MYTILINEOS®
HOLDINGS S.A.

Financial Statements

for the twelve month period

from the 1st of January to the 31st of December 2005

We confirm that the attached Financial Statements are those approved by the Board of Directors of "MYTILINEOS S.A." at 23/2/2006 and have been published to the electronic address www.mytilineos.gr. It is noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company's and Group's financial results and position, according to International Accounting Standards. It is also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures.

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

CONTENTS

A. Board of Directors Management Report

General Review

For the MYTILINEOS GROUP 2005 was a landmark, a year of important development its highlight being the full consolidation of "Aluminium Of Greece S.A." for the first time.

The acquisition of "Aluminium Of Greece S.A." marks a new era for the Group. An era that we consider to bring us closer to our goals of becoming the most competitive European Group in heavy industry, playing an important role in the developments within the markets we are operating.

Our link with "Aluminium Of Greece S.A." is an important step. A business initiative which reinforces our present and forebodes an even more glorious future full of significant prospects.

Our linkage with "Aluminium Of Greece S.A." will promote the utilization of our Know-How, experience, structures and processes which have been developed in the course of the company's long operation in the field, leading to a reinforced position of our Group within the modern business map. At the same time, we shall have the ability to co-operate with an international leader of the Aluminium Industry, the Canadian ALCAN, both for strengthening our activity and also for achieving important economies of scale.

The acquisition of "Aluminium Of Greece S.A.", was paired by a dynamic activity in the energy Sector, where we managed to fully exploit the opportunities arising by the deregulation of the electricity and natural gas market. Realizing our strategic planning, we acquired production licenses by the Regulating Authority for Energy, fro the construction of a 412 MW Power Production Plant , operating with natural gas. This license is added to the one already existing concerning the construction of a 400MW Power Production Plant in Volos.

Meanwhile, in 2005 we completed the construction of the first Wind Park of 17MW, out of the 7 for which we have received licenses, in Sidirokastro.

Our positive course and the success of our strategic planning were clearly reflected in our financial results of 2005. This fiscal year was an excellent one for the Group, that increased its turnover by 140%, its EBITDA by 275% and its profit after Tax and minorities by 515% compared to 2004. The above mentioned increase of the financial figures comes mainly form the first time consolidation of "Aluminium Of Greece S.A." , the impressive increase in the financials of our subsidiary "METKA S.A.", as well as the results coming form the Alumina Contract that the Group acquired from ALCAN together with the acquisition of "Aluminium Of Greece S.A.".

Finally, both the significant financial performance of the Group for 2005 and the positive prospects for the fore-coming year of 2006 were reflected also in the share price that had a significant increase during the year.

Prospects for the forthcoming year (2006)

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

More specifically, in 2006 we expect momentous development on all areas of our activity:

- In Metallurgy: based on the metals high prices, the retention of the positive trends and the realization of our cost cutting plan, we expect an important increase of our figures. Furthermore we have entered into derivative financial products in order to secure the currently high metal prices for a significant part of Aluminium production.
- In Energy: the establishment of the Group as the most specialized constructor of Energy projects in Greece, parallel to exploring the possibility of international strategic alliances and extending its activities in the production and trading of electric energy in the currently formed, deregulated energy market.
- In constructions: the continuation of the important progress with the construction of the "Electricity- Steam Cogeneration Plant", the Leopard tank in Volos factory and the completion of the filters replacement in Ag. Dimitrios Power Plant. In parallel, we will continue to explore the possibility of strategic alliances aiming at our international expansion.
- Defence: a further development of the activities of the group companies ELVO and METKA and the reinforcement of the Group's position in the production of conventional and tracked vehicles in Greece and neighbouring region.

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

Ladies and Gentlemen shareholders,, during 2005 MYTILINEOS GROUP increase its dynamics through its strategic choices, promoted its presence in the Metallurgy Sector and extended its activity in the Defence and Energy Sectors.

During 2006, with aspiration and efficiency we shall continue to promote our goal of attaining a leading role in the European Heavy Industry Market.

Factors of added value and performance evaluation

The group monitors its performance through the analysis of four(4) basic sectors:

(a) Metallurgy & Mining Sector, where "Aluminium Of Greece", its subsidiary "Delfoi Distomon" and the activity of basic metals of the parent company are incorporated. This sectors accounted for the 54% of group's Sales and the 43% of the Group's EBITDA. The performance of this sector is expected to account for the greatest part of the Group's results within 2006 as well as 2005.
(b) The Alumina contract is monitored separately. In 2005, this contract accounted for the 16% of Group's Sales and the 24% of the Group's EBITDA. For the forthcoming year 2006, the contract is expected to perform more efficiently basically based on the high alumina prices in the international market.
(c) The Construction Projects Sector operated by the subsidiary METKA and its affiliated companies, is another important sector for the Group. In 2005, this sector accounted for the 30% of the Group's Sales and the 33% of the Group's EBITDA, while we expect that its contribution to the 2006 results will also be of great importance for the Group.
(d) The fourth and the last sector of activity is the one of defence systems in which the Group operates through its associate ELVO S.A. The turnover of this sector is not presented in the consolidated financial statements as ELVO is not fully consolidated, since the Group cannot establish "control" as defined by IFRS. 2005 was a difficult year for that sector mainly due to delays in new projects' assignment. However, despite that fact, the year performed in profit (EBT: 4m.€), while we expect that 2006 will be an accordingly difficult year in which the financial results are expected to be maintained at the same levels as in 2005.

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary corrective actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).
-ROCE (Return On Capital Employed): this ratio divides EBIT with the total Capital Employed if the Group which is the sum of Equity, Total of Bank Loans and Long Term Provisions.
- ROE (Return On Equity): this ratio divides Earning After Tax(EAT) with the Group's Shareholders' Equity.
- EVA(Economic Value Added): this figure is calculated by multiplying the difference of ROCE and Cost of Capital with the Capital Employed as defined above and reflects the amount added to the economic value of the firm. In order to calculate the Cost of Capital the group uses the WACC formula.

The above indicators for 2005 as compare to 2004 are as follows:

KPI	31/12/2005	31/12/2004
ROCE	15%	9%
ROE	17%	8%
EVA (in m €)	55	1

Corporate Governance

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

The Board of Directors of Mytilineos S.A. is the trustee of the Group's Corporate Governance Principles. It is comprised by 3 executive and 4 non-executive members. From the non-executive members, 2 satisfy the conditions set by law 3016/2002, and can be called "independent".

The Audit Committee is comprised by non-executive members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board. Its responsibilities are to ensure compliance with the rules of Corporate Governance, guarantee a proper operation of the Internal Audit System and supervise the works of the company's Internal Audit Department.

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

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

Dividend Policy

Regarding the distribution of dividends the Board Of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, proposes the distribution of dividends of 0,40€/share as opposed to 0,20€/share in 2004. This proposed dividend is subject to the approval of the General Assembly.

Evangelos Mytilineos
Chairman & Managing Director

B. Auditor's report

To the Shareholders of **MYTILINEOS S.A.**

We have audited the accompanying financial statements as well as the consolidated financial statements of **MYTILINEOS S.A.**, as of and for the year ended **31 December 2005**. 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 based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the holding company), as of **31 December 2005**, and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity, for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, 23 February 2006
Auditor
Vasilis Kazas
A.M. S.O.E.L. 13281

Grant Thornton

Vassileos Konstantinou 44
116 35 Athens
A.M. S.O.E.L. 127

C. Balance sheet

	THE GROUP		THE COMPANY	
ASSETS	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Non-Current Assets				
Tangible Assets	431,003,395	100,919,903	11,681,984	11,950,422
Goodwill	102,273,669	123,814,570	-	-
Intangible Assets	14,477,282	10,145,203	0	0
Investments in Subsidiary Companies	0	0	218,175,243	215,202,845
Investments in associate companies	31,861,403	35,272,639	17,211,381	19,214,724
Deferred tax receivables	9,107,480	8,764,735	6,370,631	7,303,756
Financial assets available for sale	42,118,108	36,831	36,831	36,831
Other Long-term Receivables	2,725,958	3,578,525	143,965	134,829
	633,567,296	**282,532,406**	**253,620,034**	**253,843,408**
Current Assets				
Inventories	154,347,805	51,632,457	666,445	1,152,757
Trade and other receivables	219,846,301	171,891,920	100,555,240	55,287,233
Other receivables	92,592,893	19,532,170	20,801,715	16,307,814
Other current assets	5,836,146	5,017,355	3,955,036	162,733
Financial assets at fair value through profit or loss	6,519,348	21,828,799	3,598,807	13,548,551
Cash and cash equivalents	62,729,359	11,516,226	687,066	1,854,201
	541,871,852	**281,418,927**	**130,264,309**	**88,313,288**
Total Assets	**1,175,439,148**	**563,951,332**	**383,884,343**	**342,156,696**
EQUITY AND LIABILITIES				
Equity				
Share capital	24,312,204	24,312,204	24,312,204	24,312,204
Share premium	187,520,764	178,745,665	183,906,926	183,906,926
Fair value reserves	15,167,654	0	-	-
Other reserves	18,894	(27,491)	783,427	737,043
Translation reserves	(3,266,881)	(1,596,271)	-	-
Retained earnings	165,687,205	(27,459,300)	27,246,309	(9,394,422)
Equity attributable to parent's shareholders	**389,439,840**	**173,974,807**	**236,248,866**	**199,561,751**
Minority interests	318,394,032	63,809,946	0	0
Total Equity	**707,833,872**	**237,784,753**	**236,248,866**	**199,561,751**
Non-Current Liabilities				
Long-term debt	52,139,169	46,969,656	41,973,764	46,969,656
Derivatives	2,766,257	8,183,653	2,766,257	8,183,653
Deferred tax liability	38,178,269	48,567,601	16,977,385	32,188,835
Liabilities for pension plans	32,485,516	2,416,088	389,373	414,271
Other long-term liablities	28,534,975	25,832,541	-	-
Provisions	11,895,325	-	-	-
Total Non-Current Liabilities	**165,999,512**	**131,969,540**	**62,106,780**	**87,756,415**
Current Liabilities				
Trade and other payables	142,860,325	95,673,966	5,556,853	6,366,493
Tax payable	47,987,168	13,807,968	12,936,898	3,136,320
Short-term debt	51,493,894	46,242,013	30,581,917	12,209,297
Current portion of non-current liabilities	24,683,954	21,238,281	24,683,954	21,238,281
Liabilities to subsidiaries	0	-	8,325,740	-
Derivatives	2,722,720	7,322,275	2,157,990	7,322,275
Other payables	31,629,015	9,861,927	1,285,345	4,565,864
Current portion of non-current provisions	228,689	50,610	-	-
Total current liabilities	**301,605,765**	**194,197,040**	**85,528,698**	**54,838,531**
Total liabilities	**467,605,277**	**326,166,580**	**147,635,478**	**142,594,946**
Total Equity and Liabilities	**1,175,439,149**	**563,951,333**	**383,884,343**	**342,156,696**

D. Income statement

	THE GROUP		THE COMPANY	
	01/01-31/12/05	**01/01-31/12/04**	**01/01-31/12/05**	**01/01-31/12/04**
Sales	**746,628,488**	**311,217,936**	**164,100,541**	**148,659,438**
Cost of sales	(583,021,347)	(247,927,672)	(151,608,961)	(126,891,286)
Gross profit	**163,607,142**	**63,290,264**	**12,491,581**	**21,768,152**
Other operating income	30,869,915	12,754,789	8,757,430	9,680,345
Distribution expenses	(9,438,005)	(10,537,543)	(5,093,238)	(2,872,236)
Administrative expenses	(23,827,061)	(14,312,957)	(6,070,959)	(5,343,982)
Other operating expenses	(23,103,470)	(15,999,241)	(10,623,649)	(13,321,497)
Earnings before interest and income tax	**138,108,521**	**35,195,313**	**(538,836)**	**9,910,782**
Financial income	5,626,559	1,869,234	2,648,657	1,910,641
Financial expenses	(15,305,158)	(9,977,926)	(8,912,432)	(7,770,222)
Other financial results	27,990,907	(1,218,581)	52,502,987	2,995,206
Negative goodwill	137,465,657	119,107	0	0
Share of profit of associates	804,213	3,314,619	0	0
Profit before income tax	**294,690,699**	**29,301,766**	**45,700,376**	**7,046,407**
Income tax expense	(38,490,718)	(9,094,958)	(865,461)	(1,403,148)
Profit for the period	**256,199,982**	**20,206,808**	**44,834,915**	**5,643,259**
Attributable to:				
Equity holders of the parent	211,539,021	*12,040,208*	44,834,915	*5,643,259*
Minority interest	44,660,960	*8,166,600*	0	*0*
Basic earnings per share	*5.22*	*0.30*	*1.11*	*0.14*
Earnings before income tax, financial results, depreciation and amortization	158,419,018	42,235,655	(217,530)	11,404,642
Earnings beefore income tax and financial results	138,108,521	35,195,313	(538,836)	11,094,914
Earnings before income tax	294,690,699	29,301,766	45,700,376	7,046,407
Earnings for the period	256,199,982	20,206,808	44,834,915	5,643,259

