statement	8,231	-	-	-
Cash and cash equivalents	16,246,241	12,374,801	6,656,461	4,118,539
Total Current assets	385,867,672	343,175,284	158,477,975	158,334,757
Total assets	700,471,434	659,591,763	377,224,397	361,233,143
EQUITY				
Shareholder's equity				
Share capital	32,003,756	32,003,756	32,003,756	32,003,756
Above par reserve	65,230,753	65,230,753	65,230,753	65,230,753
Foreign exchange differences from the consolidation of foreign subsidiaries	-516,781	-92,352	-	-
Other reserves	61,611,677	54,215,684	61,320,370	54,147,302
Profits/(losses) carried forward	27,086,413	35,588,359	10,813,780	13,976,593
Total	185,415,819	186,946,201	169,368,659	165,358,404
Minority interest	33,836,371	31,709,461		
Total equity	219,252,190	218,655,662	169,368,659	165,358,404
LIABILITIES				
Long-term liabilities				
Loans	213,749,227	229,756,932	125,522,404	132,440,457
Derivatives	1,015,076	-	653,279	-
Deferred tax liabilities	24,736,580	24,745,743	16,771,217	16,826,693
Personnel retirement benefits payable	3,948,694	3,591,970	1,783,808	1,590,191
Subsidies	2,662,325	3,393,991	366,647	393,465
Provisions	5,192,103	5,035,831	5,000,000	5,000,000
Other long-term liabilities	10,586	33,745	-	-
	251,314,592	266,558,212	150,097,355	156,250,806

Current liabilities

Suppliers and other liabilities	61,508,994	50,547,028	24,237,645	12,516,790
Current tax liabilities	7,856,925	7,557,711	4,616,300	5,574,934
Loans	159,007,019	116,273,149	27,682,167	21,532,209
Derivatives	1,531,714	-	1,222,271	-
	229,904,652	174,377,888	57,758,383	39,623,933
Total liabilities	481,219,244	440,936,101	207,855,738	195,874,739
Total equity and liabilities	700,471,434	659,591,762	377,224,397	361,233,143

The notes attached hereto from pages 12 to 78 constitute an integral part of these financial statements.

Profit and Loss Statement

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Sales	711,732,053	559,495,382	394,425,100	344,014,608
Cost of sales	-650,499,605	-497,428,998	-358,663,006	-305,882,443
Gross Profit	61,232,449	62,066,384	35,762,093	38,132,165
Distribution expenses	-14,476,626	-12,237,793	-6,509,497	-4,629,898
Administrative expenses	-21,742,975	-26,766,255	-11,288,904	-15,632,918
Other operating income	1,110,323	1,587,690	696,645	785,579
Operating profit before financial expenses	26,123,171	24,650,026	18,660,337	18,654,928
Financial expenses	-13,623,909	-12,943,213	-6,155,026	-6,186,234
Income from dividends	21,437	43,990	1,765,413	322,541
Profits/losses from associated companies	-14,496	1,142,074	0	0
Profits before taxes	12,506,204	12,892,878	14,270,724	12,791,235
Income tax	-7,501,247	3,969,055	-4,734,133	1,593,751
Net profits of the period	5,004,957	16,861,932	9,536,591	14,384,986
Allocated to:				
Parent company's shareholders	3,490,957	14,154,258	9,536,591	14,384,986
Minority interest	1,514,001	2,707,674		
	5,004,957	16,861,932	9,536,591	14,384,986
Profits per share that correspond to the parent company's shareholders for the period (expressed in Euros per share)				
Basic and reduced	0.036	0.146	0.098	0.148

The notes attached hereto from pages 12 to 78 constitute an integral part of these financial statements.

Statement of Changes in Equity

of the parent company's shareholders

Amounts in Euros

	Share capital	Premium on capital stock	Other reserves	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority interest	Total Equity
CONSOLIDATED FIGURES								
Balance as of 1 January 2004	32,003,756	65,230,753	50,489,119	25,431,224	-	173,154,852	31,606,929	204,761,781
Foreign exchange differences	-	-	-	-	-92,352	-92,352	186,968	94,616
Profit/(loss) directly recognised in equity	-	-	-	966,637	-	966,637	-	966,637
Net profit of the period	-	-	-	14,154,258	-	14,154,258	2,707,674	16,861,932
Total recognised net profit of the period	-	-	-	15,120,895	-92,352	15,028,543	2,894,642	17,923,185
Increase-decrease in the holding percentage of subsidiaries	-	-	-	2,707,675	-	2,707,675	-2,792,110	-84,435
Transfer of reserves	-	-	3,726,565	-3,792,191	-	-65,626	-	-65,626
Dividend	-	-	-	-3,879,243	-	-3,879,243	-	-3,879,243
	-	-	3,726,565	-4,963,760	-	-1,237,195	-2,792,110	-4,029,304
Balance as of 31 December 2004	32,003,756	65,230,753	54,215,684	35,588,359	-92,352	186,946,201	31,709,461	218,655,662
Application of IAS 32 & 39			-882,121	-24,109		-906,230		-906,230
Balance as of 1 January 2005	32,003,756	65,230,753	53,333,563	35,564,250	-92,352	186,039,971	31,709,461	217,749,432
Foreign exchange differences					-424,429	-424,429		-424,429
Profit/(loss) directly recognised in equity	-		390,482	767,893	-	1,158,374	-	1,158,374
Net profit of the period				3,490,957		3,490,957	1,514,001	5,004,958
Total recognised net profit of the period	-		390,482	4,258,849	-424,429	4,224,901	1,514,001	5,738,902
								0
Increase-decrease in the holding percentage of subsidiaries	-	-	-	-	-	-	612,909	612,909
Transfer of reserves	-	-	7,887,633	-7,887,632	-	1		1
Dividend	-	-	-	-4,849,054	-	-4,849,054		-4,849,054
	-	-	7,887,633	-12,736,686	-	-4,849,053	612,909	-4,236,144
Balance as of 31 December 2005	32,003,756	65,230,753	61,611,677	27,086,413	-516,781	185,415,819	33,836,371	219,252,190
COMPANY FIGURES								
Balance as of 1 January 2004	32,003,756	65,230,753	50,489,094	7,129,059		154,852,662	-	154,852,662
Net profit of the period				14,384,986		14,384,986		14,384,986

Total recognised net profit of the period	-	-	-	14,384,986	-	14,384,986	-	14,384,986
Transfer of reserves (from distribution)	-	-	3,658,208	-3,658,208	-	-	-	-
Dividend	-	-	-	-3,879,243	-	-3,879,243	-	-3,879,243
	-	-	3,658,208	-7,537,451	-	-3,879,243	-	-3,879,243
Balance as of 31 December 2004	32,003,756	65,230,753	54,147,302	13,976,593	-	165,358,404	-	165,358,404
Application of IAS 32 & 39			-607,577			-607,577		-607,577
Balance as of 1 January 2005	32,003,756	65,230,753	53,539,725	13,976,593	-	164,750,827	-	164,750,827
Profit/(loss) directly recognised in equity	-		-69,705	-	-	-69,705	-	-69,705
Net profit of the period				9,536,591		9,536,591		9,536,591
Total recognised net profit	-		-69,705	9,536,591	-	9,466,885	-	9,466,885
Transfer of reserves			7,850,350	-7,850,350		-		-
Dividend				-4,849,054		-4,849,054		-4,849,054
	-	-	7,850,350	-12,699,404	-	-4,849,054	-	-4,849,054
Balance as of 31 December 2005	32,003,756	65,230,753	61,320,370	10,813,780	-	169,368,659	-	169,368,659

The notes attached hereto from pages 12 to 78 constitute an integral part of these financial statements.

Cash Flow Statement

	Note	CONSOLIDATED FIGURES		COMPANY FIGURES	
		2005	2004	2005	2004
<i>Amounts in Euros</i>					
Cash flows from operating activities					
Cash flows from operating activities	28	20,587,096	-51,798,219	43,586,048	-22,421,005
Interest paid		-14,060,953	-12,734,680	-6,383,982	-5,360,602
Income tax paid		-7,738,098	-2,212,675	-5,952,565	-561,922
Net cash flows from operating activities		-1,211,954	-66,745,574	31,249,501	-28,343,529
Cash flows from investment activities					
Purchase of tangible fixed assets		-17,704,406	-21,186,513	-3,964,659	-5,751,065
Purchase of intangible fixed assets		-999,815	-433,921	-306,964	-181,667
Sale of tangible fixed assets		872,350	780,051	231,410	271,306
Sale of intangible fixed assets		3,499	3,926	-	-
Sale of holdings		16,024,448	82,223	16,024,448	82,223
Dividends received		21,437	43,990	1,765,412	322,541
Purchase of financial assets at reasonable value through the profit and loss statement		-8,231	-	-	-
Interest received		376,211	327,437	168,123	109,424
Increase in holdings in associated companies		-8,400	-821,613	-	-12,000
Increase in holdings in subsidiaries		-15,960,000	-	-37,004,779	-769,916
Increase in holdings in other holdings		-	-407,125	-8,400	-240,183
Net cash flows from investment activities		-17,382,906	-21,611,546	-23,095,407	-6,169,337
Cash flows from financing activities					
Dividends paid to the parent company's shareholders		-3,877,805	-4,164,701	-4,848,077	-3,879,074
Loans received		65,875,154	161,355,316	30,000,000	100,000,000
Settlement of loans		-39,148,989	-66,015,297	-30,768,095	-61,224,853
Dividends paid to minority interest		-382,060	-	-	-
Net cash flows from financing activities		22,466,300	91,175,318	-5,616,172	34,896,073
Net (decrease)/increase in cash and cash equivalents		3,871,440	2,818,198	2,537,922	383,207
Cash at beginning of period		12,374,801	9,556,602	4,118,539	3,735,331
Foreign exchange differences in cash					
Cash at end of period	15	16,246,241	12,374,800	6,656,461	4,118,539

The notes attached hereto from pages 12 to 78 constitute an integral part of these financial statements.

(amounts are expressed in Euros, unless otherwise stated. Differences in the total amounts are due to rounding)

1. The Group's Incorporation and Business

HALCOR METAL WORKS S.A. (formerly VECTOR S.A. Metals Processing Company) (or "HALCOR" or the "Company") was incorporated in 1997 under act No. 14689 p.e. 23.2.1977 of the Prefect of Attica and the decisions of approval that were published in the Government Gazette (G.G. Companies issue No. 290-2.3.1977) and is registered in the Public Limited Companies register under No. 2836/06/B/86/48. In 1977 the merger of the companies VECTOR S.A. and (the former) HALCOR S.A. took place and was finalised by the Ministry of Growth's decision taken on 5/6/97, recorded in the Public Limited Companies Register and published in G.G. 2865/06-06-1977) Companies Issue.

The Company has a duration of 50 years from the date of publication of its Articles of Association, that is up to 2027. It has been listed on the Athens Stock Exchange since 1996 and is a member of the VIOHALCO Group.

HALCOR S.A. manufactures copper, brass and other copper alloy rolled and extrusion products. The company is vertically integrated and it is the only Company in Greece that manufactures copper pipes, and holds a leading position in the manufacture and trade of copper, brass and other copper alloy products, as well as copper wire.

The Company's Financial Statements for the fiscal year that ended on 31 December 2005 include the Individual Financial Statements of HALCOR and the Company's Consolidated Financial Statements (together referred to as the "Group"). The names of the subsidiary companies are presented in Note 10 of the Financial Statements.

The Group's core business is the manufacture of rolled and extrusion copper and copper alloy products, extrusion zinc products and all kinds of cables.

The Group carries out its business in Greece, Bulgaria, Romania, Cyprus, the United Kingdom, France and Serbia-Montenegro.

The Company's shares, as well as those of its Subsidiaries "HELLENIC CABLES S.A." and "FITCO S.A." are traded on the Athens Stock Exchange.

The Company's registered offices are located in Athens, Athens Tower – 2nd Building, 2-4 Messogeion Avenue, Postal Code 115 27. The Company's headquarters and its communication address is at the 57th km of the Athens-Lamia National Road, Inofyta, Postal Code GR-32011. The company's web-site is at www.halcor.gr.

The Individual and Consolidated Financial Statements as of 31 December 2005 attached were approved for publication by the Company's Board of Directors on 9 March 2005.

2. The basis on which the Financial Statements were prepared

(a) Note of Compliance

The Financial Statements have been drawn up in accordance with the International Financial Reporting Standards (I.F.R.S.) that have been adopted by the European Union. These are the Group's first Annual Financial Statements and I.F.R.S. 1 has been applied.

In accordance with European Legislation 1606/2002 and according to Law 3229/04 (as amended by Law 3301/04), Greek Companies listed on any Stock Exchange (domestic or foreign) must draw up their financial statements for the years beginning on 1 January 2005 and thereafter, in accordance with the I.F.R.S. In accordance with the I.F.R.S. and the above mentioned Greek legislation, the above companies must present comparative financial information in accordance with the I.F.R.S., for one year at least (31 December 2004).

Explanation on how transfer to the I.F.R.S. has affected both the Group's and the Company's asset structure and financial position is presented in Note 5.

(b) Basis of Presentation

The Company took advantage of the exception provided by I.F.R.S. 1 and applied I.A.S 32 and I.A.S. 39 as of 1 January 2005.

The Financial Statements were drawn up on the basis of the historical cost principle with the exception of derivatives that are recorded at their reasonable value. The Financial Statements are depicted in Euros unless otherwise stated.

When drawing up financial statements in accordance with the I.F.R.S. it is necessary to resort to evaluations and judgements in application of the accounting principles. It is also necessary to resort to calculations and assumptions that affect the application of the principles as well as the aforementioned asset and liability figures, the disclosure of possible receivables and liabilities on the date the financial statements are drawn up and the income and expenses figures mentioned during the year under review. Despite the fact that these calculations are based on Management's best possible knowledge of current conditions and actions, the actual results may ultimately differ from those calculations.

The evaluations and the relative assumptions are revised on a continuous basis. These revisions are recognised in the period in which they were effected and affect the relative periods that they concern.