E. Statement of changes in Equity (Group)

	Attributable to equity holders of the parent								
	Share capital	Share premium	Fair value reserves	Other reserves	Translation reserve	Retained earnings	Total	Minority interest	Total
Balance at 1 January 2004 according to previous GAAP	24,312,204	146,689,881	-	39,852,848	(7,277,094)	(6,079,401)	***197,498,438***	52,028,900	**249,527,338**
Transition adjustments to IFRS	0	32,055,785	-	(40,949,198)	7,277,094	(28,915,304)	***(30,531,623)***	6,793,544	**(23,738,079)**
Balance at 1 January 2004 according to previous IFRS	**24,312,204**	**178,745,665**	**-**	**(1,096,350)**	**-**	**(34,994,705)**	***166,966,815***	**58,822,444**	**225,789,259**
Changes in equity for the period 1/1 - 31/12/2004									
						586,778	*586,778*	327,040	913,819
Exchange differences on translating foreign operations	-	-	-	-	(1,596,271)	-	*(1,596,271)*	(75,830)	(1,672,101)
Net income / (expense) recognised directly in equity	**-**	**-**	**-**	**-**	**(1,596,271)**	**586,778**	***(1,009,493)***	**251,210**	**(758,283)**
Dividends						(4,052,034)	*(4,052,034)*	(2,933,611)	(6,985,645)
Change in equity from acquisition of additional share of participation in subsidiary							*0*	(467,387)	(467,387)
Profit for the period 1/1-31/12/2004				1,068,859		10,971,349	*12,040,208*	8,166,600	20,206,809
Total recognized income and expense for the period	-	-	-	1,068,859	(1,596,271)	7,506,094	*6,978,681*	5,016,813	**11,995,495**
Balance at 31 December 2004 carried forward	**24,312,204**	**178,745,665**	**0**	**(27,491)**	**(1,596,271)**	**(27,488,611)**	***173,945,496***	**63,839,257**	**237,784,753**
Balance at 1 January 2005 according to previous GAAP	24,429,604	146,689,881	-	45,432,297	(8,881,221)	(8,172,498)	***199,498,063***	51,410,697	**250,908,760**
Transition adjustments to IFRS	(117,400)	32,055,785	-	(45,459,788)	7,284,950	(19,316,113)	***(25,552,567)***	12,428,561	**(13,124,006)**
Balance at 1 January 2005 according to previous IFRS	**24,312,204**	**178,745,665**	**-**	**(27,491)**	**(1,596,271)**	**(27,488,611)**	***173,945,496***	**63,839,257**	**237,784,753**
Changes in equity for the period 1/1 - 31/12/2005									
Sale of treasury shares	-	8,775,098	-	-	-	-	*8,775,098*	-	8,775,098
Taxes on issue of subsidiary share capital, recognised directly to equity						(243,121)	*(243,121)*	(237,266)	(480,387)
Available-for-sale investments									
- Valuation gains/(losses) taken to equity	-	-	18,621,523	-	-	-	*18,621,523*	7,619,491	26,241,014
- Sale gains/(losses) taken to equity	-	-	(3,277,785)	0		0	*(3,277,785)*	(4,186,047)	(7,463,832)
			(176,083)				*(176,083)*	(224,875)	(400,959)
Συναλλαγματικές διαφορές μετατροπής ισολογισμών					(1,670,610)		*(1,670,610)*	77,690	(1,592,920)
Net income / (expense) recognised directly in equity	**-**	**8,775,098**	**15,167,655**	**-**	**(1,670,610)**	**(243,121)**	***22,029,022***	**3,048,993**	**25,078,015**
Dividends	-	-	-	-	-	(18,029,968)	*(18,029,968)*	(15,643,206)	(33,673,174)
	-	-	-	-	-	-	-	(34,436,799)	(34,436,799)
	-	-	-	-	-	-	-	(5,445,310)	(5,445,310)
	-	-	-	-	-	-	-	30,441,802	30,441,802
Increase in minority interest due to acquisition of subsidiary	-	-	-	-	-	-	-	231,277,860	231,277,860
Issue of subsidiary share capital	-	-	-	-	-		-	650,475	650,475
Profit for the period 1/1-31/12/2005	-	-	-	46,384	-	211,448,905	*211,495,289*	44,660,960	256,156,250
Total recognized income and expense for the period	**-**	**8,775,098**	**15,167,655**	**46,384**	**(1,670,610)**	**193,175,816**	***215,494,344***	**254,554,775**	**470,049,118**
Balance at 31 December 2005 carried forward	**24,312,204**	**187,520,764**	**15,167,655**	**18,894**	**(3,266,881)**	**165,687,205**	***389,439,840***	**318,394,032**	**707,833,872**

F. Statement of changes in Equity (Company)

	Attributable to equity holders of the parent				
	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2004 according to previous GAAP	24,312,204	146,689,881	34,841,723	5,746,052	***211,589,860***
Transition adjustments to IFRS	-	37,217,045	(34,712,547)	(16,170,218)	***(13,665,720)***
Balance at 1 January 2004 according to previous IFRS	**24,312,204**	**183,906,926**	**129,177**	**(10,424,166)**	***197,924,140***
Changes in equity for the period 1/1 - 31/12/2004					
Amounts transferred directly to equity			46,384		*46,384*
Dividends	-	-	-	(4,052,034)	*(4,052,034)*
Profit for the period 1/1-31/12/2004	-	-	561,482	5,081,778	*5,643,259*
Total recognized income and expense for the period	-	-	607,866	1,029,744	*1,637,610*
Balance at 31 December 2004 carried forward	**24,312,204**	**183,906,926**	**737,043**	**(9,394,422)**	***199,561,750***

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2005 according to previous GAAP	24,312,204	146,689,881	35,364,088	5,866,997	***212,233,170***
Transition adjustments to IFRS	-	37,217,045	(34,627,046)	(15,261,419)	***(12,671,420)***
Balance at 1 January 2005 according to previous IFRS	**24,312,204**	**183,906,926**	**737,043**	**(9,394,422)**	***199,561,750***
Changes in equity for the period 1/1 - 31/12/2004					
Dividends	-	-	-	(8,147,800)	*(8,147,800)*
Profit for the period 1/1-31/12/2005	-	-	46,384	44,788,531	*44,834,915*
Total recognized income and expense for the period	-	-	46,384	36,640,731	*36,687,115*
Balance at 30 December 2005 carried forward	**24,312,204**	**183,906,926**	**783,427**	**27,246,309**	***236,248,865***

G. Cash flow statement

	THE GROUP		THE COMPANY	
	2005	2004	2005	2004
Cash flows from operating activities	**129,921,884**	**9,398,947**	**(48,828,790)**	**10,285,567**
Interest paid	(14,843,811)	(9,311,828)	(8,912,432)	(7,159,894)
Incomes tax paid	(53,658,226)	(7,913,868)	(8,623,722)	(507,165)
Net Cash flows from operating activities	**61,419,847**	**(7,826,749)**	**(66,364,944)**	**2,618,508**
Cash flows from investing activities				
Purchases of tangible assets	(81,704,208)	(19,005,160)	(52,868)	(8,900,595)
Purchases of intangible assets	(2,936,993)	(23,619)	-	-
Sale of tangible assets	557,905	137,094	0	-
Dividends received	176,423	272,057	17,312,349	5,512,728
Loans to related parties	0	-	-	-
Purchase of financial assets held-for-sale	(17,710,481)	(4,032,870)	-	(2,235,000)
Purchase of financial assets at fair value through profit and loss	(8,123,029)	(3,155,052)	(5,678,640)	1,188,182
Acquisiion of associates	72,157,333	0	-	0
Acquisition of subsidiaries (less cash)	(817,080)	0	0	0
Sale of share of group subsidiary	43,188,347	0	(67,523,355)	0
Sale of financial assets held-for-sale	4,557,439	935,595	285,276	935,595
Sale of financial assets at fair value through profit and loss	25,085,542	4,638,126	118,202,142	0
Interest received	5,796,473	2,450,103	2,648,657	1,910,158
Cash received from loans to associates	0	-	0	-
Grants received	185,282	-	-	-
Other cash flows from investing activities	(271,848)	(15,357)	-	-
Net Cash flow from investing activities	**40,141,105**	**(17,799,082)**	**65,193,562**	**(1,588,933)**
Cash flow from financing activities				
Proceeds from issue of share capital	801,823	-	-	-
Sale of treasury shares	8,775,098	-	-	-
	(34,436,799)	-	-	-
Dividends payed to parent's shareholders	(22,881,869)	(7,020,061)	(8,104,068)	(4,088,569)
Proceeds from borrowings	15,200,000	26,571	8,304,268	0
Repayments of borrowings	(27,014,247)	(10,414,059)	(22,014,247)	(10,414,059)
Payment of finance lease liabilities	(30,177)	(27,572)	-	-
Net Cash flow from financing activities	**(59,586,171)**	**(17,435,121)**	**(21,814,046)**	**(14,502,628)**
Net (decrease) / increase in cash and cash equivalents	**41,974,780**	**(43,060,952)**	**(22,985,428)**	**(13,473,054)**
Cash and cash equivalents at beginning of period	(54,653,748)	(12,902,983)	(31,593,378)	(18,120,324)
Exchange differences in cash and cash equivalents	0	-	-	-
Net cash at the end of the period	**(12,678,968)**	**(55,963,935)**	**(54,578,806)**	**(31,593,378)**
Overdrafts	**(75,408,326)**	**(67,480,161)**	**(55,265,871)**	**(33,447,578)**
Cash and cash equivalent	**62,728,359**	**11,516,226**	**687,066**	**1,854,201**
Net cash at the end of the period	**(12,679,967)**	**(55,963,935)**	**(54,578,806)**	**(31,593,378)**

1. Information about MYTILINEOS HOLDINGS S.A.

1.1 General Information

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

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

The financial statements for the year ended 31.12.2005 (along with the respective comparative information for the previous year 2004), were approved by the Board of directors in 23/02/2006.

1.2 Nature of activities

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

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

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

Regarding the Group's energy sector, the aim is to enter in production and trading of energy within the deliberated energy market that is currently under development through its subsidiaries "Mytilineos Hellenic Wind Power S.A." (MHWP) and "Mytilineos Power Generation & Supply S.A." (MPGS).

2. Basis for preparation of the financial statements

The consolidated financial statements of **MYTILINEOS S.A.** for the year 2005 (the date of transition is January 1st, 2004) covering the period from 01.01 to 31.12.2005 have been prepared under the historic cost principle as this is amended by the revaluation of specific assets and liabilities in market values, the going concern principle and they are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The IASB has issued a series of standards that are referred to as the "IFRS Stable Platform 2005". The Group uses the IFRS Stable Platform 2005 from January 1st, 2005 onwards. The aforementioned standards are as follows:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Net Profit or Loss, Basic Errors and Changes in Accounting Estimates
IAS 10	Events After the Balance Sheet Date
IAS 11	Construction Contrats
IAS 12	Income Taxes
IAS 14	Segment Reporting
IAS 16	Tangible Fixed Assets
IAS 17	Leases
IAS 18	Income
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Support
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Affiliated Party Disclosures
IAS 26	Accounting and Reporting of Retirement Benefit Plans
IAS 27	Consolidated Financial Statements and accounting for investments in subsidiaries
IAS 28	Accounting for Investments in Associate Companies
IAS 29	Financial Statements in hyper-inflationary economies
IAS 30	Disclosures with financial statements of banks and similar financial

	institutions
IAS 31	Financial presentation of rights in joint-ventures
IAS 32	Financial Instruments: Disclosures and Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Statements
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Valuation
IAS 40	Investments in Property
IAS 41	Agriculture
IFRS 1	First-Time adoption of International Financial Reporting Standards
IFRS 2	Equity based payments
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non current assets held for sale and discontinued operations

The financial statements for the year 2005 have been prepared under IFRS 1 "First-Time adoption of IFRS" since they constitute the first general purpose financial statements to be prepared and issued under IFRS for external use.

The IFRS 1 either requires the mandatory exception from the retroactive application of other IFRS, or provides for optional exceptions from other IFRS. The Group applied all mandatory exceptions of IFRS 1, while from the optional applied the following:

- Optional exceptions from other IFRS

a) Consolidation

According to the related exception of IFRS 1, the company did not recalculated either the cost of acquisition for all subsidiaries acquired at a date prior to the transition to IFRS, or the fair value of the net assets acquired as at the acquisition date. Therefore, the goodwill recognized at the acquisition date, relied on the exception provided by IFRS , was calculated according to the previously applied accounting standards and was recorded as in the latest financial statements before the transition to IFRS.

b) Fair Value or deemed historic cost

The Group decided to value its tangible assets at their fair value as at the date of transition in IFRS and used this value to be the deemed cost at the transition date.

c) employee benefits

The group did not decide to follow the alternative method of IAS 19 that allows for a "corridor" regarding the actuarial gains or losses, thus recognizing directly all cumulative actuarial gains and losses.

d) Cumulative translation adjustments

As at the transition date, the Group chose not to confront with IAS 21 by using the benefits of IFRS 1 exception according to which:

i) the cummultive translation differences for all foreign entities were regarded as zero as at the transition date.

ii) Any profit or loss of foreign entities after the transition date will not include translation differences prior to the transition date to IFRS. However, any translation differences effective after the transition date, will be included in foreign entities' profit and loss.

e) Compounded financial instruments

Not applicable for the Group

f) Assets and Liabilities of subsidiaries, associates and other related companies.

The financial statements of the subsidiaries and other affiliated companies are adjusted according to IFRS and according to the accounting principles followed by the Group for their consolidation.

The Group has not applied the above exceptions extensively in other issues apart form the ones mentioned above.

The accounting principles and policies mentioned above have been consistently applied throughout the presented periods.

The preparation of financial statements according to IFRS requires the use of estimates and judgments in the application of the Company's accounting principles. Important assumptions made by the management for the application of the Company's accounting principles have been appropriately highlighted whenever this has been deemed necessary.

3. Basic accounting principles

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

3.1 New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretation that are not included in the "IFRS Stable Platform 2005". The IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006. The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

-IFRS 6. Exploration and evaluation of mineral resources

The group will apply IFRS 6 from 1/1/2006.

-IFRS 7. Disclosures for financial instruments

The group will apply IFRS 7 from 1/1/2007.

- IFRIC 3. Rights for gas emission

From 1 January 2005 the Group has been made aware for its allocation of the Greek National Allocation Plan for CO_2 emissions. IFRIC 3 is applicable for the periods beginning after the 1st January 2006.

- IFRIC 4. Determination of whether a receivable includes a lease

IFRIC 4 applies to annual periods that begin from January 1st 2006. The Group has decided not to apply IFRIC 4 before that date. It will apply IFRIC 4 to the financial statements of 2006, based on the transitional provisions of IFRIC 4. Therefore, the Group will apply IFRIC 4 based on the events and conditions that were in effect on January 1st 2005. The implementation of IFRIC 4 is not expected to change the accounting treatment of any of the Group's current contracts.

- IFRIC 5. Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds

It does not apply to the Group and thus will not affect its financial statements.

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

It does not apply to the Group and thus will not affect its financial statements.

3.2 Segment reporting

A business segment is defined as a group of assets and operations engaged in providing goods and services which are subject to different risks and returns than those of other business segments.
A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.
The Group's business is active in Metallurgy, Constructions and in the Generation and Trading of Energy. Geographically the Group is activated in the Greek market, the Euro zone and Other Countries.

3.3 Consolidation

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

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

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

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

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

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

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

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

3.4 Group Structure

Group companies, included in the consolidated financial statements are:

	Percentage	Consolidation method
MYTILINEOS S.A. Maroussi, Athens	**Parent**	
METKA S.A., N. Heraklio, Athens	51.20%	Line by line
SERVISTEEL, Volos	51.19%	Line by line
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	20.48%	Line by line
З.К.П. A.T.E.E., Abelokipoi, Athens	20.48%	Line by line
RODAX A.T.E.E.N. Heraklio, Athens	51.20%	Line by line
ELEMKA A.E.,N Heraklio,Athens	42.75%	Line by line
ALUMINIUM OF GREECE S.A.	43.92%	Line by line
DELFI DISTOMON A.M.E.	43.92%	Line by line
ELVO, Thessaloniki	43.00%	Equity
SOMETRA S.A., SIBIU Romania	87.96%	Line by line
MYTILINEOS FINANCE S.A., Luxemburg	99.97%	Line by line
STANMED TRADING LTD , Cyprus	99.97%	Line by line
MYTILINEOS BELGRADE D.O.O., Serbia	99.97%	Line by line
MYVEKT INTERNATIONAL SKOPJE	99.97%	Line by line
RDA TRADING, Guernsey Islands	99.97%	Line by line
DEFENSE MATERIAL INDUSTRY S.A. - MYTILINEOS AND Co, Maroussi, Athens	100.00%	Line by line
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	100.00%	Line by line
INDUSTRIAL RESEARCH PROGRAMS "BEAT", Halandri. Athens	35.00%	Equity
G. SIDIROMETALLICA S.A.., Maroussi, Athens	50.00%	Line by line
HELLENIC COPPER MINES LTD, Cyprus	39.16%	Equity
GENIKI VIOMICHANIKI, Maroussi, Athens	Common management	Line by line
MYTILINEOS HELLENIC WIND POWER S.A. , Maroussi, Athens	80.00%	Line by line
AIOLIKI ANDROU TSIROVLIDI S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI ANDROU RAHI XIROKABI S.A.., Maroussi, Athens	80.20%	Line by line
AIOLIKI PLATANOU S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	80.20%	Line by line
AIOLIKI SIDIROKASTROU S.A, Maroussi, Athens	80.20%	Line by line

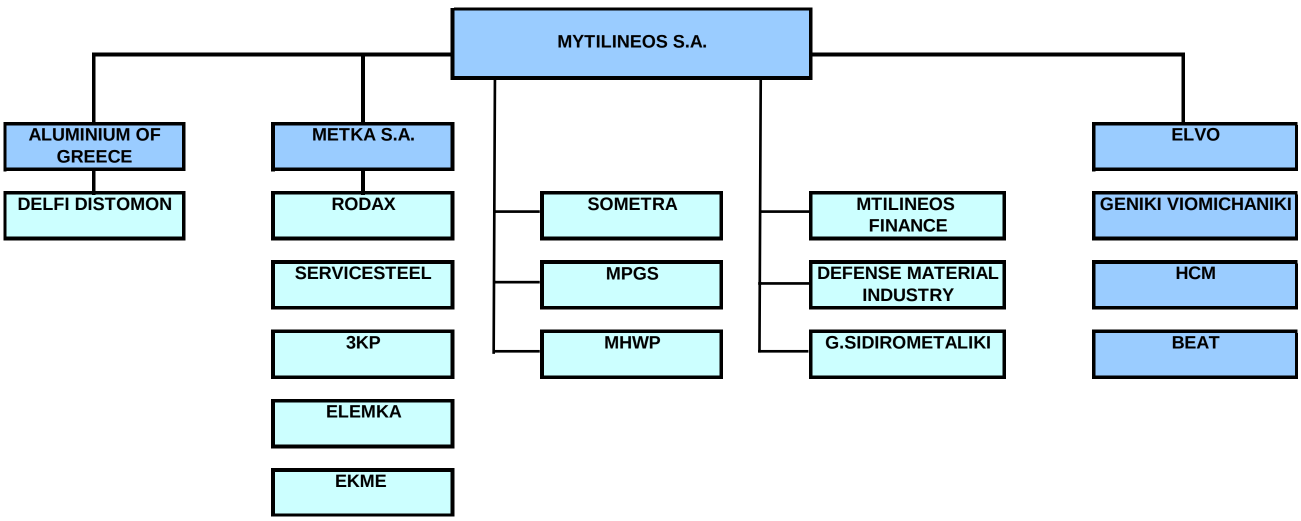
In the reporting period the Group acquired "Aluminum of Greece S.A." and its subsidiary "Delphes – Distomon S.A.M." at a cost of €68,98m , which is consolidated for the first time. As a result of this, Group's turnover is increased by €302.7m. (40,5%), Group's EBIT is increased by €71,09m (44,8%) and Group's Equity is increased by €407m (57,5%).

The Group consolidated "Aluminum of Greece S.A." from 01.01.2005, as this was the date that control was deemed to be acquired. "Control" is the right to lead the financial and business policies of an entity in order to receive benefits form its operation. "Control" over "Aluminum of Greece S.A.", was based on the Preliminary Purchase Agreement dated 28/12/2004, pending the final approval of the "Competition Committee". The final approval of the "Competition Committee" in 15/3/2005(formal –legal date of acquisition) modified the Preliminary Purchase Agreement in a Final Purchase Agreement. MYTILINEOS GROUP, started to exercise control over the financial and operational policies of "Aluminum of Greece S.A." and its subsidiary "Delphes – Distomon S.A.M.", from 01.01.2005, having essentially the power to approve, validate and manage their trading activities (purchases-sales).

Furthermore, the parent, in the light of its conversion in a pure "Holding" company which will manage all the firms belonging to the group, acquired in 29/12/2005 from its subsidiary "METKA S.A." the following stakes:

- 12,94% of the Share Capital of ELVO S.A.
- 33% of the Share Capital of MPGS S.A.
- 24% of the Share Capital of MHWP S.A.
- 1% of the Share Capital of "Aioliki Sidhrokastrou S.A."
- 1% of the Share Capital of "Aioliki Androu Tsirovlidi S.A."
- 1% of the Share Capital of "Aioliki Androu Rahi Xirokabi S.A."
- 1% of the Share Capital of "Aioliki Evoias Diakoftis S.A."
- 1% of the Share Capital of "Aioliki Evoias Helona S.A."
- 1% of the Share Capital of "Aioliki Evoias Pirgos S.A."
- 1% of the Share Capital of "Aioliki Evoias Pounta S.A."
- 1% of the Share Capital of "Aioliki Samothrakis S.A."
- 1% of the Share Capital of "METKA Aiolika Platanou S.A."
- 1% of the Share Capital of "Mytilineos Aioliki Neapoleos S.A."

Additionally, the parent transferred in 29/12/2005 to its subsidiary METKA S.A. the 83,5% of the share Capital of ELEMKA S.A. on the grounds of the general restructuring of the Group and due to the similar scope of business of the transferred firm to METKA S.A.



3.5 Foreign currency translation

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

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

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

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

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

3.6 Tangible assets

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

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

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

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

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

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

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

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

3.7 Intangible assets

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

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

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

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

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

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

3.8 Impairment of Assets

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

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

3.9 Financial instruments

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

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

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

These comprise assets that satisfy any of the following conditions:

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

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

ii) Loans and receivables

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

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

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

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

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

iii) Investments held to maturity

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

The Group did not hold investments of this category.

iv) Financial assets available for sale

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

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

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus costs directly related to the transaction. Costs directly related to the transaction are not added for items valued at fair value through the income statement. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

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

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

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

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

v) Cash Flow Hedging

The Group uses financial instruments (futures) as cash flow hedging instruments.
More specifically, the subsidiary "Aluminum of Greece S.A." has entered into "Future" contracts to cover part of its 2006 sales. These "Future" contracts regard monthly sales agreements in pre defined prices in the London Metal Exchange (LME). The company settles its position based on the average price prevailing at the settlement date.