Notes to the Financial Statements**as of 31 December 2005**

During the preparation of the first financial statements in accordance with the I.F.R.S. certain figures of fiscal year 2004 has been readjusted so that they may be comparable with those of the current fiscal year.

The accounting policies that are presented below have been consistently applied in all the periods that are presented in these Financial Statements, as well as in the preparation of the transfer Balance Sheet.

The accounting policies have been consistently applied by all of the Group's companies.

Basic Accounting Policies**3.1 Consolidated Financial Statements****(c) Subsidiary Companies**

Subsidiaries are the companies controlled by the parent company. Control is exercised when the parent company has the power to reach decisions, directly or indirectly, that concern the subsidiaries' principles of financial management with the purpose of benefiting therefrom. The existence of any potential voting rights which may be exercised at the of drawing up the financial statements are taken into account in order to ascertain whether the parent company controls the subsidiaries. The subsidiaries are consolidated in full (integrated consolidation) from the date control over them is acquired and cease to be consolidated from the date that such control ceases to exist.

The buy out of a subsidiary by the Group is accounted according to the method of buy out. The acquisition cost of a subsidiary is the reasonable value of assets given, shares issued and liabilities assumed on the date of the exchange, plus any cost directly related to the transition. The individual assets, liabilities and possible liabilities acquired in a business merger are apportioned during the acquisition at their reasonable values regardless of the holding percentage. Acquisition cost beyond the reasonable value of the individual items acquired, is recorded as goodwill. Goodwill is periodically subject, at least annually, to an evaluation for any possible impairment. This evaluation is effected based on the provision of I.A.S. 36 "Impairment of Assets". If the overall cost of the buy out is less than the reasonable value of the individual items acquired, the difference shall be entered directly in the profit and loss statement.

Inter-company transactions, balances and non-realised profits from transactions between the Group's companies are eliminated. Non-realised losses are also eliminated unless the transaction contains indications of impairment in the transferred asset. The accounting principles of the subsidiaries have been amended, wherever this was necessary, so as to be in uniformity with those adopted by the Group.

Notes to the Financial Statements**as of 31 December 2005**

The Company records investments in subsidiaries in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

(d) Affiliated Companies

Affiliated companies are those over which the Group has material influence, but not control over their financial and operating policies, which is generally valid when percentage holdings fluctuate between 20% and 50% of voting rights. Investments in associated companies are accounted by the net worth method and are initially recognised at acquisition cost, increased or decreased by the Group's holding percentage in the profits and losses thereof after the date it acquired the significant influence and until this influence ceases to exist, as well as all corresponding increases and decreases of the holding's net worth. The investment in associated companies account includes the goodwill arising from the buy out (less any impairment).

The Group's share of the affiliated companies' profit or loss after the buy out is recognised in the Profit and Loss Statement, while its share in the variation of reserves after the buy out is recognised in the Reserves account. Accumulated variations affect the accounting value of investments in affiliated companies. Should the Group's share in the loss of an affiliated company exceed the value of the investment in the associated company, no additional loss is recognised, unless payments have been effected or further commitments have been undertaken on behalf of the affiliated company.

Non-realised profits from transactions between the group and its affiliated companies are eliminated by the percentage of the Group's holding in the affiliated companies. Non-realised losses are eliminated unless the transaction provides indications of impairment in the transferred asset. The accounting policies of affiliated companies have been amended so as to be in uniformity with those that have been adopted by the Group.

The Company records investments in affiliated companies in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

3.2 Information by sector

A business sector is defined as a group of assets and operations providing goods and services which are subject to risks and returns different from those of other business sectors. A geographic sector is defined as a geographical area where goods and services subject to risks and returns different from other areas are provided.

Notes to the Financial Statements**3.3 Currency conversion****(a) Evaluation Currency and Presentation Currency**

The items of the financial statements of the Group's companies are calculated in the currency of the primary financial environment in which the company operates ("operational currency").

The Consolidated Financial Statements are shown in Euros, which is the operational currency and the presentation currency of the parent Company.

(b) Transactions and Balances

Transactions in foreign currency are converted into the operational currency based on the foreign currency's official rate that prevails on the date the transaction took place. Profits and losses from currency differences deriving after clearing of such transactions during the fiscal year and after the conversion of currency items expressed in foreign currency at the parity rates prevailing on the date of the balance sheet, are recorded in the Profit and Loss Statement.

(c) The Group's Companies

Currencies of the Group's companies' financial statements (none of which is in the currency of a hyper inflated economy), that are in a different operational currency than the group's presentation currency are converted as follows:

Assets and liabilities of activities that are carried out abroad, including the goodwill and readjustment of reasonable values that arise during consolidation, are converted to Euros based on the foreign currency's official rate that prevails on the date of the Balance Sheet.

Income and expenses are converted to Euros based on the foreign currency's average rate during the fiscal year, which reflects the foreign exchange parity that prevails on the date the relative transaction took place.

Foreign exchange differences arising from the conversion of the net investment in a foreign business and of the relative offsets are recognised in a different line in the Equity account. When a foreign business is sold, accumulated foreign exchange differences are transferred to the Profit and Loss Statement as part of the profit or loss from the sale.

3.4 Tangible Fixed Assets

Tangible fixed assets are shown at acquisition cost less accumulated depreciation and any impairment of the value thereof. Acquisition cost includes all expenditures that are directly associated with the acquisition of the fixed asset.

Later expenditures are recorded as an augmentation in the accounting value of the tangible fixed assets or as a separate fixed asset only where there is a possibility that the future financial benefits

Notes to the Financial Statements**as of 31 December 2005**

shall flow into the group and their cost may be reliably accounted. Repairs and maintenance costs are recorded in the Profit and Loss Statement when they are carried out.

Land is not depreciated. Depreciation on other tangible fixed asset items is calculated by the straight line method during the estimated useful lives of these assets and of the sections thereof.

Useful lives are estimated as follows:

- Buildings 20-33 years
- Mechanical equipment 1-18 years
- Automobiles 5-7 years
- Other equipment 3-5 years

The residual values and the useful life of tangible fixed assets are subject to review on every balance sheet date, if this is deemed necessary.

When the accounting values of tangible fixed assets exceed their estimated replacement cost the difference (impairment) is recorded as a result in the Profit and Loss Statement.

When tangible fixed assets are sold, the differences arising between the consideration received and their accounting value is recorded as a profit or loss in the Profit and Loss Statement.

Financial expenses related to the construction of assets are capitalised for the period of time required till construction has been completed. All other financial expenses are recorded in the Profit and Loss Statement.

3.5 Intangible Fixed Assets

Intangible fixed assets that are acquired separately are recognised at their acquisition cost while intangible fixed assets that are acquired through the purchase of companies are recognised at their reasonable value on the date of acquisition. They are subsequently evaluated at this amount less accumulated depreciation and any possible accumulated impairment of their value. Intangible fixed assets may have either a definite or indefinite useful life. The cost of intangible fixed assets that have a definite useful life are depreciated during the period of their estimated useful life with the straight line method. Intangible fixed assets are depreciated from the date on which they become available. Intangible fixed assets with an indefinite useful life are not depreciated but are periodically subject (at least annually) to an evaluation of any possible impairment of their value based on the provisions of I.A.S. 36 "Impairment of Assets". Residual values are not recognised. The useful life of intangible fixed assets are evaluated on an annual basis. Intangible fixed assets are controlled for impairment, at least annually, on an individual level or on a cash flow creation level to which they belong.

Notes to the Financial Statements**as of 31 December 2005**

Software licenses are evaluated at acquisition cost less accumulated depreciation, less any accumulated impairment. They are depreciated by the straight line method over their useful life, which is from 3 to 5 years.

Expenditure necessary for the development and maintenance of software is recognised as an expense in the Profit and Loss Statement for the year in which it occurs.

3.6 Impairment in value of assets

The book value of the Group's assets are controlled for impairment when there are indications that their book value will not be recovered. In this case, the asset's recoverable amount is determined and if the book value thereof exceeds the estimated recoverable value, an impairment loss is recognised, which is recorded directly in the Profit and Loss Statement. The recoverable value is the greater amount between an asset's reasonable value, less the cost that is required for the sale thereof, and the value of the use thereof. In order to estimate the use value, the estimated future cash flows are discounted to the asset's present value with the use of a pre-tax rate that reflects the market's current estimations for the cash's temporal value and for the risks that are associated with these assets. If an asset does not effect significant independent cash flows, the recoverable amount is determined for the cash flow production unit to which the asset belongs.

If an impairment loss is recognised, on each balance sheet date the Group examines if the conditions that led to the recognition thereof continue to exist. In this case, the asset's recoverable value is re-determined and the impairment loss is offset restoring the asset's book value to its recoverable amount to the extent that this does not exceed its book value (net of depreciation) that would have been determined if an impairment loss had not been recorded.

3.7 Investments

As of 1 January 2005 investments are classified according to the purpose for which they were acquired. Management decides on the appropriate classification of the investment when the investment is acquired and reviews the classification every presentation date.

(a) Financial assets ate reasonable value through the Profit and Loss Statement

This category includes financial assets acquired for the purpose of being resold soon. Assets in this category are classified as Current Assets if they are held to be traded or if it is expected that they shall be sold within 21 months from the balance sheet date.

(b) Investments held till expiry

Include investments with fixed or pre-determined payments and a specific expiry date which the Group is intending as far as possible to hold onto until their expiry.

(c) Financial assets available for sale

Include assets which are either designated for this category or cannot be classified in one of the above categories. They are included in non-Current Assets provided Management does not intent to liquidate them within 12 months form the balance sheet date.

Purchases and sales of investments are recognised on the date of the transaction which is the date the Group commits itself to buy or sell the item. Investments are initially recognised at their reasonable value plus transaction costs. Investments are eliminated when the rights to collect cash flows from the investments expire or are transferred and the Group has materially transferred all risks and benefits inherent in their ownership.

Subsequently, the financial assets for sale are evaluated at their reasonable value and the relative profit or loss is recorded in an equity reserve till these items are sold or defined as impairment. When sold or defined as impairment, the profit or loss is transferred to the profit and loss statement. Impairment loss recognised in the Profit and Loss Statement cannot be reversed through the profit and loss statement.

Realised and non-realised profit or loss arising from variation in the reasonable value of financial assets are evaluated at their reasonable value with variations in the profit and loss statement, and recognised in the Profit and Loss Statement of the period in which they occurred.

The reasonable values of financial assets traded on active markets are designated by the current bid price. For non-traded assets, reasonable values are designated by the use of evaluation methods such as an analysis of recent transactions, reference comparable items that are traded and discounted cash flow.

On every balance sheet date the Group assess whether there are any objective indications leading to the conclusion that financial assets have suffered impairment. For shares in companies that have been classified as financial assets available for sale, such an indication is a significant or prolonged fall in its reasonable value compared to its acquisition cost. If impairment is ascertained, the accumulated loss in Equity which is the difference between acquisition cost and reasonable cost is transferred to the Profit and Loss Statement. Impairment loss in holding titles recorded in the Profit and Loss Statement cannot be reversed through the profit and loss statement.

3.8 Inventories

Inventories are evaluated at the lower, per type, price between the acquisition cost and net liquidation value. Acquisition cost is designated by the weighted average cost method. Net liquidation value is evaluated on the basis of current stock sale prices in the context of usual business after subtracting any cost of completion and sale where there is such a case. It is hereby noted that specially in the case of by-products, these are evaluated directly at their net liquidation value. Eliminations are recognised in the Profit and Loss Statement of the year in which they occur.

3.9 Customers and Other Current Receivables

Customer account receivables are recorded at cost and are controlled on an annual basis for impairment. Impairment losses are recorded when there is an objective indication that the Group is not in a position to collect all the sums owed on the basis of contractual terms. The provision figure is recorded as an expense in the Profit and Loss Statement. Possible deletions of receivables from accounts receivables are effected through the provision that has been formed. Receivables that are deemed as doubtful are deleted.

3.10 Cash and Cash Equivalents

Cash and cash equivalents include the cash balance, sight deposits, highly liquefiable and low risk short-term investments up to 3 months and overdraft bank accounts.

3.11 Share capital

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

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

3.12 Interest-bearing Loans

Loans are initially recorded at their reasonable value. Following their initial recording they are monitored at their outstanding balance.

Loans are classified as Current Liabilities unless the Group has the right to postpone final settlement of the liability for at least 12 months from the date of the balance sheet. In this case they are classified as Long-term Liabilities.

3.13 Income Tax

Income tax of the fiscal year is comprised of both current and deferred tax. Income tax is recorded in the Profit and Loss Statement unless it concerns amounts that are directly recorded in Equity, in which case it is recorded in Equity.

Current income tax is the expected payable tax against taxable income of the fiscal year, based on the instituted tax rates on the balance sheet date, as well as any readjustment to the payable tax of previous fiscal years.

Deferred income tax is designated by the balance sheet method, based on the balance sheet, which derives from the provisional differences between the accounting value and the tax base of

Notes to the Financial Statements**as of 31 December 2005**

assets and liabilities. Deferred income tax is not accounted for if it derives from the initial recognition of an asset or liability item in a transaction, apart from a business merger, which when the transaction took place, affected neither the accounting nor the taxation profit or loss. Deferred tax is designated by the factors of taxation which are expected to be in force in the period when the asset shall be liquidated or the liability settled. The designation of future factors of taxation is based on laws which have been passed at the date of drawing up the financial statements.

Deferred tax claims are recognised in the extent to which there shall be a future tax profit for the use of the provisional difference establishing the deferred tax claim.

Deferred income tax is recognised for provisional differences arising from investments in subsidiaries and affiliated companies, with the exception of the case where the reversal of provisional differences is controlled by the Group and it is possible that the provisional differences shall not be reversed in the foreseeable future.

3.14 Personnel Fringe Benefits**(a) Current Fringe Benefits**

Current fringe benefits in money or kind are recorded as an expense when they accrue.

(b) Established Benefit Plans

The liability recorded in the balance sheet with regard to established benefit plans is the present value of the commitment for the benefit less the reasonable value of the plan's assets and the variations arising from non-recognised actuarial profit and loss and the cost of previous service. The commitment of the established benefit is calculated by an independent actuary by the projected unit credit method.

The actuarial profit and loss arising for the adjustments based on historical data over or under 10% margin of the accumulated liability is recorded in the Profit and Loss Statement within the expected average insurance time of the plan's participants. The cost of previous service is recorded directly in the Profit and Loss Statement with the exception of the case where variations in the plan depend on the remaining time of service of employees. In this case the cost of previous service is recorded in the Profit and Loss Statement by the straight line method over the maturity period.

3.15 State Subsidies

State subsidies are recognised at their reasonable value when it is expected with certainty that they shall be collected and the Group shall comply with all terms provided.

State subsidies regarding expenses, are deferred and recognised in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

Notes to the Financial Statements**as of 31 December 2005**

State subsidies related to the purchase of tangible fixed assets are included in Long-term Liabilities as deferred state subsidies and are transferred as gains to the Profit and Loss Statement by the straight line method over the expected useful life of the relative assets.

3.16 Provisions

Provisions are recognised when the Group has a present commitment (legal or justified) for which a cash outflow may arise for its settlement. Moreover, the amount of this commitment must be able to be determined with a significant degree of reliability. Provisions are re-examined on each balance sheet date and if it is deemed that no cash outflow shall arise for the commitment's settlement, a reverse entry must be made for these provisions. Provisions are used solely for the purposes for which they were initially formed. Provisions for future losses are not recognised. Contingent claims and liabilities are not recognised in the Financial Statements.

Provisions with regard to reorganization are recognised when the Group has an approved, detailed and official reorganization plan and the reorganization has either began or has been announced to the public. Future operating costs may not be included in the provision.

3.17 Recognition of Income

Income includes the reasonable value of sales of goods and services, net of Value Added Tax, discounts and returns. The Group's inter-company income is fully eliminated. Income is recognised as follows:

(a) Sale of goods

The sale of goods is recognised when the Group ships the goods to its customers, issues the corresponding invoices and collection of the account receivable is deemed reasonably ensured.

(b) Services

Income from services is recognised in the period in which these services are rendered, on the basis of the completion stage of the service provided with relation to services provided overall.

(c) Interest income

Interest income is recognised when interest is rendered accrued (based on the actual interest rate method).

(d) Income from dividends

Dividends are accounted as income upon the approval of their distribution by the General Meeting of the shareholders.

3.18 Net Financial Expenditures

Net financial expenditures are comprised of debit interest on loans as well as foreign exchange profits/losses that arise from the companies' lending. In addition, they also include income from accrued credit interest.

3.19 Leases

Fixed asset leases where the Group materially preserves the risks and benefits of ownership are classified as financial leases. Financial leases are capitalised at the beginning of the lease at the lower of reasonable value of the fixed asset or the present value of minimum leases, less accumulated depreciation and any possible loss from their obsolescence. The corresponding lease liabilities, net of financial expenses, are depicted in the Liabilities. The part of the financial expenses regarding leases is recognised in the Profit and Loss Statement of the year throughout the life of the lease.

Leases where the material risks and benefits of ownership are preserved by the leaser are classified as operational leases. Payments for operational leases are recognised in the Profit and Loss Statement on a fixed basis throughout the life of the lease.

3.20 Dividends

Dividends that are distributed to the parent Company's shareholders are recognised as a Liability in the Financial Statements when the distribution is approved by the General Meeting of the shareholders.

3.21 Derivatives

Derivatives are initially and later recognised at their reasonable value. The method for recognising profit and loss depends on whether the derivatives are designated as a means of hedging or whether they are being held for trading purposes. The character of derivatives is determined on the date the transaction is entered into by the Group as hedges or as the reasonable value of accounts receivable, liabilities or commitments (hedging of reasonable value), or very likely foreseeable transactions (hedging of cash flows).

On entering the transaction the Group records the relationship between the hedging items and the hedged items as well as the relative risk management strategy. On entering the transaction and on an ongoing basis subsequently the evaluation related to the high returns of the hedge as well as for reasonable value hedges and for cash flow hedges is recorded.

(a) Reasonable Value Hedging

The variations in the reasonable value of derivatives which are designated as variations in the reasonable value hedges of hedged items, are recorded in the Profit and Loss Statement as are the variations in the reasonable value of hedged items attributed to the risk being hedged.

(b) Cash Flow Hedging

The efficient proportion of variation in the reasonable value of derivatives designated as a means of hedging cash flows, is recorded in an Equity Reserve. Profit or loss from the non-efficient proportion is recorded in the Profit and Loss Statement. Amounts recorded in an Equity reserve are transferred to the Profit and Loss Statement of the period where the hedged item affects profit or loss. In the case of hedging foreseeable future transactions resulting in the recognition of a non-monetary item (e.g. stock) the liability, profit or loss that had been recorded in Equity is transferred to the acquisition cost of the resulting non-financial asset.

When a hedging means expires or is sold, or when a hedging relation no longer fulfils the hedging criteria, profits or losses accumulated in Equity remain as a reserve and are transferred to a profit and loss account when the hedged item affects the profits or losses. If a future transaction, which is not expected to be realised, is hedged, profits and losses accumulated in Equity are transferred to the Profit and Loss Statement.

(c) Net Investment Hedging

Net investment hedging in a business abroad is treated in the same way as cash flows hedging.

Profit or loss from the means of hedging related to the efficient part of the hedge is recognised in an Equity reserve. Profit or loss related to non-efficient part of the hedge is recognised in the Profit and Loss Statement.

Profit or loss that has accumulated in Equity is transferred to the Profit and Loss Statement when this business is sold.

(d) Derivatives not destined as a means of hedging

The variations in the reasonable value of these derivatives are recorded in the Profit and Loss Statement.

3.22 Share Option Plans for Employees

The Company and its subsidiary HELLENIC CABLES S.A. have granted Share Option Plans to some of its executives that have been recorded gradually from 2002 until 2011. The price at which the right may be exercised has been set as the average closing price of the company's share on

Notes to the Financial Statements**as of 31 December 2005**

the Stock Exchange. According to the transitional provisions of I.F.R.S. 2 and since these specific option rights were granted before 7 November 2002 the Group did not apply the provisions of this specific Standard with the exception of the notices as per paragraphs 44 and 45 of I.F.R.S. 2.

4. Transition to the I.F.R.S.**4.1 Fundamental Principles of Transition to the I.F.R.S.****4.1.1 Application of I.F.R.S. 1**

The Financial Statements have been drawn up as described in Note 2 above. The Group's date of transition is 1 January 2004. the Group drew up its Initial Balance Sheet in accordance with the I.F.R.S. on that date.

In preparation of these Financial Statements in accordance with I.F.R.S. 1, the Group applied the mandatory exceptions and some of the optional exceptions from the full retroactive application of the I.F.R.S.

4.1.2 Exemptions from the full retroactive application decided on by the Group

The Group has decided to apply the following optional exemptions from the full retroactive application:

(e) Exemption of affiliated companies

The Group chose not to apply I.F.R.S. 3 "Company Mergers" retroactively for the merger of companies that occurred prior to the transition to the I.F.R.S. date (1 January 2004).

(f) Reasonable value as a deemed cost

The Group has chosen to evaluate fixed assets on the date of transition to the I.F.R.S., at a reasonable value, and to use it as the deemed cost on that date.

(g) Exemption of employee benefits

The Group has decided to recognise all accumulated actuarial profit and loss on 1 January 2004.

(h) Exemption from accumulated foreign exchange conversion differences

The Group has decided to set accumulated foreign exchange conversion differences from the balance sheets of its foreign subsidiaries equal to zero, on 1 January 2004. this exemption has been applied to all the subsidiary companies in accordance with I.F.R.S. 1.

(i) Financial data (I.A.S. 32 and 39)

The Group has chosen to use the choice provided to apply I.A.S. 32 and 39 from 1 January 2005 and not to adjust the comparative data for 2004.

4.1.3 Exceptions from the full retroactive application followed by the Group

The Group has applied the following mandatory exceptions from retroactive application:

(a) Exception form elimination of financial asset and equity and liability items

The financial items which were eliminated before 1 January 2004, cannot be recognised again according to the I.F.R.S.

(b) Exception of estimates

Exceptions in accordance with the I.F.R.S. on 1 January 2004, must be reconciled with the estimates that were made on the same date in accordance with the Greek Accepted Accounting Principles ("G.A.A.P."), unless it has been proved that these estimates were wrong.

(c) Hedging accounting

Management has been applying hedging accounting since 1 January 2005, only if the hedging relationship meets all the hedging accounting criteria in accordance with I.A.S. 39.

5. Reconciliation between the I.F.R.S. and G.A.A.P.

The following reconciliations provide a quantitative outlook of the affect of both the Company's and the Group's transition to the I.F.R.S. These reconciliations provide information on the following:

5.0.1 Balance Sheet Reconciliation – 1 January 2004

<u>CONSOLIDATED FIGURES (Amounts in Euros)</u>	Readjustments		
	G.A.A.P.	due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	201,288,289	98,621,116	299,909,405
Intangible fixed assets	8,706,568	-4,936,311	3,770,257
Investments	8,477,487	-2,584,442	5,863,045
Deferred tax claims	-	167,212	167,212
Other receivables	688,343	-158,140	530,203
	219,130,687	91,109,435	310,240,122
Current assets			
Inventories	103,867,952	-1,157,982	102,709,970
Trade & other claims	114,219,256	7,624,767	121,844,023
Other investments	526,069	-517,838	8,231
Cash and cash equivalents	9,348,534	208,068	9,556,602
	227,961,810	6,157,016	234,118,827
Total assets	447,092,497	97,266,452	544,358,949
LIABILITIES			
Equity			
Share capital	32,003,756	-	32,003,756
Premium on account	65,681,816	-451,063	65,230,753
Foreign exchange differences from consolidation of foreign companies	-2,343,928	2,343,928	-
Other reserves	25,657,011	24,832,108	50,489,119
Profits/(losses) carried forward	-2,747,137	28,178,361	25,431,224
	118,251,518	54,903,334	173,154,853
Minority interest	27,080,602	4,526,327	31,606,929
Total equity	145,332,120	59,429,662	204,761,782
Long-term liabilities			

Notes to the Financial Statements

as of 31 December 2005

Loans	105,930,577	125,004	106,055,581
Deferred tax liabilities	-	34,033,646	34,033,646
Personnel retirement benefits payable	-	3,391,743	3,391,743
Subsidies	-	4,405,008	4,405,008
Provisions	1,243,987	-1,185,314	58,673
	107,174,564	40,770,088	147,944,651
Current liabilities			
Suppliers and other liabilities	46,192,097	-2,742,514	43,449,582
Current tax liabilities	4,014,721	-446,269	3,568,453
Loans	144,378,995	255,486	144,634,481
	194,585,814	-2,933,297	191,652,516
Total liabilities	301,760,377	37,836,790	339,597,167
Total equity and liabilities	447,092,497	97.266.452	544,358.949

5.0.2 Balance Sheet Reconciliation – 1 January 2004

<u>COMPANY FIGURES (Amounts in Euros)</u>	Readjustments		
	G.A.A.P.	due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	53,755,596	65,152,937	118,908,533
Intangible fixed assets	2,517,070	-1,971,412	545,657
Investments in companies that are consolidated based on the net worth method	5,119,284	-460,220	4,659,064
Investments in companies that are consolidated based on the integrated consolidation method	80,910,732	-804,451	80,106,281
Other investments	94,444	-82,172	12,272
Other receivables	379,761	-	379,761
	142,776,887	61,834,681	204,611,568
Current assets			
Inventories	46,110,395	-159,109	45,951,286
Trade & other claims	37,976,062	6,475,935	44,451,998
Current tax claims	8,133,403	-	8,133,403
Cash and cash equivalents	3,735,331	-	3,735,331
	95,955,192	6,316,826	102,272,018

Notes to the Financial Statements

as of 31 December 2005

Total assets

238,732,079	68,151,507	306,883,586
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LIABILITIES**Equity**

Share capital	32,003,756	-	32,003,756
Above par reserve	65,681,816	-451,063	65,230,753
Other reserves	7,672,237	42,816,857	50,489,094
Profits/(losses) carried forward	2,012,943	5,116,115	7,129,059
	107,370,752	47,481,910	154,852,662

Total equity

107,370,752	47,481,910	154,852,662
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Long-term liabilities

Loans	47,897,879	-	47,897,879
Deferred tax liabilities	-	22,571,251	22,571,251
Personnel retirement benefits payable	-	1,555,131	1,555,131
Subsidies	-	485,687	485,687
	47,897,879	24,612,069	72,509,947

Current liabilities

Suppliers and other liabilities	15,302,663	-3,879,243	11,423,420
Current tax liabilities	797,917	-	797,917
Loans	67,299,641	-	67,299,641
Provisions	63,228	-63,228	-
	83,463,449	-3,942,471	79,520,977

Total liabilities

131,361,327	20,669,597	152,030,925
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Total equity and liabilities

238,732,079	68,151,507	306,883,586
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5.1.1 Balance Sheet Reconciliation – 31 December 2004

<u>CONSOLIDATED FIGURES(Amounts in Euros)</u>	Readjustments		
	G.A.A.P.	due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	203,417,912	97,716,170	301,134,082
Intangible fixed assets	6,435,235	-3,456,643	2,978,592
Investments in real estate	-	2,168,074	2,168,074
Investments in companies that are consolidated based on the net worth method	7,471,063	64,255	7,535,319
Investments in companies	791,691	250,621	1,042,312
Deferred tax claims	-	809,888	809,888
Other financial assets	907,273	-159,061	748,212
	219,023,174	97,393,304	316,416,478
Current assets			
Inventories	171,806,963	-4,552,438	167,254,525
Trade & other claims	156,826,095	6,719,863	163,545,958
Cash and cash equivalents	12,695,710	-320,909	12,374,801
	341,328,768	1,846,517	343,175,284
Total assets	560,351,941	99,239,821	659,591,762
LIABILITIES			
Equity			
Share capital	32,003,756	-	32,003,756
Above par reserve	65,681,816	-451,063	65,230,753
Own shares	-	-	-
Foreign exchange differences from the consolidation of foreign companies	-15,243	-77,109	- 92,352
Other reserves	29,404,781	24,810,903	54,215,684
Profits/(losses) carried forward	-1,321,461	36,909,820	35,588,359
	125,753,648	61,192,552	186,946,201
Minority interest	25,380,047	6,329,415	31,709,461
Total equity	151,133,695	67,521,967	218,655,662
Long-term liabilities			
Loans	229,753,409	3,524	229,756,932
Deferred tax liabilities	-	24,745,743	24,745,743