In order for the group to follow "Hedging Accounting", it applies the amended IAS 39 according to which, a hedging relationship exists if the following are met:

i) At inception, there is official documentation about the hedging relationship and the company's intention regarding risk management and hedging strategy. The documentation has to make reference to the respective hedging instrument, the underlying, the nature of the hedged risk and the method that the company uses to test the hedging effectiveness for offsetting changes in the fair value of the underlying or the cash flows deriving from the hedged risk.

ii) Hedging is expected to be highly effective, regarding the offsetting of the changes in the fair value of the underlying or the cash flows deriving from the hedged risk, according to the company's official hedging strategy.

iii) Hedging effectiveness can be tested reliably. Thus, the fair value or the cash flows of the underlying and the fair value of the hedging instrument can be accurately and reliably measured throughout the hedging period.

For the cash flow hedges, the portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognized initially in Equity, while the ineffective portion is recognized directly in the income statement. The gains or losses recognized initially in Equity are transferred to the income statement in the period in which the hedged transaction impacts the income statement.

Hedging accounting is discontinued when the hedging instrument no longer qualifies for hedge accounting. At that point in time, any cumulative gains or losses recognized in Equity is kept in Equity until the forecasted transaction occurs. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in Equity, is transferred to the net profit and loss for the period.

3.10 Inventories

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

3.11 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their amortized cost using the method of the effective interest rate, less the provision for impairment. In the event that the amortized cost or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.
The relevant loss is immediately transferred to the period's profit and loss. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.12 Cash and cash equivalents

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

3.13 Non-current assets classified as Held for sale

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

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

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

3.14 Share capital

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

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

3.15 Income tax & deferred tax

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

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

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

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

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

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

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

3.16 Employee benefits

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

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

- **Defined contribution scheme**

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

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

- **Defined benefits scheme**

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

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

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

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

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

3.17 Grants

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

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

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

3.18 Provisions

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

3.19 Recognition of income and expenses

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

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

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

3.20 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.
These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

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

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

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

3.21 Construction contracts

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

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

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

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

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

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

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

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project.
When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

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

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

3.22 Dividend distribution

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

4. Business Risk Management

4.1 Financial Risk Factors

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

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

(a) evaluating the risks related to the Group's activities and operations

(b) design the methodology and choose the appropriate financial products to mitigate the risks and

(c) execute/implement, according to the approved procedure by the management, the risk management strategy.

4.2 Market Risk

(i) Foreign Exchange Risk

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

In Group level these financial instruments are characterized as exchange rate risk hedges for certain assets , liabilities or foreseen commercial transactions.

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

(ii) Price Risk

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

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

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

(iii) Interest rate risk.

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

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

4.3 Credit Risk

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

4.4 Liquidity Risk

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

5. Segment reporting

5.1 Primary reporting format – business segments

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

Segment's results are as follows:

01/01-31/12/05	Metallurgy	Constructions	Energy	Other	Total
Total gross segment sales	**705.898.791**	**232.503.394**	**-**	**-**	**938.402.186**
Inter-segment sales	**(191.658.666)**	**(115.031)**	**-**	**-**	(191.773.697)
Sales	**514.240.125**	**232.388.363**	**-**	**-**	**746.628.488**
Operating profit	92.494.792	46.807.085	(1.176.721)	(16.634)	138.108.521
Financial results	32.799.903	(13.381.173)	(189.107)	(917.315)	18.312.309
Share of profit/(loss) of associates	-	-	-	804.213	804.213
Profit from company acquisition	**-**	**-**	**-**	137.465.657	137.465.657
Profit before income tax	**125.294.695**	**33.425.912**	**(1.365.828)**	**137.335.921**	**294.690.700**
Income tax	(24.445.519)	(14.029.332)	(6.601)	(9.266)	(38.490.718)
Profit for the period	**100.849.175**	**19.396.580**	**(1.372.428)**	**137.326.655**	**256.199.982**
Segment Depreciation	**15.288.268**	**5.020.636**	**1.592**	**0**	**20.310.496**
EBITDA	**107.783.060**	**51.827.721**	**(1.175.129)**	**(16.634)**	**158.419.018**

01/01-31/12/04

	Metallurgy	Constructions	Energy	Other	Total
Total gross segment sales	**194.598.784**	**182.988.782**	**-**	**-**	**377.587.566**
Inter-segment sales	**(65.103.221)**	**(1.266.409)**	**-**	**-**	(66.369.630)
Sales	**129.495.563**	**181.722.373**	**0**	**0**	**311.217.936**
Operating profit	7.295.007	28.235.717	(335.411)	0	35.195.313
Financial results	(8.931.752)	(294.379)	(171)	(100.971)	(9.327.272)
Share of profit/(loss) of associates	0	0	0	3.314.619	3.314.619
Profit from company acquisition	0	119.107	-	0	119.107
Profit before income tax	3.461.494	28.262.002	(354.248)	(116.003)	29.301.766
Income tax	**(1.403.147)**	**(7.669.214)**	**(11.839)**	(10.757)	(9.094.958)
Profit for the period	**2.058.347**	**20.592.788**	**(366.087)**	**(126.760)**	**20.206.808**
Segment Depreciation	2.253.276	4.786.633	433	0	7.040.342
EBITDA	9.548.283	33.022.350	(334.978)	0	42.235.655

Segment's assets and liabilities are as follows:

31/12/2005

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

31/12/2004

	Metallurgy	Constructions	Energy	Other	Total
Assets	122,374,430	379,394,544	1,670,665	38,682,895	**542,122,534**
Unallocated assets	**-**	**-**	**-**	**-**	**21,828,799**
Consolidated assets	**122,374,430**	**379,394,544**	**1,670,665**	**38,682,895**	**563,951,333**
Liabilities	194,077,485	111,314,651	404,039	3,739,588	**309,535,763**
Unallocated liabilities	**-**	**-**	**-**	**-**	**16,630,817**
Consolidated liabilities	**194,077,485**	**111,314,651**	**404,039**	**3,739,588**	**326,166,580**

5.2 Secondary reporting format – geographical segments

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

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

	01/01-31/12/05	01/01-31/12/04
Greece	423,545,577	234,673,815
Eurozone	135,298,796	39,066,562
Other countries	187,784,117	37,477,560
TOTAL	**746,628,489**	**311,217,936**

Following there is an analysis of sales per type:

	01/01-31/12/05	01/01-31/12/04
Sales of merchandise	207.846.118	102.855.155
Sales of products	298.345.358	16.519.145
Sales of other inventory	2.485.449	0
Services	21.495.706	19.926.694
Sales of Property	1.732.529	0
Construction Contracts revenues	213.990.133	170.563.769
Other	733.196	1.353.173
	746.628.489	**311.217.936**

6. Notes on the Financial Statements

6.1 Tangible assets

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

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

	Land & Buildings	Vehicles & mechanical equipment	GROUP Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	88.473.853	67.998.429	5.484.734	5.129.538	167.086.553
Accumulated depreciation and/or impairment	(24.726.948)	(30.271.150)	(4.084.323)	-	(59.082.421)
Book value as at January 1st 2004	**63.746.905**	**37.727.279**	**1.400.411**	**5.129.538**	**108.004.132**
Gross Book value	81.666.572	72.901.576	6.149.989	1.535.808	162.253.945
Accumulated depreciation and/or impairment	(24.277.931)	(32.513.139)	(4.542.969)	-	(61.334.040)
Book value as at December 31st 2004	**57.388.640**	**40.388.436**	**1.607.020**	**1.535.808**	**100.919.904**
Gross Book value	260.753.468	556.544.166	19.713.447	66.774.590	903.785.671
Accumulated depreciation and/or impairment	(39.446.575)	(416.689.911)	(16.645.790)	-	(472.782.276)
Book value as at December 31st 2005	**221.306.893**	**139.854.255**	**3.067.657**	**66.774.590**	**431.003.395**

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2004	**63.746.905**	**37.727.279**	**1.400.411**	**5.129.538**	**108.004.132**
Additions	1.066.756	8.494.135	763.042	2.714.652	13.038.587
Sales - Reductions	(5.900.538)	(107.261)	(41.717)	(3.687.981)	(9.737.497)
Depreciation	(1.317.390)	(4.920.374)	(512.966)	0	(6.750.730)
Reclassifications	360.502	0	0	(2.515.449)	(2.154.947)
Net foreign exchange differences	(567.596)	(805.343)	(1.750)	(104.952)	(1.479.641)
Book value as at December 31st 2004	**57.388.640**	**40.388.436**	**1.607.020**	**1.535.808**	**100.919.904**
Additions from acquisition / consolidation of subsidiaries	163.643.404	99.219.832	1.435.033	60.208.949	324.507.217
Additions	471.954	4.322.678	613.523	17.387.150	22.795.304
Sales - Reductions	0	(594.229)	(1.881)	(370.081)	(966.191)
Depreciation	(1.130.220)	(4.895.868)	(587.443)	-	(6.613.531)
Reclassifications	(151.576)	(3.102)	2	(12.175.645)	(12.330.321)
Net foreign exchange differences	1.084.692	1.416.509	1.401	188.410	2.691.012
Book value as at December 31st 2005	**221.306.894**	**139.854.256**	**3.067.654**	**66.774.590**	**431.003.395**

COMPANY	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	19.082.826	754.341	929.455	2.986.792	23.753.414
Accumulated depreciation and/or impairment	(1.408.436)	(544.285)	(683.680)	-	(2.636.401)
Book value as at January 1st 2004	**17.674.390**	**210.056**	**245.775**	**2.986.792**	**21.117.013**
Gross Book value	13.226.896	607.598	917.697	-	14.752.191
Accumulated depreciation and/or impairment	(1.615.937)	(480.701)	(705.131)	-	(2.801.768)
Book value as at December 31st 2004	**11.610.959**	**126.897**	**212.566**	**-**	**11.950.423**
Gross Book value	13.183.163	626.916	990.254	-	14.800.333
Accumulated depreciation and/or impairment	(1.846.841)	(501.966)	(769.541)	-	(3.118.349)
Book value as at December 31st 2005	**11.336.322**	**124.950**	**220.712**	**-**	**11.681.984**

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2004	**17.674.390**	**210.056**	**245.775**	**2.986.792**	**21.117.013**
Additions	0	0	28.116	701.189	729.305
Sales - Reductions	(5.899.663)	(39.638)	(39.874)	(3.687.981)	(9.667.155)
Depreciation	(207.501)	(43.521)	(21.451)	-	(272.473)
Reclassifications	43.732	-	-	-	43.732
Net foreign exchange differences	-	-	-	-	-
Book value as at December 31st 2004	**11.610.959**	**126.897**	**212.566**	**-**	**11.950.422**
Additions from acquisition / consolidation of subsidiaries	-	-	-	-	-
Additions	-	24.608	72.557	-	97.164
Sales - Reductions	-	(5.290)	0	-	(5.290)
Depreciation	(230.904)	(21.265)	(64.411)	-	(316.580)
Reclassifications	(43.732)	-	-	-	(43.732)
Net foreign exchange differences	-	0	-	-	0
Book value as at December 31st 2005	**11.336.322**	**124.950**	**220.712**	**0**	**11.681.984**

6.2 Goodwill

Gross Book Value	123.814.570
Accumulated depreciation and/or impairment	0
Book Value as at January 1st 2004	**123.814.570**
Gross Book Value	123.814.570
Accumulated depreciation and/or impairment	0
Book Value as at January 1st 2005	**123.814.570**
Gross Book Value	102.273.669
Accumulated depreciation and/or impairment	0
Book Value as at December 31 st 2005	**102.273.669**

Book Value as at January 1st 2004	**123.814.570**
Additions	0
Reductions	0
Impairment	0
Book Value as at December 31 st 2004	**123.814.570**
Additions	1.311.645
Reductions	(22.852.545)
Impairment	0
Book Value as at December 31 st 2005	**102.273.670**

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

METKA S.A.	100.962.024
ALUMINIUM OF GREECE S.A.	106.678
MYTILINEOS HELLENIC WIND POWER S.A.	460.813
MYTILINEOS POWER GENERATION & SUPPLIES S.A.	744.154
TOTAL	**102.273.669**

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

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

For MHWP S.A. and MPGS S.A., the recoverable amount of the recognized goodwill, was assessed using their value in use.