Notes to the Financial Statements	as of 31 December 2005		
Personnel retirement benefits payable	275,189	3,316,781	3,591,970
Subsidies	-	3,393,991	3,393,991
Provisions	921,077	4,114,754	5,035,831
Other long-term liabilities	179,622	-145,877	33,745
	231,129,297	35,428,915	266,558,212
Current liabilities			
Suppliers and other liabilities	53,881,476	-3,334,447	50,547,028
Current tax liabilities	7,942,268	-384,556	7,557,711
Loans	116,265,206	7,942	116,273,149
	178,088,950	-3,711,061	174,377,888
Total liabilities	409,218,246	31,717,854	440,936,101
Total equity and liabilities	560,351,941	99,239,821	659,591,762

5.1.2 Balance Sheet Reconciliation – 31 December 2004

<u>COMPANY FIGURES(Amounts in Euros)</u>	Readjustments due to transition to the		
	G.A.A.P.	I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	49,713,963	66,768,061	116,482,024
Intangible fixed assets	1,525,661	-1,224,764	300,896
Investments in real estate	-	-	-
Investments	87,163,933	-1,693,845	85,470,088
Other investments in companies	319,252	-66,979	252,273
Other receivables	393,105	-	393,105
	139,115,913	63,782,473	202,898,386
Current assets			
Inventories	75,653,019	-1,409,579	74,243,441
Trade & other claims	75,710,053	4,262,725	79,972,778
Cash and cash equivalents	4,118,539	-	4,118,539
	155,481,611	2,853,146	158,334,757
Total assets	294,597,524	66,635,620	361,233,143
LIABILITIES			
Equity			
Share capital	32,003,756	-	32,003,756

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Notes to the Financial Statements	as of 31 December 2005		
Above par reserve	65,681,816	-451,063	65,230,753
Other reserves	15,776,448	38,370,854	54,147,302
Profits/(losses) carried forward	3,798,843	10,177,751	13,976,593
Total equity	117,260,863	48,097,542	165,358,404
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Long-term liabilities			
Loans	132,440,457	-	132,440,457
Deferred tax liabilities	-	16,826,693	16,826,693
Personnel retirement benefits payable	200,830	1,389,361	1,590,191
Subsidies	-	393,465	393,465
Provisions	-	5,000,000	5,000,000
	132,641,287	23,609,519	156,250,806
<hr/>			
Current liabilities			
Suppliers and other liabilities	17,365,844	-4,849,054	12,516,790
Current tax liabilities	5,574,934	-	5,574,934
Loans	21,532,209	-	21,532,209
Provisions	222,387	-222,387	-
	44,695,374	-5,071,441	39,623,933
Total liabilities	177,336,661	18,538,078	195,874,739
Total equity and liabilities	294,597,524	66,635,620	361,233,143

5.1.3 Reconciliation of equity according to the G.A.A.P. and the I.F.R.S. at 31 December 2004

<u>COMPANY FIGURES</u>	<u>1.1.2004</u>	<u>31.12.2004</u>
Total equity according to the G.A.A.P.	107,370,752	117,260,862
<i>Readjustment due to transition to the I.F.R.S.</i>		
Deletion of distribution entries 2003 until the General Meeting's approval	3,879,243	-
Deletion of distribution entries 2004 until the General Meeting's approval	-	4,849,054
Reformulation of provisions for employee benefits based on the projected unit credit method and recording actuarial profits and losses	-1,555,131	-1,101,639
Readjustments of deferred taxation	-22,562,076	-16,826,690
Reverse entries for the readjustment of the value of fixed assets pursuant to Law 2065/1992 (Government Gazette 113 A')	-	-479,170
Deletion of intangible fixed assets that do not fulfil the recognition criteria of the I.F.R.S.	-1,971,412	-1,224,764
Reclassification of total subsidies from equity to other long-term liabilities	-485,687	-622,842
Provisions for doubtful debts	3,057,000	-
Adjustment of the value of land, buildings and machinery to their reasonable value	68,403,588	70,105,259
Devaluation of holdings	-1,346,843	-1,760,825
Accumulated effect of other non-significant items	63,228	-4,840,841
Total readjustments due to transition	47,481,910	48,097,542
Total equity according to the I.F.R.S.	154,852,662	165,358,404
<u>CONSOLIDATED FIGURES</u>	<u>1.1.2004</u>	<u>31.12.2004</u>
Total equity according to the G.A.A.P.	145,332,120	151,133,695
<i>Readjustment due to transition to the I.F.R.S.</i>		
Readjustments of deferred taxation	-33,745,386	-24,097,477
Deletion of intangible fixed assets and long-term depreciation expenses	-4,956,893	-3,360,926
Readjustment of the value of land, buildings and machinery	102,581,311	104,169,101
Reclassification of subsidies to long-term liabilities	-4,410,005	-3,623,373
Reformulation of provisions for employee benefits	-3,321,626	-2,556,823
Recognition of provisions	3,078,171	-9,341
Reverse entry of dividends of fiscal year 2003	4,442,591	-
Reverse entry of distribution of fiscal year 2004	-	5,284,602

HALCOR S.A.**Financial Statements****Notes to the Financial Statements****as of 31 December 2005**

Devaluation of holdings	-2,833,843	-3,247,825
Variation in the method of consolidation	-926,759	-459,083
Other	-477,900	-4,576,888
Total readjustments due to transition	59,429,662	67,521,967
Total equity according to the I.F.R.S.	204,761,782	218,655,662

5.2.1 Profit and Loss Statement Reconciliation – 12 months until 31 December 2004

<u>CONSOLIDATED FIGURES (Amounts in Euros)</u>	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
Sales	561,222,283	-1,726,901	559,495,382
Cost of sales	-502,964,941	5,535,942	-497,428,998
Gross profit	58,257,343	3,809,041	62,066,384
Distribution expenses	-12,170,794	-66,998	-12,237,793
Administrative expenses	-20,049,130	-6,717,125	-26,766,255
Other operating income/(expenses) (net)	1,000,115	587,575	1,587,690
Operating profit	27,037,534	-2,387,508	24,650,026
Financial income/(expenses)	-14,183,209	1,239,996	-12,943,213
Profits/losses from affiliated companies	855,526	286,548	1,142,074
Income from dividends	-	43,990	43,990
Non-recurring and non-operating expenses	-3,243,624	3,243,624	-
Non-recurring and non-operating income	3,099,981	-3,099,981	-
Non-recurring profits	918,377	-918,377	-
Non-recurring losses	-232,182	232,182	-
Previous year's expenses	-1,070,855	1,070,855	-
Income from previous years' provisions	5,035,220	-5,035,220	-
Previous years' income	752,233	-752,233	-
Profits before taxes	18,969,001	-6,076,123	12,892,878
Total taxes	-6,392,825	10,361,880	3,969,055
Net profits of the period	12,576,176	4,285,757	16,861,932

5.2.2 Profit and Loss Statement Reconciliation – 12 months until 31 December 2004

<u>COMPANY FIGURES Amounts in Euros)</u>	G.A.A.P.	Effect of Transition	I.F.R.S.
Sales	343,987,907	26,701	344,014,608
Cost of sales	-307,729,287	1,846,844	-305,882,443
Gross profit	36,258,620	1,873,545	38,132,165
Distribution expenses	-4,653,782	23,884	-4,629,898
Administrative expenses	-9,610,360	-6,022,557	-15,632,918
Other operating income/(expenses) (net)	966,426	-180,848	785,579
Operating profit	22,960,904	-4,305,976	18,654,928
Financial income/(expenses)	-6,778,649	592,415	-6,186,234
Income from holdings	322,541	-	322,541
Non-recurring and non-operating expenses	-808,684	808,684	-
Non-recurring and non-operating income	563,129	-563,129	-
Non-recurring profits	254,835	-254,835	-
Previous year's expenses	-155,454	155,454	-
Income from previous years' provisions	3,329,095	-3,329,095	-
Previous years' income	134,293	-134,293	-
Profits before taxes	19,822,011	-7,030,776	12,791,235
Income tax	-4,192,922	5,786,673	1,593,751
Net profits of the period	15,629,089	-1,244,103	14,384,986

5.2.3 Reconciliation of net profits with the G.A.A.P. and the I.F.R.S. for the 12 months until 31 December 2004

CONSOLIDATED FIGURES (Amounts in Euros)

Total profits according to the G.A.A.P. (before taxes)	18,969,001
Readjustments due to transition to the I.F.R.S.	374,693
Total taxes of the fiscal year	3,519,464
Reformulation of depreciation that presently depict the useful lives of tangible fixed assets	3,691,232
Results from other provisions	-2,927,499
Results from provisions and personnel retirement benefits	4,646
Deletion of intangible fixed assets that do not fulfil the recognition criteria of the I.F.R.S.	965,915
Burden on fiscal year results with the provision for Fine from European Competitiveness Committee	-5,000,000
Deletion of income from provision for doubtful debts	
Fees of executives and of the Board of Directors	-1,593,785
Deletion of income from depreciation of subsidies	-323,793
Other	-443,249
Total readjustments due to transition	-2,107,069
Total profits according to the I.F.R.S.	16,861,932

COMPANY FIGURES (Amounts in Euros)

Total profits according to the G.A.A.P. (before taxes)	19,822,011
<i><u>Readjustments due to transition to the I.F.R.S.</u></i>	
Total taxes of the fiscal year	1,593,751
Readjustment of depreciation that presently depict the useful lives of tangible fixed assets	1,781,227
Deletion of depreciation of intangible fixed assets	415,664
Results from provisions of personnel retirement benefits and personnel withdrawal benefits	165,770
Burden on fiscal year results with the provision for fine from European Competitiveness Committee	-5,000,000
Deletion of income from provision for doubtful debts	-3,057,000

Notes to the Financial Statements**as of 31 December 2005**

Deletion of intangible fixed assets that do not fulfil the recognition criteria of the I.F.R.S.

Fees of executives and of the Board of Directors

-1,143,785

Readjustment of depreciation of subsidies

-137,154

Other

-55,498

Total readjustments due to transition

-5,437,025

Total profits according to the I.F.R.S.

14,384,986

Notes to the Financial Statements
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as of 31 December

3. Information by sector

Primary type of information - business sectors

Results for each sector for the 12 months to 31 December 2004

12 months until 31 December 2004 (Amounts in Euros)	Copper products	Cable products	Other services	Total
Total gross sales by sector	410,789,110	175,351,849	75,560,134	661,701,093
Inter-company sales from consolidation entries	-93,303,818	-8,901,893		-102,205,711
Net sales	317,485,291	166,449,956	75,560,134	559,495,382
Operating profits	15,733,073	4,789,564	4,127,390	24,694,017
Financial income - expenses	-8,734,514	-3,326,226	-882,473	-12,943,213
Share of results of affiliated companies	441,675	501,567	198,832	1,142,074
Income tax	3,128,360	1,535,886	-695,192	3,969,054
Net profit	10,568,594	3,500,791	2,748,558	16,861,933

31/12/2004	Copper products	Cable products	Other services	Total
Assets	424,784,713	200,215,443	34,591,606	659,591,762
Total liabilities	294,976,188	118,774,371	27,185,541	440,936,101
Investments in tangible and intangible assets and investments in real estate	19,713,754	6,137,000	-	25,850,754

Other items by sector included in results for the 12 months to 31 December 2004

12 months until 31 December 2004 (Amounts in Euros)	Copper products	Cable products	Other services	Total
Depreciation of tangible fixed assets	11,501,227	4,827,843	221,846	16,550,916
Depreciation of intangible assets	445,832	534,444	-	980,276
Total depreciation	11,947,059	5,362,287	221,846	17,531,192
Impairment of claims	358,222	1,040,753		1,398,974

Notes to the Financial Statements
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as of 31 December

Results for each sector for the 12
months until 31 December 2005

12 months until 31 December 2005 (Amounts in Euros)	Copper products	Cable products	Other services	Total
Total gross sales by sector	572,588,685	200,717,290	85,611,744	858,917,720
Inter-company sales	-133,046,271	-10,985,578	-3,153,818	-147,185,667
Net sales	439,542,415	189,731,713	82,457,926	711,732,053
Operating profits	15,690,050	6,336,786	4,245,842	26,272,678
Financial income - expenses	-10,394,480	-2,555,588	-801,911	-13,751,979
Share of results of affiliated companies	150,079	368,933	-533,508	-14,496
Profits before taxes	5,445,649	4,150,131	2,910,424	12,506,204
Income tax	-4,786,713	-1,231,460	-1,483,074	-7,501,247
Net profit	658,936	2,918,672	1,427,350	5,004,957

31/12/2005	Copper products	Cable products	Other services	Total
Assets	419,700,905	222,184,679	58,585,851	700,471,435
Total liabilities	310,411,344	134,543,416	36,264,484	481,219,244
Investments in tangible and intangible assets and investments in real estate	13,345,093	4,807,850	-	18,152,943

Other items by sector included in
results for the 12 months until 31
December 2004

12 months until 31 December 2005 (Amounts in Euros)	Copper products	Cable products	Other services	Total
Depreciation of tangible fixed assets	14,282,652	5,970,822	59,310	20,312,784
Depreciation of intangible assets	316,617	844,682	-	1,161,299
Total depreciation	14,599,269	6,815,504	59,310	21,474,083
Impairment of claims	798,850	1,719,236	-	2,518,086
Impairment of inventories	34,673	35,910	-	70,583

Notes to the Financial Statements
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Secondary type of information - Geographic sectors

Amounts in Euros

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Sales				
Greece	229,311,550	215,251,374	163,007,945	136,477,022
European Union	358,025,789	234,013,332	160,018,692	153,810,806
Other European countries	73,950,354	69,792,170	44,276,100	27,572,830
Asia	29,677,782	23,431,321	11,870,214	13,507,887
America	14,273,268	12,876,935	12,255,915	11,227,495
Africa	6,455,052	4,101,381	2,957,975	1,389,700
Oceania	38,259	28,869	38,259	28,868
Total	711,732,053	559,495,383	394,425,100	344,014,608

Analysis of sales by category*Amounts in Euros*

	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Sales of merchandise and products	627,052,411	513,674,765	348,662,469	331,553,981
Income from services	27,007,069	26,454,064	2,880,545	3,493,137
Other	57,672,574	19,366,554	42,882,086	8,967,490
Total	711,732,053	559,495,383	394,425,100	344,014,608

Total assets

	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Greece	479,716,635	523,656,525	377,224,397	361,233,143
International	220,754,800	135,935,237	-	-
Total	700,471,434	659,591,763	377,224,397	361,233,143

Investments in tangible, intangible fixed assets and real estate

	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Greece	7,375,794	6,731,948	4,271,622	5,932,732
International	10,777,149	15,757,404	-	-
Total	18,152,943	22,489,352	4,271,622	5,932,732

Notes to the Financial Statements

as of 31 December 2005

7. Tangible fixed assets

CONSOLIDATED FIGURES

	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
<i>Amounts in Euros</i>							
Cost							
Balance as of 1 January 2004	36,642,467	69,976,467	158,659,341	2,918,502	10,430,142	56,671,123	335,298,043
Foreign exchange differences	49,613	487,052	830,192		82,593	42,276	1,491,727
Additions	6,699	1,215,418	4,835,209	538,713	836,472	14,296,919	21,729,430
Sales	-13,000		-2,161,460	-117,172	-200,571	-222,421	-2,714,624
Destructions			-19,949				-19,949
Redistribution		3,653,283	45,115,162	2,348	390,364	-49,704,074	-542,917
Sales of subsidiaries							-
Balance as of 31 December 2004	36,685,779	75,332,221	207,258,495	3,342,391	11,539,001	21,083,823	355,241,710
Accumulated depreciation							
Balance as of 1 January 2004		-10,519,050	-17,326,411	-1,869,102	-7,842,148		-37,556,712
Foreign exchange differences		-378,912	-405,774		-78,025		-862,710
Depreciation for period		-3,141,934	-13,226,008	-265,448	-999,566		-17,632,956
Sales			1,703,041	63,259	168,272		1,934,572
Destructions			9,628		550		10,178
Balance as of 31 December 2004	-	-14,039,896	-29,245,524	-2,071,291	-8,750,917	-	-54,107,628
Undepreciated value as of 31 December 2004	36,685,779	61,292,324	178,012,971	1,271,101	2,788,084	21,083,823	301,134,083
<i>Amounts in Euros</i>							
Cost							
Balance as of 1 January 2005	36,685,779	75,332,221	207,258,495	3,342,391	11,539,001	21,083,823	355,241,710
Foreign exchange differences	114,433	1,266,069	1,966,155	3,369	193,635	5,831	3,549,491
Additions	203,032	884,728	4,044,268	276,571	810,321	11,485,486	17,704,406
Sales	-73,711	-426,018	-205,159	-126,492	-182,428	-4,358	-1,018,167
Destructions		-131,614	-48,946		-93,051		-273,611
Impairment			-531,802				-531,802
Buy out of subsidiaries			2,261	12,807	739		15,807
Redistribution	1,103	2,420,968	18,219,294	83,144	165,864	-22,075,501	-1,185,127
Balance as of 31 December 2005	36,930,636	79,346,354	230,704,565	3,591,789	12,434,081	10,495,281	373,502,706
Accumulated depreciation							
Balance as of 1 January 2005		-14,039,896	-29,245,524	-2,071,291	-8,750,917		-54,107,628
Foreign exchange differences		-842,195	-851,166	-2,893	-175,858		-1,872,113
Depreciation for period		-3,296,296	-15,810,226	-363,399	-870,020		-20,339,941
Sales		24,743	44,876	45,914	153,418		268,952

HALCOR S.A.**Financial Statements****Notes to the Financial Statements****as of 31 December 2005**

Destructions	108,867	19,218		16,207		144,292	
Buy out of subsidiaries		-94	-6,405	11,622		5,123	
Redistribution	3,068	116,514		-6,161		113,421	
Balance as of 31 December 2005	-	-18,041,708	-45,726,402	-2,398,073	-9,621,710	-75,787,893	
Undepreciated value as of 31 December 2005	36,930,636	61,304,646	184,978,163	1,193,716	2,812,371	10,495,281	297,714,813

Notes to the Financial Statements

as of 31 December 2005

7. Tangible fixed assets

COMPANY FIGURES

	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
<i>Amounts in Euros</i>							
Cost							
Balance as of 1 January 2004	19,692,385	21,825,847	74,742,668	1,227,542	3,249,261	1,313,603	122,051,306
Additions		1,056,090	3,498,197	126,003	426,937	643,838	5,751,065
Sales			-135,342	-63,882	-72,082		-271,306
Other reductions (as noted below)						-799,397	-799,397
Redistribution		207,643	207,440	2,348	169,995	-330,948	256,478
Balance as of 31 December 2004	19,692,385	23,089,579	78,312,962	1,292,010	3,774,112	827,097	126,988,145
Accumulated depreciation							
Balance as of 1 January 2004		-	-	-810,911	-2,331,862		-3,142,773
Depreciation for period		-1,105,746	-5,736,746	-115,859	-521,793		7,480,143.93
Sales			5,964	61,057	49,775		116,796
Balance as of 31 December 2004	-	-1,105,746	-5,730,782	-865,712	-2,803,880	-	-10,506,121
Undepreciated value as of 31 December 2004	19,692,385	21,983,833	72,582,180	426,298	970,232	827,097	116,482,024
<i>Amounts in Euros</i>							
Cost							
Balance as of 1 January 2005	19,692,385	23,089,579	78,312,962	1,292,010	3,774,112	827,097	126,988,145
Additions	31,234	758,536	2,079,918	54,746	437,619	558,105	3,920,158
Sales			-154,378	-1,582	-119,863		-275,824
Redistribution		445,772	223,811	10,495		-635,578	44,501
Balance as of 31 December 2005	19,723,618	24,293,887	80,462,313	1,355,669	4,091,868	749,625	130,676,980
Accumulated depreciation							
Balance as of 1 January 2005		-1,105,746	-5,730,782	-865,712	-2,803,880		-10,506,121
Foreign exchange differences							-
Depreciation for period		-1,166,721	-6,053,821	-122,910	-453,294		-7,796,747
Sales			14,422	1,582	114,207		130,212
Balance as of 31 December 2005	-	-2,272,467	-11,770,182	-987,040	-3,142,967	-	-18,172,656
Balance as of 31 December 2005	19,723,618	22,021,419	68,692,131	368,629	948,901	749,625	112,504,324

Reductions of fixed assets under construction 2004 (company figures)

Issuance of a licence from PPC Thisbe to Corinth Pipeworks S..A.	-749,734
Transfer to buildings on third-party land (Acc. 36.11)	-36,748
Movements from fixed assets under construction to P&L statement	-12,914
	<hr/>
	-799,397

There are mortgages of total value € 20 million on the fixed assets of the subsidiary company of HELLENIC CABLES S.A., ICME ECAB S.A. (Romania) concerning loans.

Notes to the Financial Statements

as of 31 December 2005

8. Intangible assets

CONSOLIDATED FIGURES

<i>Amounts in Euros</i>	Trade marks and Licenses	Software	Other	Total
Cost or reasonable value				
Balance as of 1 January 2004	1,055,719	5,270,289	-	6,326,008
Foreign exchange differences	-	15,207	-	15,207
Additions	-	433,921	-	433,921
Sales	-	-3,926	-	-3,926
Eliminations	-	-247,128	-	-247,128
Balance as of 31 December 2004	1,055,719	5,468,363	-	6,524,082
Accumulated depreciation				
Balance as of 1 January 2004	-278,034	-2,287,181	-	-2,565,214
Foreign exchange differences	-	-6,025	-	-6,025
Depreciation for period	-105,658	-1,132,271	-	-1,237,929
Eliminations	-	263,678	-	263,678
Balance as of 31 December 2004	-383,692	-3,161,799	-	-3,545,491
Undepreciated value as of 31 December 2004	672,028	2,306,564	-	2,978,592

<i>Amounts in Euros</i>	Trade marks and Licenses	Software	Other	Total
Cost or reasonable value				
Balance as of 1 January 2005	1,055,719	5,468,363	-	6,524,082
Foreign exchange differences	-	28,877	-	28,877
Additions	17,918	368,092	62,527	448,537
Eliminations	-	-	-3,499	-3,499
Buy out of subsidiaries	-	293	-	293
Redistribution	29,835	521,443	-	551,278
Balance as of 31 December 2004	1,103,473	6,387,068	59,028	7,549,569
Accumulated depreciation				
Balance as of 1 January 2005	-383,692	-3,161,799	-	-3,545,491
Foreign exchange differences	-	-10,803	-	-10,803
Depreciation for period	-115,876	-990,674	-54,748	-1,161,299
Eliminations	-	-	1,399	1,399
Buy out of subsidiaries	-	-293	-	-293

HALCOR S.A.**Financial Statements****Notes to the Financial Statements****as of 31 December 2005**

Redistribution		-1,068		-1,068
Balance as of 31 December 2005	-499,568	-4,164,637	-53,349	-4,717,554
Undepreciated value as of 31				
December 2005	603,905	2,222,431	5,679	2,832,015

COMPANY FIGURES

<i>Amounts in Euros</i>	Software
Cost or reasonable value	
Balance as of 1 January 2004	2,318,045
Additions	181,667
Balance as of 31 December 2004	<u>2,499,711</u>
Accumulated depreciation	
Balance as of 1 January 2004	(1,772,387)
Depreciation for period	(426,428)
Balance as of 31 December 2004	<u>(2,198,815)</u>
Undepreciated value as of 31 December 2004	<u>300,896</u>
<i>Amounts in Euros</i>	Software
Cost or reasonable value	
Balance as of 1 January 2005	2,499,711
Additions	306,964
Balance as of 31 December 2004	<u>2,806,675</u>
Accumulated depreciation	
Balance as of 1 January 2005	(2,198,815)
Depreciation for period	(210,077)
Balance as of 31 December 2005	<u>(2,408,891)</u>
Undepreciated value as of 31 December 2005	<u>397,784</u>

9. Investments in real estate

Investments in real estate concern land of HELLENIC CABLES S.A., which is fully consolidated by the parent company HALCOR S.A., which were estimated at their reasonable value that was considered a deemed cost. Due to the fact that these lands were recently estimated by an independent appraiser and whereas the real estate market of the regions where these lands are located has not sustained any significant changes, the Management of HELLENIC CABLES S.A. deems that the aforementioned values reflect the current values of these lands.

Notes to the Financial Statements

as of 31 December 2005

10. Investments in affiliated companies

Corporate Name	Country	Direct & Indirect Holding Percentage	CONSOLIDATED FIGURES		COMPANY FIGURES	
			2005	2004	2005	2004
DIAPEM TRADING S.A.	Greece	33,33%	210.928	207.548	266.627	266.627
VECTOR S.A.	Greece	33,33%	1.006.580	1.219.089	488.210	488.210
S.C. STEELMET ROMANIA S.A.	Romania	40,00%	877.912	682.654	729.237	729.237
TEPRO METALL AG	Germany	43,67%	3.505.928	4.254.052	2.873.392	2.873.392
ENERGY SOLUTIONS SA	Boulgaria	38,60%	369.059	309.112	299.985	338.843
THISVI POWER GENERATION PLANT S.A.	Greece	20,00%	17.980	24.000	12.000	12.000
HELLENIC STEEL TRADING S.A.	Greece	35,93%	-	-	-	-
COPPERPROM LTD	Greece	40,00%	6.481	-	-	-
VIEXAL LTD	Greece	26,67%	-	-	8.400	-
E.D.E. S.A.	Greece	79,65%	106.221	106.221	-	-
DE LAIRE LIMITED	Cyprus	79,65%	118.429	109.410	-	-
ECA LTD	United Kingdom	79,65%	54.096	67.120	-	-
LESCO ROMANIA S.A.	Romania	79,65%	-	9.990	-	-
			6.842.589	7.535.319	5.059.455	5.089.913

De Laire Limited, Electric Cabl Agencies, Lesco Romania S.A. were consolidated based on the net worth method instead of the integrated consolidation method due to the fact that their relative figures in 2004 were negligible. In 2005, Lesco Romania S.A. was consolidated based on the integrated consolidation method.