	Carrying Amount	Recoverable Amount	Difference
METKA S.A.	125,5	239,9	114,4
ALUMINIUM OF GREECE S.A.	69,8	288,8	219,1

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

	Carrying Amount	Recoverable Amount	Difference
MYTILINEOS HELLENIC WIND POWER S.A.	3,3	3,6	0,3
MYTILINEOS POWER GENERATION & SUPPLIES S.A.	0,8	1	0,2

6.3 Intangible Assets

	Software	Other intangible assets	Total
Gross Book value	128.422	261.283	389.705
Accumulated depreciation and/or impairment	(107.322)	-	(107.322)
Book value as at January 1st 2004	**21.100**	**261.283**	**282.382**
Gross Book value	164.811	10.114.731	10.279.542
Accumulated depreciation and/or impairment	(134.339)	-	(134.339)
Book value as at December 31st 2004	**30.472**	**10.114.731**	**10.145.203**
Gross Book value	6.329.372	63.803.842	70.133.214
Accumulated depreciation and/or impairment	(5.369.649)	(50.286.282)	(55.655.931)
Book value as at December 31st 2005	**959.723**	**13.517.559**	**14.477.282**

	Software	Other intangible assets	Total
Book value as at January 1st 2004	**21.100**	**261.283**	**282.382**
Additions	36.389	9.980.000	10.016.389
Sales - Reductions	-	-	0
Depreciation	(27.017)	0	(27.017)
Reclassifications	0	-	-
Net foreign exchange differences	-	(126.552)	(126.552)
Book value as at December 31st 2004	**30.472**	**10.114.731**	**10.145.203**
Additions from acquisition of subsidiaries	947.143	4.158.450	5.105.593
Additions	3.976	0	3.976
Sales - Reductions	-	-	-
Depreciation	(11.638)	(811.036)	(822.674)
Reclassifications	(10.231)	-	(10.231)
Net foreign exchange differences	-	55.414	55.414
Book value as at December 31st 2005	**959.723**	**13.517.559**	**14.477.282**

The company MYTILINEOS S.A. did not hold any Intangible Assets as at 31/12/2005 and 31/12/2004

6.4 Investments in affiliated companies

	GROUP	
	31/12/2005	**31/12/2004**
Opening Balance	**35.272.639**	**29.958.019**
Share of profit / loss (after taxation and minority interest)	(1.411.236)	3.314.620
Additions	0	2.000.000
Reversal of received dividends	(2.000.000)	0
Balance at end of period	**31.861.403**	**35.272.639**

Investments in associates as at 31st December 2005 include Goodwill of € 11.903.243 regarding ELVO.

6.5 Deferred tax

	GROUP				COMPANY			
	31/12/2005		31/12/2004		31/12/2005		31/12/2004	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non Current Assets								
Intangible Assets	1.144.221	8.472	3.789.250	1.932.543	1.113.419	-	3.752.471	1.932.543
Tangible Assets	909.207	30.072.187	24.048	15.018.102	-	1.390.640	1.261	1.564.966
Financial assets available to sale	33.545	434.759	-	0	0	434.759	0	0
Current Assets								
Construction Contracts	7.847.596	7.443.174	4.245.025	4.199.290	-	-	-	-
Receivables	3.824.668	1.048	548.245	0	3.824.194	0	-	-
Financial assets available to sale	-	114.315	-	0	-	114.315	-	-
Financial assets at fair value	0	0	3.593.630	3.218.771	-	0	3.593.630	3.218.771
Reserves								
Reserves' defer tax liability	-	11.974.647		14.186.017		10.319.452-		12.454.512
Long-term Liabilities								
Employee Benefits	6.995.589	4.074	731.089	4.495	4.986	-	5.853	-
Other Long-term Liabilities	2.892.831	485.632	101.341	26.615	-	(38.075)	101.341	26.615
Short-term Liabilities								
Provisions	0	3.756.562	0	6.811.297	0	3.756.293	0	6.811.297
Employee Benefits	990.292	0	0	0	-	-	-	-
Liabilities from derivatives	163.772	-	6.926.188	1.918.561	-	-	6.926.188	1.918.561
Liabilities from financing leases	3.655	9.324	13.316	-	-	-	-	-
Other Short-term Liabilities	1.428.032	0	3.084	0	1.428.032	-	-	-
Other contingent defer taxes	-	1.000.000	-	12.384.942	-	1.000.000	-	11.384.942
Offsetting	(17.125.927)	(17.125.927)	(11.210.481)	(11.133.032)	0	0	(7.076.989)	(7.123.373)
Total	**9.107.480**	**38.178.269**	**8.764.735**	**48.567.601**	**6.370.631**	**16.977.385**	**7.303.756**	**32.188.835**

6.6 Financial assets available for sale

"Financial assets available for sale" include the Group's investments in " ELVAL S.A.", "VIOHALCO S.A." and " COMPANY OF INDUSTRIAL RESEARCH & METALS TECHONOLOGICAL DEVELOPMENTS". These investments are carried at fair values as at 31.12.2005, except from the company " COMPANY OF INDUSTRIAL RESEARCH & METALS TECHONOLOGICAL DEVELOPMENTS" for which no sufficient data existed to determine its fair value and is carried at cost.

The account also includes an amount of € 30.480.000, standing for the 4.63%, of the share Capital of the group's subsidiary "Aluminum Of Greece S.A." regarding the latter's treasury stock valued at fair market price as at 31.12.2005.

	GROUP	
	31/12/2005	31/12/2004
Balance at beginning of the period	**36.831**	**36.831**
Exchange rate differences	0	0
Additions		
- From acquisition of subsidiary	11.236.326	0
Sales/write-offs		
- Sale of Investment	364.951	-
- Aluminum of Greece - Treasury Shares	17.710.481	-
- Valuation of Treasury Shares at fair value	12.769.519	-
Balance at end of the period	**42.118.108**	**36.831**
Non-current assets	42.118.108	36.831
Current assets	-	-
	42.118.108	**36.831**

6.7 Other long-term receivables

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Customers- Withholding quarantees falling due after one year (from note 6.9)	1.982.000	3.149.013	0	0
Given Guarantees	743.958	429.512	143.965	134.829
Total other long-term liabilities	**2.725.958**	**3.578.525**	**143.965**	**134.829**

These receivables fall due after one year.

6.8 Inventories

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Raw materials	86.159.621	15.082.141	0	0
Semi-finished products	28.248.148	1.878.711	0	0
Finished products	12.741.162	2.237.341	666.445	1.152.757
Work in Progress	6.261.385	29.505.585	0	0
Merchandise	459.981	1.316.018	0	0
Others	22.816.815	1.757.105	0	0
Total	**156.687.112**	**51.776.901**	**666.445**	**1.152.757**
(Less) Provisions for scrap, slow moving and/or destroyed inventories:				
Raw materials	(40.125)	(144.444)	0	0
Semi-finished products	0	0	0	0
Finished products	0	0	0	0
Merchandise	(1.128.294)	0	0	0
Others	(1.170.888)	0	0	0
	(2.339.307)	**(144.444)**	**0**	**0**
Total Net Realizable Value	**154.347.805**	**51.632.457**	**666.445**	**1.152.757**

6.9 Customers and other trade receivables

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Customers	191.886.249	153.652.463	89.731.266	49.167.996
Notes receivable	3.815	6.131.052	0	6.119.237
Checks receivable	13.924.215	2.139.746	10.823.974	0
Less:Impairment Provisions	(681.081)	(135.223)	0	0
Net trade Receivables	**205.133.197**	**161.788.038**	**100.555.240**	**55.287.233**
Advances for inventory purchases	16.695.103	13.252.895	0	0
Total	**221.828.300**	**175.040.933**	**100.555.240**	**55.287.233**
Non-current assets (see note 6.7)	1.982.000	3.149.013	0	0
Current assets	219.846.300	171.891.920	100.555.240	55.287.233
	221.828.300	**175.040.933**	**100.555.240**	**55.287.233**

Receivables at fair value are as follows:

	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Customers	191.886.249	138.069.231	89.731.266	49.167.996
Receivable from customers for constructional contracts	0	15.583.232	0	0
Notes receivable	3.815	6.131.052	0	6.119.237
Checks receivable	13.924.215	2.139.746	10.823.974	0
Less:Impairment Provisions	(681.081)	(135.223)	0	0
Advances for inventory purchases	16.695.103	13.252.895	0	0
	221.828.300	**175.040.933**	**100.555.240**	**55.287.233**

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

	GROUP	
	01/01-31/12/2005	01/01-31/12/2004
Contractual Income recognized according to the percentage of completion method	219.548.732	170.563.769
Contractual costs incurred and recognized profit(minus recognized losses) up to year end	560.094.519	424.902.807

	GROUP	
	01/01-31/12/2005	01/01-31/12/2004
Advances received	37.244.011	5.821.748
Clients' holdings for good performance	13.695.006	11.525.595
Receivables for construction contracts according to the percentage of completion	43.393.018	15.583.432
Liabilities related to construction contracts according to the percentage of completion	(17.726.899)	(2.994.160)

6.10 Other receivables

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Other Debtors	19.733.839	16.319.385	17.825.588	14.859.364
Receivables from the State	63.552.658	2.334.449	2.976.127	1.387.316
Others Receivables	9.327.890	878.335	0	61.135
Less: Provision for Bad Debts	(21.494)	0	0	0
Net Receivables	**92.592.893**	**19.532.169**	**20.801.715**	**16.307.814**
Total	**92.592.893**	**19.532.169**	**20.801.715**	**16.307.814**
Non-current assets	0	0	0	0
Current assets	92.592.893	19.532.169	20.801.715	16.307.814
	92.592.893	**19.532.169**	**20.801.715**	**16.307.814**

Receivables at fair value are as follows:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Other Debtors	19.712.345	16.319.385	17.825.588	14.859.364
Receivables from the State	63.552.658	2.334.449	2.976.127	1.387.316
Others Receivables	9.327.890	878.335	0	61.135
	92.592.893	**19.532.169**	**20.801.715**	**16.307.814**

6.11 Other current Assets

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Prepaid expenses for construction contracts	0	4.854.622	0	0
Accrued income-Prepaid expenses	5.836.146	162.733	3.955.036	162.733
	5.836.146	**5.017.355**	**3.955.036**	**162.733**

6.12 Derivatives financial instruments

	31/12/2005 Assets	31/12/2005 Liabilities	31/12/2004 Assets	31/12/2004 Liabilities
Commoditiy derivatives				
Futures / Forwards	0	3,330,987	0	151,130
Currency & interest rates derivatives:				
Foreign exchange forwards	0	0	0	(513)
Currency / interest rate swaps	0	2,157,990	0	15,355,311
Total	**0**	**5,488,977**	**0**	**15,505,928**

All derivatives open positions as at 31.12.2005 and 31.12.2004 have been marked to market. Fair values of the "interest rate swaps", are confirmed by the financial institutions that the Group has as counterparties.