Notes to the Financial Statements
10. Investments companies

as of 31 December 2005

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Investments in subsidiaries Companies	-	-	100.124.926	80.380.175
Investments in affiliated Companies	6.842.589	7.535.319	5.059.455	5.089.913

Investments in companies that are consolidated with the integrated consolidation method

2004

Corporate Name	Country	Value at the beginning of period	Additions	Sales	Impairment	Value at the end of period	Direct Holding Percentage	Indirect Holding Percentage	Direct & Indirect Holding Percentage
HELLENIC CABLES S.A.	Greece	37.406.564	306.118			37.712.682	80,18%		80,18%
FITCO S.A.	Greece	9.670.540				9.670.540	50,32%		50,32%
STEELMET S.A.	Greece	140.880				140.880	29,56%	23,70%	53,26%
AKRO S.A.	Greece	300.000	463.798		-495.970	267.828	71,22%		71,22%
E.V.I.T.E. S.A.	Greece	59.997				59.997	100,00%		100,00%
SOFIA MED AD METAL AGENCIES LTD	Boulgaria United Kingdom	32.233.172		-52		32.233.120	100,00%		100,00%
BELANTEL HOLDINGS LTD	Cyprus	140.931				140.931	67,00%	26,46%	93,46%
METAL GLOBE DOO	Serbia-Montenegro	95.437				95.437	100,00%		100,00%
COPPERPROM LTD	Greece	-				-	30,00%	24,06%	54,06%
GENECOS SA	France	3.780				3.780	21,00%	32,07%	53,07%
		54.980				54.980	25,00%	48,11%	73,11%
		80.106.281	769.916	-52	-495.970	80.380.175			

2005

HELLENIC CABLES S.A.	Greece	37.712.682		-34.851.932	18.867.439	21.728.188	46,20%	33,45%	79,65%
FITCO S.A.	Greece	9.670.540				9.670.540	50,32%		50,32%
STEELMET S.A.	Greece	140.880				140.880	29,56%	23,54%	53,10%
AKRO S.A.	Greece	267.828	1.015.413		-1.275.534	7.707	84,50%		84,50%
E.V.I.T.E. S.A.	Greece	59.997				59.997	100,00%		100,00%
SOFIA MED AD METAL AGENCIES LTD	Boulgaria United Kingdom	32.233.120	19.995.945			52.229.065	100,00%		100,00%
BELANTEL HOLDINGS LTD	Cyprus	140.931				140.931	67,00%	26,28%	93,28%
METAL GLOBE DOO	Serbia-Montenegro	95.437				95.437	100,00%		100,00%
COPPERPROM LTD	Greece	-	3.420			-	30,00%	23,89%	53,89%
GENECOS SA	France	3.780				7.200	40,00%	31,86%	71,86%
		54.980				54.980	25,00%	47,79%	72,79%
SYLLAN S.A.	Greece	0	30.000			30.000	50,00%	25,16%	75,16%
OGWELL LIMITED	Cyprus	0	15.960.000			15.960.000	100,00%		100,00%
		80.380.175	37.004.779	-34.851.932	17.591.904	100.124.926			

Notes to the Financial Statements

as of 31 December 2005

During the A' semester of 2005 SOFIA MED S.A. (100% subsidiary company) increased its share capital of an amount of 19,995,945 Euros, while the holding thereof increased by an equal amount.

In May 2005, OGWELL LIMITED was established to which part of HALCOR'S holding in HELLENIC CABLES S.A. was sold.

The increase in the value of the holding in AKRO AEBE is due to a participation in the share capital increase by 735,000 and to an increase of the Company's holding from 71.22% in 2004 to 84.50% in 2005. At the same time, the value of the holding was impaired, which is due mainly to the impairment of fixed assets.

The value of the holding in METAL GLOBE DOO has been fully impaired from 1 January 2004.

In October 2005, the Company and FITCO S.A. established SYLLAN S.A.

11. Financial assets available for sale - Investments

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
<u>Unlisted titles</u>				
Domestic Participating Titles	419.413	-	246.403	-
International Participating Titles	305.608	-	-	-
Other	5.869	-	5.869	-
	730.890	-	252.272	-

The effect of the application of I.A.S. 32 and 39 was used solely for opening balances 1 January 2005 which is also the date of first application thereof.

12. Deferred income tax

Deferred tax claims and liabilities may be hedged when an applicable law permits companies to hedge their current tax claims against their current tax liabilities and when deferred income taxes concern the same tax principle. The tables below note the amounts that have been hedged:

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Deferred tax claims	1,022,073	809,888	-	-
Deferred tax liabilities	-24,736,580	-24,745,743	-16,771,217	-16,826,693
	-23,714,507	-23,935,855	-16,771,217	-16,826,693

Notes to the Financial Statements

as of 31 December 2005

The overall variation in deferred income tax is as follows:

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Opening balance	-23,935,855	-33,866,434	-16,826,693	-22,571,251
Effect from the application of I.A.S. 32 & 39	300,776		202,526	
Foreign exchange differences	62,015	-12,043		
(Debit)/credit recorded in the profit and loss statement	-361,407	9,942,622	-170,286	5,744,558
Tax that was (debited)/credited in equity	219,964		23,236	
Closing balance	-23,714,507	-23,935,855	-16,771,217	-16,826,693

Deferred tax claims and liabilities are recoverable after twelve months.

The movement of deferred tax claims and deferred tax liabilities prior to being hedged was as follows:

Deferred tax liabilities:

CONSOLIDATED FIGURES	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Tax Losses	Other	Total
Balance as of 1/1/2004	-36.000.470	-350.597	-865.717	-	-	1.480.937	-35.735.847
Foreign exchange differences	-	-	-	-	-	4.769	4.769
(Debit)/credit recorded in the profit and loss statement	-427.225	-3.459	93.914	-445.171	-	350.343	-431.598
Balance as of 31/12/2004	-36.427.695	-354.056	-771.803	-445.171	-	1.836.050	-36.162.675
Foreign exchange differences	-	-	-	-	-	35.815	35.815
(Debit)/credit recorded in the profit and loss statement	-1.220.844	-361.543	-238.485	137.058	-	95.434	-1.588.381
(Debit)/credit in equity	-	-	-	-	-	-59.963	-59.963
Υπόλοιπο 31/12/2005	-37.648.539	-715.600	-1.010.288	-308.113	-	1.907.336	-37.775.204

Deferred tax claims:

	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Tax Losses	Other	Total
Balance as of 1/1/2004	-	796.039	745.085	-	-	161.077	1.702.201
Foreign exchange differences	138.879	-	-	-	-	-	138.879
(Debit)/credit recorded in the profit and loss statement	1.586.711	87.760	29.954	8.567.953	-	101.841	10.374.219
(Debit)/credit in equity	-	-	-	-	-	11.521	11.521
Balance as of 31/12/2004	1.725.590	883.799	775.039	8.567.953	-	274.439	12.226.821
(Debit)/credit recorded in the profit and loss statement	323.716	30.671	-	-	-	872.587	1.226.974
(Debit)/credit in equity	-	-	-	-	548.811	58.091	606.902
Υπόλοιπο 31/12/2005	2.049.306	914.470	775.039	8.567.953	548.811	1.205.117	14.060.697

Net Change 31/12/2004

-23.935.855

Net Change 31/12/2005

-23.714.508

The rate with which the deferred tax is estimated is equal to that which is believed to be in effect at the time temporary tax differences are reversed. For the Company this rate is set at 25%.

Deferred tax liabilities:

COMPANY FIGURES	Goodwill of fixed assets / Difference in depreciation	Difference in Provisions	Non- recognised intangible assets	Change in tax rate	Other	Total
Balance as of 1/1/2004	-23.944.467	-	-	-	-21	-23.944.488
(Debit)/credit recorded in the pro	-508.996	-81.232	-186.662	-398.676	-115.055	-1.290.622
Balance as of 31/12/2004	-24.453.463	-81.232	-186.662	-398.676	-115.076	-25.235.109
(Debit)/credit recorded in the pro	-665.983	-406.971	-62.682	-	-	-1.135.637
Υπόλοιπο 31/12/2005	-25.119.446	-488.203	-249.344	-398.676	-115.076	-26.370.746

Deferred tax claims:

	Goodwill of fixed assets / Difference in depreciation	Difference in Provisions	Non- recognised intangible assets	Change in tax rate	Other	Total
Balance as of 1/1/2004	-	522.166	689.994	-	161.077	1.373.237
(Debit)/credit recorded in the pro	187.574	-	-	6.847.605	-	7.035.179
Balance as of 31/12/2004	187.574	522.166	689.994	6.847.605	161.077	8.408.417
Effect from the application of I.	-	-	-	-	202.526	202.526
Balance as of 1/1/2005	187.574	522.166	689.994	6.847.605	363.603	8.610.942
(Debit)/credit recorded in the pro	62.915	42.394	-	-	860.041	965.351
(Debit)/credit in equity	-	-	-	-	23.236	23.236
Υπόλοιπο 31/12/2005	250.490	564.560	689.994	6.847.605	1.246.880	9.599.529

Deferred tax claims:

	CONSOLIDATED FIGURES	
	2005	2004
Opening Balance	809.888	167.212
Foreign exchange differences	-	-31.045
(Debit)/credit recorded in the pro	176.987	673.721
Tax that was (debited)/credited in	35.198	-
Closing Balance	1.022.073	809.888

The deferred tax that was (debited)/credited in the profit and loss statement arose from the following differences:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Depreciation	-703.979	565.890	-603.068	-435.083
Provision for personnel benefits	214.542	-26.199	42.394	-41.442
Other provisions	-338.770	-147.086	-361.524	-154.845
Intangible assets that do not fulfil the recognition criteria of the I.F.R.S.	-236.240	-382.285	-62.682	-186.662
Non-recognition of asset readjustment pursuant to Law 2065	-	219.484	-	113.662
Depreciation of subsidies	136.356	65.324	76.631	-
Other	-63.873	321.415	15	-
Provision of holdings that shall be recognised in terms of taxation in a future fiscal year	619.547	-	619.547	-
Tax. income that shall be recognised by the I.F.R.S. in a future fiscal year	181.065	-	118.401	-
From BELANTEL dividends	-181.186	-	-	-
Total	-372.538	616.542	-170.286	-704.371
Change in the tax rate	11.131	9.326.081	-	6.448.929
Total	-361.407	9.942.623	-170.286	5.744.558

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Merchandise	19,744,583	16,897,325	2,500,438	176,064
Finished products	48,987,613	42,572,677	18,802,730	22,387,224
Semi-finished	21,752,871	22,945,043	10,388,585	15,277,588
By-products and scrap	1,520,771	4,621,222	24,269	35,065
Work in progress	22,004,858	18,884,097	6,584,899	4,318,413
Raw and indirect materials - consumables - spare parts & packaging materials	51,826,844	61,334,161	21,681,192	32,049,087
Total	165,837,538	167,254,525	59,982,112	74,243,441
Less: Provisions for waste, delayed and destroyed inventories	-70,583	-	-	-
Total net liquid value	165,766,955	167,254,525	59,982,112	74,243,441

Notes to the Financial Statements

as of 31 December 2005

14. Customers and other receivables

Current assets	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
<i>Amounts in Euros</i>				
Customers	118,911,397	92,272,383	36,425,479	38,935,243
Less: Impairment provisions	-2,518,086	-1,180,578	-549,703	-287,722
Net customer receivables	116,393,312	91,091,805	35,875,776	38,647,521
Down payments for the purchase of stocks	428,206	1,332,338	99,226	1,332,338
Down payments for the purchase of fixed assets	706,187	119,507	706,187	119,507
Other down payments	1,184,985	7,022,250	491,060	319,748
Notes-cheques receivable & sealed	39,165,097	29,699,801	18,064,052	14,073,499
Receivables from affiliated entities	8,978,314	4,346,604	15,974,570	749,734
Receivables from other holdings	829,083	24,000	24,000	24,000
Other debtors	34,538,904	29,909,653	19,632,025	24,706,432
Total	202,224,088	163,545,958	90,866,895	79,972,778
Non-current assets				
Long-term claims against other holdings	4,834	4,834	4,834	4,834
Other long-term claims	3,288,473	743,378	402,828	388,271
Total	3,293,307	748,212	407,662	393,105

On 31 December 2005 the Company's receivables were further impaired by 261,981 Euros. This amount arises from the doubtful customer provision that was formed for TECHNOTHERM S.A as well as for doubtful debts of CHAMBAKI LTD.

"Other debtors" which is included in the current assets of the Group and Company concerns, in its majority, receivables from the Hellenic State for V.A.T. return.

15. Derivatives

	CONSOLIDATED FIGURES 31/12/2005	COMPANY FIGURES 31/12/2005
Foreign exchange swaps	41,961	
Future contracts	1,580,196	972,507
Total	1,622,157	972,507
Long-term liabilities		
Interest rate swaps	653,279	653,279
Foreign exchange swaps	361,797	-
Total	1,015,076	653,279
Current liabilities		
Future contracts	1,531,714	1,222,271
Total	1,531,714	1,222,271
Amounts that have been recorded in the profit and loss statement as income or (expense)	-1,565,566	-1,607,527

The above estimation of the derivatives' open points was effected based on I.A.S. 39 "Financial Instruments: Recognition and Measurements". The Group's policy regarding matters concerning hedging risks is noted in Note 3.21 (Derivatives). The above estimated derivatives are comprised of futures that the Group uses to avoid creating a result from changes in the prices of metal and/or foreign currencies as well as interest rate swaps that the Group uses to secure the payment of interest on loans that it has concluded with a floating interest rate.

16. Cash and cash equivalents

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash on hand and in banks	983,232	394,079	157,413	107,176
Short-term bank deposits	15,263,009	11,980,722	6,499,048	4,011,362
Total	16,246,241	12,374,801	6,656,461	4,118,539

17. Share capital

The Share Capital of the Company amounts to Euro 32,003,756 and consists of 96,981,079 common bearer shares with a par value of Euro 0.33 each.

The Share Premium Account amounting to Euro 65,230,753.