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

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

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

(CROSS CURRENCY INTEREST RATE SWAPS)

		Exchange of currencies		Exchange of interest-rates	
BANK	**Expiry**	**Receives**	**Pays**	**Receives**	**Pays**
Εθνική	19/6/2008	$11.142.669	€10.317.286	6μηνο Libor	6μηνο Euribor + 0,12%
Πειραιώς	19/6/2008	$9.333.000	€8.566.315	6μηνο Libor	6μηνο Euribor + 0,12%
Πειραιώς	19/6/2008	$9.333.000	€8.488.404	6μηνο Libor	6μηνο Euribor + 0,12%
Eurobank	19/6/2008	$9.333.000	€8.333.036	6μηνο Libor	6μηνο Euribor + 0,12%
Eurobank	19/6/2008	$9.333.000	€8.273.936	6μηνο Libor	6μηνο Euribor + 0,12%

(INTEREST RATE SWAPS)

BANK	Expiry	Share Capital	Exchange of interest-rates Receives	Pays
Eurobank	24/12/2006	$44.000.000	6μηνο Libor	12μηνο Libor

The balance of "Futures/Forwards" account contains an amount of € 564.730 regarding Cash Flow Hedging. The analysis of the above mentioned balance has as follows:

Fixed	Floating	Difference	Quantity	Mark to Market	P.V. of MtM
2.257,50	2.283,58	-26,08	5.000	-130.400	-129.860
2.257,50	2.284,31	-26,81	5.000	-134.050	-133.023
2.252,50	2.279,88	-27,38	5.000	-136.900	-135.279
2.237,50	2.271,34	-33,84	5.000	-169.200	-166.568
				-570.550	***-564.730***

6.13 Financial assets at fair value through the income statement.

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

	GROUP		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Opening Balance	21.828.799	19.562.946	13.548.551	12.360.369
Additions	3.004.820	3.468.158	742.124	1.802.193
Sales	(18.381.374)	(2.720.544)	(11.011.446)	(1.749.422)
Fair value adjustments	398.714	1.518.239	319.577	1.135.411
Exchange rate differences	(331.611)	0	0	0
Balance at end of the period	**6.519.348**	**21.828.799**	**3.598.807**	**13.548.551**

6.14 Cash and cash equivalents

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash	27,862,796	97,091	18,408	18,828
Bank deposits	29,700,111	7,439,135	668,658	1,835,373
Repos	5,166,451	3,980,000	0	0
Total	**62,729,358**	**11,516,226**	**687,066**	**1,854,201**

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

	1/1-31/12/2005	1/1-31/12/2004
Current in EUR	2,06%	2,03%
Current in USD	2,69%	1,51%

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

6.15 Total Equity

i) Share capital

	Number of shares	Common shares	Above par	Treasury shares	Total
Balance as at 1/1/2004	**40.520.340**	**24.312.204**	**183.906.926**	**(5.161.261)**	**203.057.869**
Share issue	0	0	0	-	**0**
Purchase of Parent's shares (Treasury Shares)	**-**	-	-	-	**-**
Sale of Parent's shares (Treasury Shares)	**-**	-	-	-	**-**
Balance as at 31/12/2004	**40.520.340**	**24.312.204**	**183.906.926**	**(5.161.261)**	**203.057.869**
Share issue	-	-		-	
Purchase of Parent's shares (Treasury Shares)	-	-	-	-	**-**
Sale of Parent's shares (Treasury Shares)	**-**	-	3.613.838	5.161.261	**8.775.099**
Balance 31/12/2005	**40.520.340**	**24.312.204**	**187.520.764**	**0**	**211.832.968**

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

	MYTILINEOS S.A.	ALUMINIUM OF GREECE S.A.	METKA
GENERAL	X	X	X
FTSE MID CAP 40	X	X	X
FTSE MID CAP 100	X	X	X
EPSI	X	X	X
HSBC SMALL CAP	X	X	X
MSCI SMALL CAP	X	X	
INDUSTRIAL MACHINERY			X
NON FERROUS METALS	X		
ALUMINIUM		X	

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

ii) Fair Value & Translation Reserves

	GROUP			
	FAIR VALUE RESERVES		TRANSLATION RESERVES	
	Hedging Reserves	Reserves from revaluations of Available for Sale Financial Assets	Reserves for translation exchange rate differences	Total
Balance at as January 1st 2004				**0**
Revaluation	0	0	0	**0**
Gross Total	0	0	0	
Less: Tax	0	0	0	
Exchange differences:	0	0	(1.596.271)	**(1.596.271)**
Group	0	0	0	
Affiliated	0	0	0	
Others	0	0	0	**0**
Balance at as December 31st 2004	**0**	**0**	**(1.596.271)**	**(1.596.271)**
Revaluation	0	0	0	**0**
Evaluation profit/loss transfered directly to equity	0	18.621.523	0	**18.621.523**
	0	(3.277.785)	0	**(3.277.785)**
Net investment hedging	(176.083)	0	0	**(176.083)**
Exchange differences:	0	0	(1.670.610)	**(1.670.610)**
Group	0	0	0	**0**
Affiliated	0	0	0	**0**
Others	0	0	0	**0**
Balance at as December 31st 2005	**(176.083)**	**15.343.738**	**(3.266.881)**	**13.497.045**

iii) Other Reserves

	GROUP					
	Statutory Reserve	Special reserves	Tax-free reserves	Financial instruments reserve	Other reserves	Total
Balance at as January 1st 2004	**5.081.996**	**(5.936.942)**	**1.163.384**	**(4.449.856)**	**3.045.068**	**(1.096.350)**
Exchange differences	0	0	0	0	0	**0**
Period variation	933.162	156.208	4.697.034	(4.754.571)	37.027	**1.068.859**
Others	0	0	0	0	0	**0**
Balance at as December 31st 2004	**6.015.158**	**(5.780.735)**	**5.860.418**	**(9.204.427)**	**3.082.096**	**(27.490)**
Exchange differences	0	0	0	0	0	**0**
Period variation	0	0	0	46.384	0	**46.384**
Others	0	0	0	0	0	**0**
Balance at as December 31st 2005	**6.015.158**	**(5.780.735)**	**5.860.418**	**(9.158.043)**	**3.082.096**	**18.894**

6.16 Loan liabilities

	GROUP		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Long Term Liabilities				
Bank loans	39.574.027	46.969.656	29.423.764	46.969.656
Leasing liabilities	15.142	0	0	0
Bonds	12.550.000	0	12.550.000	0
Other	0	0	0	0
Total Long-Term Loans	**52.139.169**	**46.969.656**	**41.973.764**	**46.969.656**
Short Term Liabilities				
Overdraft	34.134.277	10.479.455	30.581.917	6.121.633
Long term Bank Loan falling due within one year	24.683.954	21.238.281	24.683.954	21.238.281
Bank loans	17.359.617	35.762.558	0	6.087.664
Total Short Term Loans	**76.177.848**	**67.480.294**	**55.265.871**	**33.447.578**
Total Loans	**128.317.017**	**114.449.950**	**97.239.636**	**80.417.234**

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

	31/12/2005		
	€	US$	Other
Short Term Bank Loans	4.020%	6.036%	-
Long Term Bank Loans	2.745%	6.140%	-
Banking undertakings	4.020%	6.036%	-

	31/12/2004		
	€	US$	Other
Short Term Bank Loans	4.230%	4.290%	-
Long Term Bank Loans	-	4.180%	-
Banking undertakings	4.230%	4.290%	-

6.17 Employee benefit liabilities

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Balance Sheet liabilities for:				
Pension benefits	32.485.516	2.416.088	389.373	414.271
Total	**32.485.516**	**2.416.088**	**389.373**	**414.271**
Charges in the results:				
Pension benefits (provisions and payments)	4.900.532	(586.981)	60.408	(5.229)
Medical benefits after retirement	(4.321.748)	0	0	0
Total	**578.785**	**(586.981)**	**60.408**	**(5.229)**

The amounts registered in the consolidated balance sheet are the following:

	31/12/2005	31/12/2004
Present value of financed liabilities	15.176.459	0
Fair value of the plan's assets	(4.283.120)	0
	10.893.339	0
Present value of non-financed liabilities	21.592.178	2.416.088
	21.592.178	2.416.088
Balance Sheet Liability	**32.485.516**	**2.416.088**

The amounts included in the consolidated Income Statement are as follows:

Current employment cost	3.536.086	(586.981)
Net actuarialy (profits)/ losses realised for the period	1.253.571	0
Amount included in employees' benefits	**4.789.657**	**(586.981)**

The main actuarial assumptions used for accounting purposes are the following:

	31/12/2005	31/12/2004
Discount rate	5.2%	4.5%
Future wage and salary increase	3.5%	3.5%
Future pension increase	4.0%	4.0%
Inflation	2.5%	2.5%

6.18 Other long-term liabilities

	GROUP	
	31/12/2005	31/12/2004
Received guarantees - Grants-Leasing		
Opening balance	122.786	161.048
Additions	6.757.386	0
Transfer at profit/loss	(351.280)	0
Other	12.969	(38.262)
		0
Balance at end of period	**6.541.862**	**122.786**
Rights for using Assets acquired through compensative benefits		
Opening balance	9.980.000	0
Additions	0	9.980.000
Depreciation for the period	(688.230)	0
Balance at end of period	**9.291.770**	**9.980.000**
Advances of customers		
Opening balance	16.524.000	15.403.880
Additions	0	6.267.604
Depreciation for the period transferred at profit/loss	(798.763)	(5.147.484)
Balance at end of period	**15.725.237**	**16.524.000**
Total	**31.558.869**	**26.626.786**
Long Term Liabilities	28.534.975	25.832.541
Short Term Liabilities (see note 6.22)	3.023.894	794.245
	31.558.869	**26.626.786**

6.19 Provisions

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

	GROUP			
	Environmental Restoration	**Tax liabilities**	**Other**	**Total**
January 1st 2004	0	0	**784.135**	**784.135**
Additional provisions for the period	0	0	0	**0**
Unrealised reversed provisions	0	0	0	**0**
Exchange rate differences	0	0	0	**0**
Realised provisions for the period	0	0	(733.525)	**(733.525)**
December 31st 2004	0	0	**50.610**	**50.610**
- Long Term				*0*
- Short Term				*50.610*
Additions from acquisition of subsidiary	**7.480.511**	**1.200.000**	**3.214.814**	**11.895.325**
Additional provisions for the period	0	177.069	43.848	**220.918**
Unrealised reversed provisions	0	0	0	**0**
Exchange rate differences	0	0	0	**0**
Realised provisions for the period	0	(42.838)	0	**(42.838)**
December 31st 2005	**7.480.511**	**1.334.231**	**3.309.272**	**12.124.014**
- Long Term				*11.895.325*
- Short Term				*228.689*

6.20 Suppliers and other liabilities

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Suppliers	87.881.115	86.858.058	5.556.853	6.366.492
Customers' Advances	37.252.310	5.821.748	0	0
Liabilities to customers for project implementation	17.726.899	2.994.160	0	0
Total	**142.860.325**	**95.673.966**	**5.556.853**	**6.366.492**

6.21 Current tax liabilities

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Tax expense for the period	31.256.235	2.859.120	5.724.706	2.859.120
Tax audit differences	5.876.470	0	0	0
Tax liabilities	10.854.463	10.948.848	7.212.191	277.200
Total	**47.987.168**	**13.807.967**	**12.936.898**	**3.136.320**

6.22 Other short-term liabilities

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Liabilities to Related Parties	0	0	8.325.740	0
Accrued expense	6.041.746	1.952.355	0	1.737.150
Social security insurance	3.863.628	1.236.377	114.212	96.742
Dividends payable	1.668.139	1.318.435	876.744	684.355
Deferred income-Grants (from note 6.18)	3.023.894	794.245	0	0
Others Liabilities	17.031.608	4.560.516	294.389	2.047.617
Total	**31.629.015**	**9.861.927**	**9.611.085**	**4.565.864**

6.23 Cost of goods sold

	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Retirement benefits	(5.066.974)	(1.365.369)	0	0
Other emploee benefits	(91.740.022)	(23.761.764)	0	0
Inventory cost	(284.299.423)	(159.114.597)	(151.608.961)	(126.891.286)
Third party expenses	(62.771.741)	(43.722.995)	0	0
Third party benefits	(103.411.680)	(6.991.166)	0	0
Assets repair and maintenance cost	(659.942)	(1.546.637)	0	0
Operating leases rent	(305.788)	(1.079.738)	0	0
Taxes & Duties	(202.796)	(331.561)	0	0
Advertisement	(44.495)	(47.125)	0	0
Other expenses	(14.972.460)	(4.342.522)	0	0
Assets depreciation	(19.546.026)	(5.624.197)	0	0
	(583.021.347)	**(247.927.672)**	**(151.608.961)**	**(126.891.286)**

6.24 Administrative / Distribution expenses

DISTRIBUTION EXPENSES

	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Retirement benefits	(528)	(75)	0	0
Other emploee benefits	(3.465.246)	(2.569.971)	(1.746.630)	(1.213.179)
Inventory cost	(1.658)	(2.314)	0	0
Third party expenses	(2.868.693)	(1.678.502)	(1.993.792)	(518.767)
Third party benefits	(902.234)	(1.097.400)	(274.025)	(183.436)
Assets repair and maintenance cost	(55.163)	(41.362)	(44.053)	(27.882)
Operating leases rent	(24.769)	(100.889)	(38.669)	(57.101)
Taxes & Duties	(185.508)	(61.391)	0	(53.617)
Advertisement	(47.604)	(330.609)	(46.521)	(7.538)
Other expenses	(1.565.390)	(3.503.328)	(788.908)	(766.274)
Assets depreciation	(321.212)	(1.151.702)	(160.640)	(44.442)
Total	**(9.438.005)**	**(10.537.543)**	**(5.093.238)**	**(2.872.236)**

ADMINISTRATIVE EXPENSES

	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Retirement benefits	(339.084)	(398.451)	0	0
Other emploee benefits	(6.433.323)	(4.865.852)	(2.087.022)	(1.935.241)
Inventory cost	(577)	(424)	0	0
Third party expenses	(10.257.274)	(2.347.490)	(2.558.751)	(1.153.929)
Third party benefits	(1.570.215)	(1.158.888)	(183.036)	(274.010)
Assets repair and maintenance cost	(331.182)	(521.449)	(56.167)	(75.589)
Operating leases rent	(822.569)	(752.315)	(225.672)	(190.245)
Taxes & Duties	(204.086)	(288.945)	(0)	(117.888)
Advertisement	(170.321)	(274.964)	(64.363)	(88.127)
Other expenses	(2.906.801)	(2.429.057)	(735.283)	(1.243.669)
Assets depreciation	(791.629)	(1.275.122)	(160.666)	(265.286)
Total	**(23.827.061)**	**(14.312.957)**	**(6.070.959)**	**(5.343.982)**

6.25 Other operating income / expenses

	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Other operating income				
Grants amortization	36.937	37.211	0	0
Income from Subsidies	120.815	15.197	8.376	7.450
Compensations	3.625	44.955	220	687
Profit from foreign exchange differences	14.297.270	6.801.271	8.617.335	5.178.737
Rent income	1.631.101	0	59.479	56.601
Sales commission income	125.949	67.376	41.644	0
Other	4.085.810	5.332.742	30.376	4.393.097
Income from reversal of unrealized provisions	10.307.095	380.436	0	40.396
Profit from sale of fixed assets	261.312	75.602	0	3.376
Total	**30.869.916**	**12.754.790**	**8.757.430**	**9.680.345**
Other operating expenses				
Losses from foreign exchange differences	(12.277.849)	(3.957.276)	(10.450.096)	(3.443.174)
Provision for Bad Debts	(1.893.477)	(1.634.517)	0	0
Loss from sale of fixed assets	(38.434)	(19.587)	0	0
Other	(3.963.700)	(10.198.318)	(68.235)	(9.878.324)
Real estate tax and other taxes	(383.623)	(102.644)	(105.318)	0
Compensations	(4.546.388)	(86.899)	0	0
Total	**(23.103.470)**	**(15.999.241)**	**(10.623.649)**	**(13.321.497)**

6.26 Financial income / expenses

	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Interest income from:				
- Banks	2.615.332	191.094	21.507	4.189
- Customers	15.170	0	15.170	267.137
- Available for sale Investments	0	1.528.974	0	1.528.974
- Interest rate swaps	2.923.395	0	2.611.979	0
- Granted Loans	1.000	38.825	0	0
- Other	71.661	110.342	0	110.342
	5.626.559	**1.869.234**	**2.648.657**	**1.910.641**
Interest expenses from:				
- Discounts of Employees' benefits liability due to service termination	(148.129)	0	0	0
- Bank Loans	(5.947.610)	(5.048.830)	(5.925.197)	(3.757.656)
- Bank overdraft accounts	(1.180.497)	0	0	0
- Letter of Credit commissions	(4.715.403)	(733.737)	(23.482)	(39.040)
- Interest rate swaps	(2.695.596)	(2.815.448)	(2.695.596)	(2.815.448)
- Factoring	(151.082)	(987.207)	(151.082)	(987.207)
- Financial Leases	(1.170)	(2.877)	0	0
- Other Banking Expenses	(465.671)	(389.826)	(117.074)	(170.871)
	(15.305.158)	**(9.977.926)**	**(8.912.432)**	**(7.770.222)**

6.27 Other financial results

	GROUP		COMPANY	
	01/01-31/12/05	01/01-31/12/04	01/01-31/12/05	01/01-31/12/04
Derivatives:				
non-hedging derivatives	0	(4,474,810)	0	(4,474,810)
Profit / (loss) from fair value of other financial instrument through profit/loss	(75,082)	109,097	0	(530,454)
-Fair value profit	1,642,986	58,171	1,642,437	0
-Fair value losses	0	(2,631)	0	0
Profit / (loss) from the sale of financial instruments	26,213,425	1,150,736	33,548,201	932,223
Income from dividends	209,579	1,940,856	17,312,349	7,068,247
Total	**27,990,907**	**(1,218,581)**	**52,502,987**	**2,995,206**

6.28 Consolidations of companies

As at 1/1/2005 the Group proceed with the acquisition of a 46% stake in "Aluminium Of Greece S.A.". "Aluminium Of Greece S.A." was fully consolidated for the Period 1/1-31/12/2005 increasing the Group's Turnover by €302,7m (40,5%), Group's EBIT by €71,09m. (44,8%) and Group's Equity by €407m (57,5%).

From the acquisition a negative goodwill of €136.959.643 resulted and benefit the consolidated profit and loss according to the provisions of IFRS 3. This negative goodwill is analyzed as follows:

Date of acquisition	***01/01/2005***	
Acquired percentage	*46%*	
Shares (Total) :	*21,578,040*	
Acquired shares :	*9,925,900*	
Acquired percentage	*46%*	
Par value (per share) :	*10.58*	
Acquisition price (per share.) :	*6.95*	
Cost of acquisition		
- Cash paid	59,059,105	
- Direct expenses related to acquisition	1,561,711	
Total value of acquisition	**60,620,816**	
Less: Fair value of Assets and Liabilities acquired	**197,580,459**	
Profit from acquisition		***136,959,643***

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

	Book value	**Fair value**
	Λογιστική Αξία	Εύλογη Αξία
Property, plant and equipment	274,910,762	274,910,762
Intangible assets	4,381,977	4,381,977
Deferred tax asset	1,440,274	1,440,274
Financial assets available-for-sale	5,469,676	5,469,676
Other non-current	122,551	122,551
Inventories	47,601,770	47,601,770
Trade and other receivables	56,019,144	56,019,144
Other assets	54,086,556	54,086,556
Cash and cash equivalents	114,030,364	114,030,364
Deferred tax liabilities	(3,403,920)	(3,403,920)
Pension plans	(38,179,875)	(38,179,875)
Other non-current liabilities	(4,849,353)	(4,849,353)
Provisions	(17,574,815)	(17,574,815)
Trade and other payables	(17,839,927)	(17,839,927)
Tax payable	(31,246,560)	(31,246,560)
Other current liabilities	(15,440,106)	(15,440,106)
Minority interest	0	(2,691)
Total equity		**429,528,518**
Acquired percentage		*46%*
Fair value		***197,580,459***

6.29 Income tax

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

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Income Tax	35.691.701	11.166.440	4.448.843	2.649.838
Tax Audit differences	3.979.080	130.636	0	0
Deferred taxation (Note 6.5)	(1.180.063)	(2.202.118)	(3.583.382)	(1.246.691)
Total	**38.490.718**	**9.094.958**	**865.461**	**1.403.147**

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Earnings before tax	256.199.982	20.206.809	45.700.376	7.046.407
Nominal Tax rate	32%	35%	32%	35%
Presumed Tax on Income	**81.983.994**	**7.072.383**	14.624.120	2.466.242
Adjustments for non taxable income				
- Non taxable income	(26.809.885)	(167.133)	(21.726.934)	(5.573.635)
- Profit on acquisitions	(43.989.010)	(81.335)		
- Other	(2.184.668)	(3.045.952)		(330.116)
Adjustments for non deductible expenses for tax purposes				
- Goodwill Impairment				
- Non tax deductible expenses	23.004.850	6.567.418	2.157.871	6.087.347
- Other	3.686.421	821.059	496.100	
Realized Tax on Income	**35.691.701**	**11.166.439**	**4.448.843**	**2.649.838**

6.30 Earnings per share

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Profit attributable to Shareholders of the parent	211.539.021	12.040.208	44.834.915	5.643.259
Weighted average number of shares	40.520.340	40.520.340	40.520.340	40.520.340
Basic earnings per share	5,22	0,30	1,11	0,14

6.31 Cash flows from operating activities

	GROUP		COMPANY	
	2005	2004	2005	2004
Cash flows from operating activities				
Profit for the period:	256.199.982	20.206.808	44.834.915	5.643.259
Adjustments for:				
Tax	38.490.718	9.094.958	865.461	1.403.147
Depreciation of property, plant and equipment	18.496.167	7.056.701	321.306	309.728
Depreciation of intangible assets	2.079.760	20.852	0	0
Impairments	0	0	0	0
Provisions	1.712.960	1.666.441	0	0
Income from reversal of prior years' provisions	(387.489)	(1.579.291)	(24.898)	0
Profit/Loss from sale of tangible assets	(287.649)	(52.639)	0	0
Profit/Loss from fail value of investments in real estate	(14.266.349)	0	0	0
Profit/Loss from fair value valuation of derivatives	(11.488.184)	0	(11.488.184)	0
Profit/Loss from fair value valuation of fianancial assets at fair value through profit and loss	74.533	2.752	0	0
Profit/Loss from sale of held-for-sale fianncial assets	(7.000.182)	(58.171)	0	0
Profit/Loss from sale of inancial assets at fair value through profit an loss	(4.510.199)	(1.998.273)	(33.548.201)	(935.595)
Interest income	(5.804.488)	(2.446.371)	(2.648.657)	(1.910.158)
Interest expenses	14.864.947	9.311.829	8.912.432	7.159.894
Dividends	(240.188)	(278.209)	(17.312.349)	(5.512.728)
Grants amortization	(265.430)	(37.211)	0	0
Profit from company acquisition	(137.465.657)	(232.387)	0	0
Parent company's portion to the profit of associates	(1.445.398)	(3.174.339)	0	0
Loans Exchange differences	8.317.207	0	8.522.889	0
Other exchange differences	4.388.299	566.687	6.522.881	0
	161.463.358	**38.070.137**	**4.957.595**	**6.157.549**
Changes in Working Capital				
(Increase)/Decrease in stocks	(56.506.175)	(5.243.331)	486.311	10.178
(Increase)/Decrease in trade receivables	(124.712.785)	(72.866.976)	(51.790.888)	7.143.486
(Increase)/Decrease in other receivables	(504.291)	(11.027.403)	(6.596.863)	(3.485.062)
Increase/ (Decrease) in liabilities	156.847.217	61.084.889	4.090.158	459.416
Provisions	(6.690.339)	0	0	0
Pension plans	24.898	0	24.898	0
Other	0	(618.369)	0	0
	(31.541.475)	**(28.671.190)**	**(53.786.384)**	**4.128.018**
Net Cash flows from operating activities	**129.921.884**	**9.398.947**	**(48.828.790)**	**10.285.567**