18. Other reserves

CONSOLIDATED FIGURES

<i>Amounts in Euros</i>	Statutory reserve	Fair Value reserves	Special reserves	Untaxed reserves	Other reserves	Total	Foreign exchange differences	Total
Balance as of 1 January 2004	5,767,868	-	9,432	44,711,820	-	50,489,119	-	50,489,119
Foreign exchange differences	-	-	-	-	-	-	854,318	854,318
Distribution	280,755	-	-	3,514,895	-	3,795,650	-	3,795,650
Redistribution	-24,373	-	-	-44,712	-	-69,085	-946,669	-1,015,755
Balance as of 31 December 2004	6,024,249	-	9,432	48,182,003	-	54,215,684	-92,352	54,123,332
Application of I.A.S. 32 & 39		-882,121				-882,121		-882,121
Balance as of 1 January 2005	6,024,249	-882,121	9,432	48,182,003	-	53,333,563	-92,352	53,241,211
Foreign exchange differences	-	-	-	-	-	-	1,956,705	1,956,705
Distribution	699,350	-	-	7,207,436	15,000	7,921,786	-	7,921,786
Redistribution	-72,674	273,855	-	38,521	-	239,702	-2,381,134	-2,141,432
Transfer to results	-	383,362	-	-	-	383,362	-	383,362
Other	-	-266,736	-	-	-	-266,736	-	-266,736
Balance as of 31 December 2005	6,650,925	-491,639	9,432	55,427,960	15,000	61,611,677	-516,781	61,094,896

COMPANY FIGURES

<i>Amounts in Euros</i>	Statutory reserve	Fair Value reserves	Special reserves	Untaxed reserves	Other reserves	Total
Balance as of 1 January 2004	5,767,842	-	9,432	44,711,820	-	50,489,094
Distribution	233,313	-	-	3,424,895	-	3,658,208
Balance as of 31 December 2004	6,001,155	-	9,432	48,136,715	-	54,147,302
Application of I.A.S. 32 & 39	-	-607,577	-	-	-	-607,577
Balance as of 1 January 2005	6,001,155	-607,577	9,432	48,136,715	-	53,539,725
Distribution	643,115	-	-	7,192,236	15,000	7,850,350
Other	-	-69,705	-	-	-	-69,705
Balance as of 31 December 2005	6,644,270	-677,282	9,432	55,328,951	15,000	61,320,370

19. Lending

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Long-term lending				
Loans from banks	59,249,227	79,756,932	20,522,404	32,440,457
Bond loans	154,500,000	150,000,000	105,000,000	100,000,000
Total long-term loans	213,749,227	229,756,932	125,522,404	132,440,457
Short-term loans				
Open bank accounts	48,365	830,720	48,365	585,754
Loans from banks	158,958,654	115,442,429	27,633,802	20,946,455
Total short-term loans	159,007,019	116,273,149	27,682,167	21,532,209
Total loans	372,756,246	346,030,081	153,204,571	153,972,666

The maturity dates of long-term loans are as follows:

Between 1 and 2 years	22,974,945	20,409,188	-	-
Between 2 and 5 years	188,243,032	186,995,974	125,522,404	132,440,457
More than 5 years	2,531,250	22,351,770	-	-
	213,749,226	229,756,933	125,522,404	132,440,457

During 2004, the Company proceeded in the conclusion of Bond Loans with a group of banks in the amount of 100,000,000 Euros that it would use to refinance its short-term borrowing. The Company's total borrowing will be served within 5 years. During 2004, the Company settled loans (long-term and short-term) of a total value of 61,224,000 Euros. During 2005, the Company proceeded in the conclusion of an additional Bond Loan in the amount of 30,000,000, which would be used to serve, primarily, its working capital needs as these arose as a result of the increase in the price of copper. During the same period, the Company settled loans (long-term and short-term) of a total amount of 30,768,000 Euros.

On a Group level, during 2004 loan capital that was drawn amounted to 161,355,000 Euros, while 66,105,000 Euros was settled. The corresponding amounts for 2005 were 65,875,000 Euros and 39,149,000 Euros.

As noted in Note 7, mortgages have been filed against the real estate of HELLENIC CABLES S.A., ICME ECAB (Romania), including the equipment thereof, and against its movable assets (with the exception of receivables and inventories) against a long-term loan, the amount of which, as of 31

Notes to the Financial Statements**as of 31 December 2005**

December 2005, amounted to 6.5 million Euros. Pursuant to the terms of the same loan, ICME ECAB must meet certain financial ratios. As of 31 December 2005 and according to preliminary calculations, two (2) of the stipulated ratios were not met. As a result, the bank has the right to request the settlement of the loan. ICME ECAB has notified the bank regarding the fact that it did not fulfil the aforementioned term and has requested a relative waiver, which had not been officially granted by the date the Financial Statements were prepared. The Management deems that the bank will not request the settlement of the said loan and, as a result thereof, it did not transfer the long-term part thereof, of an amount of 4.6 million Euros in current liabilities.

20. Personnel retirement benefits

Pursuant to Greek labour law, employees may receive indemnification in the event of their discharge or retirement, the amount of which is relative to their wages, the term of their employment and the manner by which they withdraw from the company (discharge or retirement). Employees who resign are not entitled to an indemnification.

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Balance sheet liabilities for:				
Retirement benefits	3,948,694	3,591,970	1,783,808	1,590,191
Charges to the profit and loss statement				
Retirement benefits	1,439,059	939,337	515,507	512,110
Present value of non-funded liabilities	4,384,471	3,746,990	2,027,675	1,634,208
Non-recorded actuarial (profits)/losses	-435,777	-155,020	-243,867	-44,017
	3,948,694	3,591,970	1,783,808	1,590,191
Liability recorded in the Balance Sheet	3,948,694	3,591,970	1,783,808	1,590,191
Variations in net liability recognised in the Balance Sheet				
Net liability at the beginning of the year	3,591,970	3,470,252	1,590,191	1,555,131
Benefits that have been paid	-1,082,335	-817,619	-321,890	-477,050
Total expenditure that was recognised in the profit and loss statement	1,439,059	939,337	515,507	512,110
Net liability at the end of the year	3,948,694	3,591,970	1,783,808	1,590,191
Actuarial loss or (profit)	-	-	-	-
Present value of the liability at the end of the period	3,948,694	3,591,970	1,783,808	1,590,191
Analysis of expenditures that were recognised in the profit and loss statement				
Cost of current employment	363,520	324,860	146,834	137,931
Interest on the liability	133,835	135,657	69,643	71,761
Cost of additional benefits	805,338	482,256	207,471	302,418
Cost of arrangement from employee transfers	-	8,233	-	-

Notes to the Financial Statements

as of 31 December 2005

Profit from cut-backs from employee transfers	-25,455	-11,669	-	-
Expenses	161,821	-	91,559	-
Total expenditure that was recognised in the profit and loss statement	1,439,059	939,337	515,507	512,110

The primary actuarial acknowledgements that were used for accounting purposes were as follows:

	2005	2004
Discount interest rate	4%-4,5%	4%-4,5%
Future salary increases	4%-4,5%	4%-4,5%

The Company has granted Share Options Plans to certain of its executives. Specifically, the General Meeting of 20 June 2002 decided to grant Options Plans for the acquisition of up to 1,225,000 shares that correspond to 1.26% of the Company's number of outstanding shares. Share options plans are secured gradually from 2002 to 2011 (10%) each year. The price at which the option is exercised has been set as the average closing price of the Company's share on the Athens Stock Exchange during the first fifteen days of June 2002, in other words 3.45 Euros. Share Options Plans may be exercised between the first and last business day of the month of November of each year, between 2006 and 2013, at which point the deadline by which the Share Options Plans must be exercised expires. According to the transitional provisions of I.F.R.S. 2 and given the fact that the specific options plans were granted prior to 7 November 2002, the Company did not apply the provisions of this Standard, with the exception of the notifications of paragraphs 44 and 45 of I.F.R.S. 2.

HELLENIC CABLES S.A. has adopted a corresponding Options Plan up to 1.97% of the number of common registered shares that were outstanding at the time of adoption (530,600 options), adapted to future changes in the number of shares into which the share capital is divided, with the following main terms and conditions:

- Beneficiaries of the Share Options Plans: Members of the Board of Directors, persons employed by the company or affiliated companies.
- Price at which Share Options Plans are exercised: The price has been set as the closing price of the Athens Stock Exchange during the first fifteen days of June 2002, in other words 2.97 Euros per option.
- Exercise of the Share Options Plans: Share Options Plans are secured gradually by 10% annually, beginning from the first business day of November 2002 until the first business day of November 2011. The above secured options are exercised from the first business day of November 2006 until the first business day of November 2013. Following this closing date any option that is not exercised is cancelled.

21. Subsidies – grants

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Opening balance of the fiscal year	3,393,991	4,405,008	393,465	485,687
Depreciation of subsidies	-731,666	-1,011,017	-26,818	-92,222
Closing balance of the fiscal year	2,662,325	3,393,991	366,647	393,465

Subsidies have been granted for the purchase of tangible fixed assets. The Company's subsidies concern investments that were realised in previous fiscal years at the foundry factory. During fiscal years 2004 and 2005 the Company or Group did not receive any subsidy.

Notes to the Financial Statements
22. Suppliers and other liabilities

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Suppliers	35,245,226	19,789,477	13,067,439	6,362,045
Cheques payable	4,171	39,996	-	-
Customer down payments	4,422,293	2,042,815	55,961	1,453,318
Insurance organisations	2,017,439	3,282,529	917,592	840,886
Amounts due to affiliated entities	8,260,191	16,070,078	4,321,610	-
Liabilities to holdings	1,705,073	-	1,705,073	-
Dividends payable	81,375	79,937	16,107	15,131
Sundry creditors	3,559,261	5,116,857	673,122	2,080,828
Deferred income	47,353	-	473,603	-
Accrued expenses	4,666,062	2,592,862	3,002,086	1,764,584
Other transit credit accounts	1,500,549	1,532,476	5,052	-
Total	61,508,994	50,547,028	24,237,645	12,516,790

23. Provisions

The Company has formed a provision in the amount of 5 million Euros in relation to the fine that was imposed thereon by the European Competitiveness Committee regarding the Company's violation of the rules of competition in the copper irrigation pipe market (see Note 30).

LONG-TERM LIABILITIES
CONSOLIDATED FIGURES

	Pending court cases (Company)	Other provisions (Group)	Total
1 January 2004			-
Additional provisions of the fiscal year	5,000,000	35,831	5,035,831
31 December 2004	5,000,000	35,831	5,035,831
Additional provisions of the fiscal year		156,272	156,272
31 December 2005	5,000,000	192,103	5,192,103

24. Expenses by category

CONSOLIDATED FIGURES

2004

<i>Amounts in Euros</i>	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-39,870,093	-4,206,004	-10,935,398	-55,011,495
Cost of inventories recognised as an expense	-348,866,311	-2,883,184	-4,714,184	-356,463,679
Depreciation	-16,702,233	-208,872	-1,087,909	-17,999,015
Other expenses	-91,990,361	-4,939,733	-10,028,763	-106,958,857
Total	-497,428,998	-12,237,793	-26,766,255	-536,433,046

2005

<i>Amounts in Euros</i>	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-36,537,304	-6,710,334	-10,567,274	-53,814,912
Cost of inventories recognised as an expense	-414,036,079	-2,131,642	-1,375,136	-417,542,857
Depreciation	-19,812,788	-283,468	-1,377,826	-21,474,082
Other expenses	-180,113,433	-5,351,182	-8,422,739	-193,887,354
Total	-650,499,605	-14,476,626	-21,742,975	-686,719,206

COMPANY FIGURES

2004

<i>Amounts in Euros</i>	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-14,930,000	-1,566,000	-5,620,000	-22,116,000
Cost of inventories recognised as an expense	-251,706,191	-1,641,000	-3,338,000	-256,685,191
Depreciation	-7,198,817	-48,035	-659,719	-7,906,571
Other expenses	-32,047,435	-1,374,864	-6,015,198	-39,437,497
Total	-305,882,443	-4,629,898	-15,632,918	-326,145,259

2005

<i>Amounts in Euros</i>	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-15,000,859	-2,661,715	-5,129,877	-22,792,451
Cost of inventories recognised as an expense	-308,347,891	-	-	-308,347,891
Depreciation	-7,502,368	-62,699	-441,757	-8,006,824
Other expenses	-27,811,888	-3,785,083	-5,717,270	-37,314,241
Total	-358,663,006	-6,509,497	-11,288,904	-376,461,407

Notes to the Financial Statements
25. Financial cost – net

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Income				
Interest income	376,211	327,437	168,123	109,424
Foreign exchange differences	-	1,365,773	-	-
Other (as analysed below)	60,832	19,862	60,832	19,862
Total income	437,043	1,713,071	228,955	129,286
Expenses				
Interest charges & related expenses	-13,374,612	-13,414,540	-6,383,982	-6,315,520
Foreign exchange differences	-	-966,686	-	-
Other (as analysed below)	-686,340	-275,058	-	-
Total expenses	-14,060,952	-14,656,284	-6,383,982	-6,315,520
Financial cost (net)	-13,623,909	-12,943,213	-6,155,026	-6,186,234

4. Income tax

Both the Hellenic tax legislation and relative provisions are subject to interpretations by tax authorities. Income tax statements are filed on an annual basis, but profits or losses that are declared for tax purposes are deemed temporary until the tax authorities audit the tax payer's tax statements and books, at which point all relative tax liabilities are settled. Tax losses, to the extent that they are recognised by tax authorities, may be used in order to offset profits that will be realised in the five years that follow the fiscal year that they concern.

Pursuant to the provisions of the Hellenic tax legislation, companies pay an income tax down payment each year, which is estimated at 55% (65% from 2005) on the income tax of the current fiscal year. When the tax is settled in the next fiscal year, any excess amount that is paid in advance is returned to the company after the tax audit.

Pursuant to the provisions of the Hellenic tax legislation, the income tax rate as of 31 December 2004 was 35%. Pursuant to Law 3296/2004 this rate was decreased to 32% for 2005, 29% for 2006 and 25% for 2007 and thereafter.

Income tax that burdens the Results is analysed as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Tax of the fiscal year	-7,139,840	-5,973,567	-4,563,848	-4,150,806
Deferred tax of the fiscal year				
Differences of the fiscal year	-509,596	410,840	-170,286	-704,371
Change in the tax rate to 25%	148,189	9,531,782	-	6,448,929
	-361,407	9,942,622	-170,286	5,744,558
	-7,501,247	3,969,055	-4,734,133	1,593,752

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
INCOME TAX				
Accounting profit before taxes	12,506,204	12,892,878	14,270,724	12,791,235
Tax Rate	32%	35%	32%	35%
	-4,001,985	-4,512,507	-4,566,632	-4,476,932
Tax rate effects from foreign subsidiaries	11,131	-	-	-
Non-deducted expenses	-1,692,137	-2,515,720	15.600	-4,173,601
Exempt income	438,957	3,796,055	481,318	3,795,355
Tax loss for which a deferred tax was not recognised	-1,361,684	-2.124,854	-	-
Tax differences from tax audits of previous years	-895,529	-	-633,219	-
Tax rate change	-	9,326,081	-	6,448,929
Total income tax	7,501,247	3,969,055	-4,734,133	1,593,751

Deferred tax against tax losses in the amount of 1,726,131 Euros for HELLENIC CABLES S.A. and its subsidiaries have been recognised, the latter of which are statute-barred between fiscal years 2007 and 2009. Deferred tax against tax losses have been recognised based on the current financial development of these companies and on the pre-estimations that have been made for future years.

27. Other operating income – expenses (net)

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Other income				
Grants of the fiscal year	20,612	44,525	-	-
Income from incidental activities	226,306	1,770,721	2,707,716	1,105,373
Interest income (operating activity)	-	6,494	-	-
Depreciation of subsidies received	731,666	1,011,017	26,818	92,222
Foreign exchange differences	34,207,757	847,905	512,873	489,809
Other income (as analysed below)	1,574,154	1,982,986	-	-
Total other income	36,760,495	5,663,649	3,247,407	1,687,404
Other expenses				
Impairment of holdings and other financial assets	-	-	-1,275,534	-413,891
Foreign exchange differences	-33,243,954	-941,116	-741,645	-478,654
Other income (as analysed below)	-2,601,985	-3,134,843	-659,336	-146,321
Total	-35,845,939	-4,075,959	-2,676,515	-1,038,866
Profits/(losses) from the sale of fixed assets	155,814	-	85,798	137,040.81
Profits/(losses) from the sale of holdings	39,955	-	39,955	-
Other operating income - expenses (net)	1,110,323	1,587,690	696,645	785,579

Notes to the Financial Statements

as of 31 December 2005

28. Cash flows from operating activities

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Profits of the period	5,004,957	16,861,932	9,536,591	14,384,986
Adjustments for:				
Tax	7,501,247	-3,969,055	4,734,133	-1,593,751
Depreciation of tangible fixed assets	20,312,784	17,632,956	7,796,747	7,480,144
Depreciation of intangible fixed assets	1,161,299	1,237,929	210,077	426,428
Impairments	531,802	-	-	-
(Profits)/losses from the sale of tangible fixed assets (see below)	-155,814	-	(85,798)	-137,041
(Profits)/losses from the sale of holdings (see below)	-39,955	-	-39,955	-
(Profits)/losses from the reasonable value of derivatives	1,565,566	-	1,607,527	-
(Income) from interest	-376,211	-327,437	-168,123	-109,424
Interest charges	13,374,612	13,414,540	6,383,982	6,315,520
(Income) from dividends	-21,437	-43,990	-1,765,412	-322,541
(Depreciation) of subsidiaries	-731,666	-1,011,017	-26,818	-92,222
(Profits)/losses from affiliated companies	14,496	-1,142,074	-	-
Foreign exchange (profits)/losses from loans	-	-399,087	-	-
Loss from the destruction of fixed assets	129,320	9,771	-	-
Other (please clarify)	15,718	-19,862	-24,849	146,055
	48,286,716	42,244,607	28,158,101	26,498,154
Changes in working capital				
(Increase)/decrease in inventories	1,416,987	-64,544,555	14,261,329	-28,292,155
(Increase)/decrease in receivables	-42,822,477	-41,568,944	-11,426,530	-27,582,266
Increase/(decrease) in liabilities	11,784,782	6,536,418	12,137,549	1,904,575
Increase/(decrease) in provisions	1,564,364	5,334,027	261,981	5,015,627
Increase/(decrease) in personnel retirement benefits	356,724	200,227	193,617	35,060
	-27,699,620	-94,042,826	15,427,947	-48,919,159
Net cash flows from operating activities	20,587,096	-51,798,219	43,586,048	-22,421,005

29. Commitments

1. Contractual commitments

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Tangible fixed assets	6,389,659	5,608,924	-	-

Contractual liabilities concern the commitments of SOFIA MED AD regarding the purchase of mechanical equipment.

Notes to the Financial Statements

as of 31 December 2005

2. Liabilities from operating leases

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Up to 1 year	544,724	343,490	351,757	332,489
From 1-5 years	1,422,999	1,624,103	1,143,894	1,099,346
More than 5 years	47,424	-	-	-
	2,015,148	1,967,593	1,495,651	1,431,835
Burden on results	694,969	699,187	349,049	353,266

The Group leases fork-lift vehicles, pallet carriers and commercial vehicles. Rents vary in duration but no lease may exceed 5 years from the date the relative contract is concluded. During the year that ended on 31 December 2005 expenses in the amount of 349,094 Euros (2004: 353,266 Euros) were recorded in the Company's Profit and Loss Statement.

30. Possible liabilities / receivables

In a study conducted by the European Competitiveness Committee regarding European copper pipe producers, the Committee determined that the rules of competition in the copper irrigation pipe market were being violated. The European Committee imposed fines on seven companies, one of which was HALCOR S.A. HALCOR's fine amounted to 9.16 million Euros. Whereas the company deems that the fine's imposition was unjustified and unfair and that the amount imposed was considerably high, it has filed a recourse against the Committee's decision before the Court of the European Communities. The company's Management, based on the opinion of its legal department with regard to the recourse's validity, deems that the final amount of the aforementioned fine (provided the legality of its imposition is confirmed judicially) will not exceed 5 million Euros, an amount that has burdened the results of fiscal year 2004 as a provision.

SOFIA MED AD with registered offices in Bulgaria and is 100% controlled by HALCOR S.A. has had recourse to the courts claiming the return of 299.5 thousand Euros in Value Added Tax rebates. According to the reports of the company's legal department its management believes there is an extremely high possibility that it shall win the case.

Mortgages of a total amount of 20 million Euros have been filed against the real estate of HELLENIC CABLES S.A., ICME ECAB S.A of Romania.

A lawsuit has been filed against HALCOR S.A. by a former employee thereof regarding illegal contract termination. The amount of indemnification amounts to 150,000 Euros.

The Company's tax liabilities and those of its subsidiaries for certain fiscal years, as these are noted in Note 34, have not been audited by the tax authorities, and as a result they have not been finalised for these years.

31. Transactions with affiliated entities

<i>Amounts in Euros</i>	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Sale of goods				
Subsidiaries	-	-	98,116,047	84,861,859
Other affiliated entities	53,153,725	57,681,614	27,428,766	32,982,727
	53,153,725	57,681,614	125,544,813	117,844,585
Sale of services				
Subsidiaries	-	-	2,472,251	714,938
Other affiliated entities	8,113,765	6,181,470	623,099	425,519
	8,113,765	6,181,470	3,095,349	1,140,457
Sale of fixed assets				
Subsidiaries	-	-	219,038	243,675
Other affiliated entities	876,492	396,381	-	-
	876,492	396,381	219,038	243,675
Purchase of goods				
Subsidiaries	-	-	24,154,633	12,239,093
Other affiliated entities	50,770,979	57,218,553	6,284,364	17,371,400
	50,770,979	57,218,553	30,438,997	29,610,493
Purchase of services				
Subsidiaries	-	-	3,193,800	2,250,743
Other affiliated entities	9,704,542	7,689,373	4,753,470	3,044,226
	9,704,542	7,689,373	7,947,270	5,294,969
Purchase of fixed assets				
Subsidiaries	-	-	-	-
Other affiliated entities	2,901,460	1,233,665	1,422,357	-
	2,901,460	1,233,665	1,422,357	-
Receivables from affiliated entities:				
CONSOLIDATED FIGURES				
	2005	2004	2005	2004
Subsidiaries	-	-	11,748,130	11,500,753
Other affiliated entities	9,868,992	14,072,779	2,832,233	4,739,758
	9,868,992	14,072,779	14,580,362	16,240,511

Liabilities to affiliated entities:

Subsidiaries	-	-	4,325,194	-
Other affiliated entities	10,845,272	3,949,634	1,705,073	1,845,661
	<u>10,845,272</u>	<u>3,949,634</u>	<u>6,030,267</u>	<u>1,845,661</u>

Services to and from affiliated entities as well as sales and purchases of goods are effected pursuant to the pricelists that are apply to non-affiliated entities.

The fees of the members of the Board of Directors and the fees of executives of the Group's companies that burdened fiscal year 2005 amounted to 1,934,074 Euros, 1,210,430 Euros of which concern the Company.

32. Profits per share

Ongoing activities

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Profits that correspond to the parent company's shareholders	3,490,957	14,154,258	9,536,591	14,384,986
Weighted average number of shares	96,981,079	96,981,079	96,981,079	96,981,079
Basic profits per share (Euros per share)	0.036	0.146	0.098	0.148

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Profits that correspond to the parent company's shareholders	3,490,957	14,154,258	9,536,591	14,384,986
Weighted average number of shares	96,981,079	96,981,079	96,981,079	96,981,079
Total weighted average number of shares for reduced profits per share	96,981,079	96,981,079	96,981,079	96,981,079
Reduced profits per share (Euros per share)	0.036	0.146	0.098	0.148

33. Dividends per share

Pursuant to Hellenic legislation, companies are obligated to distribute to their shareholders a dividend equal to at least 6% of their paid-up capital or 35% of the profits that arise from their accounting books (published financial statements) after the relative income tax and statutory reserve is deducted, provided this is greater than 6% of the paid-up capital. In spite of the above, companies may not distribute dividends following the congruent opinion of their shareholders.

Dividends that were distributed in 2005 (from the profits of 2004) amounted to 4,849,054 Euros or 0.05 Euros per share. The proposed dividend from the profits of fiscal year 2005 amounts to 0.065 Euros per share or 6,303,770 Euros.

34. Unaudited fiscal years

The table below presents the unaudited fiscal years of the companies that are consolidated by HALCOR either with the integrated consolidation method or net worth method.

Corporate name	Country	Holding percentage	Method of consolidation	Unaudited fiscal years
HALCOR S.A.	GREECE	Parent	Integrated Consolidation	2002-2005
HELLENIC CABLES S.A.	GREECE	79.65%	Integrated Consolidation	2003-2005
FITCO A.E.	GREECE	50.32%	Integrated Consolidation	2003-2005
STEELEMT S.A.	GREECE	53.10%	Integrated Consolidation	2003-2005
AKRO S.A.	GREECE	84.50%	Integrated Consolidation	2003-2005
EVITE S.A.	GREECE	100.00%	Integrated Consolidation	2003-2005
SOFIA MED SA	BULGARIA	100.00%	Integrated Consolidation	2005
METAL AGENCIES LTD	UN. KINGDOM	93.28%	Integrated Consolidation	2005
BELANTEL HOLDINGS LTD	CYPRUS	100.00%	Integrated Consolidation	1999-2005
METAL GLOBE DOO	SERBIA	53.89%	Integrated Consolidation	2002-2005
COPPERPROM LTD	GREECE	71.86%	Integrated Consolidation	2003-2005
SYLLAN S.A.	GREECE	75.16%	Integrated Consolidation	2005
OGWELL LIMITED	CYPRUS	100.00%	Integrated Consolidation	2005
DIAPEM TRADING S.A.	GREECE	33.33%	Net Worth	2003-2005
ELKEME S.A.	GREECE	25.00%	Net Worth	2003-2005
VECTOR S.A.	GREECE	33.33%	Net Worth	2003-2005
S.C. STEELMET ROMANIA S.A	ROMANIA	40.00%	Net Worth	2002-2005
TEPRO METALL AG	GERMANY	31.79%	Net Worth	1992-2004
ENERGY SOLUTIONS SA	BULGARIA	38.60%	Net Worth	2005
THISVI POWER GENERATION PLANT S.A.	GREECE	20.00%	Net Worth	2004-2005
VIEXAL LTD.	GREECE	26.67%	Net Worth	2003-2005

There are also other companies that may be obligated to pay income taxes due to unaudited fiscal years.

35. Significant events that took place after the balance sheet date

The Boards of Directors of HALCOR S.A. and FITCO S.A., during their meetings of 30 January 2006, decided to proceed in their merger with the absorption of the latter company by the former company.

The share exchange ratio shall be announced immediately after two auditing firms complete their regarding the valuation of the value of each company.

The date of transformation has been set for 31 January 2006. the merger shall be realised pursuant to the provisions of Law 2166/93 and Law 2190/1920.

On 1 February 2006, a customer of TECHNOTHERM ABEE stated that it was unable to settle its debts. The total amount due amounted to 654,906.62 Euros, which was comprised of cheques in the amount of 500,000 Euros and an open balance account in the amount of 154,906.62 Euros. During the fiscal year that ended on 31 December 2005, the company formed a provision that reduced the results of the fiscal year and amounted to 20% of the aforementioned amount due, which it is very likely that it will not be collected as an insurance indemnification.

In February 2006, the Board of Directors of the subsidiary of HELLENIC CABLES S.A., TELECABLES S.A. issued an invitation for the convention of an Extraordinary General Meeting during which the matter of a share capital reduction, due to a surplus capital, with the return of cash to shareholders, would be discussed.

**Notes to the Financial Statements
December 2005****as of 31**

To the Shareholders of
HALCOR METALWORKS S.A.

We have audited the accompanying Financial Statements and Consolidated Financial Statements (the "Financial Statements") of HALCOR METALWORKS S.A. ("the Company") which comprise the balance sheet as at 31 December 2005 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards which are aligned with the International Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the consistency of the content of the Board of Directors' Report with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company and the Group as of 31 December 2005 and the results of operations, the changes in equity and the cash flows for the year then ended, in accordance with the International Financial Reporting Standards which have been adopted by the European Union and the content of the Board of Directors' report is consistent with the accompanying Financial Statements.

Without qualifying our audit report, we draw attention to Note 34 to the Financial Statements which explains that the tax obligations of the Company and its subsidiaries have not been audited by the tax authorities for certain years and therefore have not been conclusively decided for these years. The outcome of the tax audits cannot be predicted at this point in time.

Athens, 14 March 2006

KPMG Kyriacou Certified Auditors A.E.

Michael Kokkinos, Certified Auditor Accountant
AM SOEL 12701