6.32 Analysis of IFRS first time application adjustments

ADJUSTMENTS TO EQUITY	31/12/2004	31/12/2003	31/12/2004	31/12/2003
Total equity according to Greek GAAP	**250,908,760**	**249,527,338**	**212,233,170**	**211,589,860**
Adjustments due to the application of IFRS				
Reclassification of grants from equity to non current liabilities	(111,838)	(149,048)	0.00	0
Impact from the revaluation of property, plant and equipment	46,738,115	52,006,496	4,886,578.98	5,005,684
Impact from derecognition of formation and other capitalised expenses	(5,978,723)	(3,455,624)	(5,687,273)	(1,939,845)
Impact from constuction contracts	61,390	(2,390,755)	0.00	0
Recognition of dividents at the period that are approved by the General Assemply	8,104,068	4,052,034	8,104,068	4,052,034
Measurement of investments in subsidiaries at cost	697,062	695,738	697,062	695,738
Valuation of Available for sale financial assets at fair value	(943,640)	(9,346)	0.00	0
Valuation of financial assets at fair value through profit loss	1,427	228,856	0.00	0
Recognition of accrued employee benefits	(1,760,581)	(2,361,593)	(79,181)	(73,952)
Recognition of finance leases	2,212	9,505	0.00	0
Provisions for doubtfull debts	(15,176,866)	(13,636,337)	0.00	0
Exchange differences reserve	0	0	0.00	0
Recognition of deffered tax	(39,802,866)	(42,930,332)	(24,885,079)	(26,178,154)
Goodwill adjustments	(7,265,316)	(19,636,108)	0.00	0
Adjustments from consolidation of investments associates under the equity method	(3,139,516)	(1,406,439)	0.00	0
Recognition of derivative financial instruments	(15,505,928)	(11,440,516)	(15,505,928)	(11,440,516)
Impact from consolidation of subsidiaries	0	472,100	0.00	0
Valuation of financial assets at fair value	(1,171,436)	(2,726,956)	(1,171,436)	(2,726,956)
Measurement of loans under effective interest method	(324,579)	59,452	(324,579)	59,452
Provision for income tax for interim period	0	0	0	0
Recognition of exchange differences to profit and loss	22,453,009	18,880,794	21,294,347	18,880,794
Total adjustments	**(13,124,006)**	**(23,738,080)**	**(12,671,419)**	**(13,665,720)**
Total equity according to IFRS	**237,784,753**	**225,789,258**	**199,561,751**	**197,924,140**

ADJUSTMENTS TO PROFIT AND LOSS	**31/12/2004**	**31/12/2003**
Results for the period according to Greek GAAP	**15,292,282**	**8,653,271**
Adjustments due to the application of IFRS		
Impact from derecognition of formation and other capitalised expenses	3,782,117	3,748,306
Impact from construction contracts	2,197,223	0
Impact from adjustments to the useful life and net value of tangible assets	(2,377,183)	(24,998)
Reversal of depreciations of formation expenses, capitalised under Greek GAAP	1,444,588	0
Valuation of financial assets at fair value through profit loss	1,328,606	1,556,032
Recognition of accrued employee benefits	661,903	55,662
Measurement of loans under effective interest method	(591,860)	(591,860)
Reversal of goodwill amortization	7,022,325	0
Measurement of investments in subsidiaries at cost	1,324	1,324
Reversal of provisions for doubtfull debts	0	0
Provisions for doubtfull debts	(1,540,529)	0
Profit from company aqcuisition	232,386	0
Profit from company merge	0	0
Recognition of finance leases	(7,293)	0
Recognition of deffered tax	2,213,540	1,246,691
Derecognition of goodwill	0	0
Impact from the consolidation of investments in associates under equity method	(1,733,077)	0
Recognition of derivative financial instruments	(4,065,412)	(4,065,412)
Provision for income tax for interim period	-	0
Prior years' tax differences	-	0
Recognition of dividents at the period that are approved by the General Assemply	-	0
Recognition of exchange differences to profit and loss	(3,654,131)	(4,935,755)
Total adjustments	**4,914,527**	**(3,010,011)**
Results according to IFRS	**20,206,809**	**5,643,259**

(i) – Impact from the revaluation of property, plant and equipment at deemed cost at 31st December 2003

Property, plant and machinery was revalued on transition date to IFRS (1/1/2004) at deemed cost according to IFRS 1. The deemed cost is the fair value of the asset on transition date which was defined by an independent real estate valuator.

Other tangible assets (mainly vehicles, office furniture and computers) were valued at historic cost less accumulated depreciation. The depreciation of these fixed assets were readjusted based on their useful life. Specifically, the adjustments resulted from the revaluation of fixed assets as at the transition date to IFRS are analyzed at the following tables:

	GROUP	**COMPANY**
Fair value as deemed cost according to IFRS	82.464.123	17.718.123
Book value on transition date according to Greek GAAP	30.905.438	12.712.438
Total adjustment to Book Value	**51.558.684**	**5.005.684**
Book value on transition date according to IFRS (depreciation based on useful life)	6.316.623	3.442.623
Book value on transition date according to Greek GAAP (depreciation according to PD 100/98)	5.798.722	3.442.623
Total adjustment to Book Value	**517.901**	**0**
Total adjustments	**52.076.585**	**5.005.684**

The adjustments for 2004 are due:

- to revaluations in Land and Buildings based on the provisions of L. 2065, recognized under the previously applied accounting principles
- to the recalculation of accumulated depreciation until 2003 and depreciation charge for 2004 based on the new revalued amounts and according to the assets' useful life.

(ii) – Impact from construction contracts

The accounting treatment of income and expense recognition from construction contracts, is based on the provisions of IAS 11 that requires revenues to be recognized to profit and loss using the percentage of completion method. Under this method contract revenue is matched with the contract costs incurred in reaching the stage of completion resulting in the reporting revenue, expenses and profit which can be attributed to the proportion of the work completed. In addition any expected loss on individual contracts is recognized immediately as an expense in the income statement. The effect to Group's Equity is as follows:

	GROUP	
	1/1/2004	31/12/2004
Write off, of actual cost of construction contracts which haS been completed, but according to previous GAAP had been recognized as inventory	-13.588	-12.732
Recognition of contract revenue according to the percentage of completion.	11.973	12.589
Recognition of provision for expected loss on individual contract	-777	-51
Total Adjustment due to the application of IAS 11	***-2.392***	***-194***

Due to the re-estimation of income and expenses generated from construction contracts on 31/12/2004, Group's cost of sales, was decreased by € 855k, while Group's Turnover and Other income was increased by € 617k and € 725k respectively. Other income, refers to the reversal of provisions for losses from construction projects, completed within 2004.

For the period ended 31st December 2004 the consolidated profit and loss was charged with an amount of € 222k.

(iii) – Financial instruments

The Group classified, on transition date (1/1/2004) according to IFRS 1, its financial instruments as "financial assets available-for-sale", "derivative financial instruments" and "financial assets at fair value through profit and loss".

Financial instruments that can be reliably measured, were revalued on transition date at their fair values (i.e. for listed shares the closing price as at the balance sheet date was used).

As a result, on transition date (31.12.2003), an amount of € 11.440k (€ 11.037k related to interest and cross currency swaps, and € 560k related to commodity derivatives), resulted from the difference between the valuation under IFRS and the valuation under the previously applied accounting principles(which did not require the valuation of such instruments), was recognised as a liability and charged to Group's Equity. Respectively, the cumulative impact on the Group's Equity as at 31.12.2004 amounted to € 15.506k, while the profit and loss for the year ended at 31.12.2004 was charged with an amount of € 4.065k.

Any gain or loss arising from a change in the fair value of financial assets held-for-sale at the transition date to IFRS is transferred to reserves, while gains or losses arising from a change in the fair value of "derivative financial instruments" and "financial assets at fair value through profit and loss" is recognized in profit or loss for the period.

(iv) – Pension obligations and short term employee benefits

According to International Accounting Standards the Group recognizes as liability the present value of its legal obligation for retirement compensation. Based on the previously applied accounting principles retirement expenses were recognized on a cash basis. The above mentioned liability on transition date for the Group, amounted to € 2.978k (€ 414k for the parent company), which was estimated by an actuarial study.
Specifically, the relevant study regarded the examination and calculation of the actuarial figures required form the provisions of the International Accounting Standards (IAS 19), which must be presented in the Balance Sheet and Income Statement.

The date on which the liability was first estimated was on 31 December 2004 (or 01.01.2005). In order to estimate the liability respectively for 31 December 2003 (or 01.01.2004) the same actuarial assumptions were used.

As a result, Group's profit for 2004 was increased by € 661k due to a decrease of the number of employees of METKA A.E. The respective increase in Company's profit for the same period amounted to € 55k.

(v) – Not recognized consolidation differences as Goodwill

The Group, according to the optional exception provided by IFRS 1 regarding goodwill recognition and measurement, used the option not to apply IFRS 3 retrospectively, thus not re-measuring any goodwill generated by acquisitions of subsidiaries prior to transition date.

In addition, examining cost/benefit from the analytical application of IFRS3 regarding the recognition of goodwill amounted to € 140.489k determined according to previous GAAP, the Group did not recognise goodwill amounted to € 16.674k.

Thus on transition date recognized goodwill amounted to € 123.814k. Consolidated profit for the year ended at 31.12.2004 was increased by € 7.022k regarding reversal of goodwill amortization charged to profit & loss according to previous GAAP.

Goodwill recognized on transition date at the balance sheet as Asset is analyzed as follows:

	Recognized Goodwill 31/12/2003
METKA S.A.	122.987.041
MHWP S.A.	320.732
MPGS S.A.	506.797
TOTAL	***123.814.570***

The group tests goodwill on an annual basis for possible impairment according to IFRS 3, assessing the expected cash flows, generated from each subsidiary. When indications of impairment occurs, then the estimated amount of impairment is deducted from goodwill and charged to profit and loss.

(vi) – Impact from consolidation of investments in associates under the Equity method

The Group applies the Equity method of IAS 28, in order to consolidate Investments in associates. Investments in Associates at the date of transition includes "ELVO", HELLENIC COPPER MINES" and "B.E.A.T.".

As a result on transition date, an amount of € 1.406k was charged to consolidated profit and loss.

Impact to Group's Equity arising from the consolidation of investments in associates is related to adjustments in their financial statements in order to be consistent with IFRS.

In addition, examining cost/benefit from the analytical application of IFRS 3 regarding the recognition of goodwill which was determined according to previous GAAP, the Group did not recognise goodwill amounted to € 2.961k.

The unamortized goodwill arising from the consolidation of investments in associates amounted to € 11.289k relates to investment in ELVO.

The group tests goodwill on an annual basis for possible impairment according to IFRS 3, assessing the expected cash flows, generated from each associate. When indications of impairment occurs, then the estimated amount of impairment is deducted from goodwill and charged to profit and loss

(vii) – Dividend distribution

Against previously recognized accounting principles, dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which they are approved by the General Assembly.

(viii) – Recognition of exchange differences gains

Accumulated provision for exchange differences gains, formed under previous GAAP, was transferred to Equity on 31/12/2003. In 2004 all exchange differences (gains/losses) were transferred to profit and loss as incurred.

(ix) – Provision for bad debts.

On transition date a cumulative provision for bad debts was deducted from Group's Equity. The amount of the provision was determined based on the audit reports of the financial statements on transition date, according to previous GAAP.

6.33 Correction in transition adjustments

The above stated (under 6.32) adjustments due to the transition to IFRS, differ from the respective tables in the published financial statements covering the periods 01/01-31/03/2005, 01/01-30/06/2005 and 01/01-30/09/2005. The differences stem form the finalization of the transition adjustments mainly regarding a reassessment of estimates for deferred taxes as well as the final decision for the Group's accounting principles. The differences between the published figures and the above mentioned corrections are presented at the following table:

	GROUP							
	1/1/2004	**31/3/2004**	**30/6/2004**	**30/9/2004**	**31/12/2004**	**31/3/2005**	**30/6/2005**	**30/9/2005**
Shareholders' Equity as published in interim Financial Statements	***237.775.895***	***241.846.144***	***240.856.138***	***248.151.997***	***250.265.099***	***644.450.348***	***642.224.983***	***634.113.787***
Corrections								
Other contingent taxes	*(11.986.637)*	*(11.986.637)*	*(11.986.637)*	*(11.986.637)*	*(12.480.346)*	*(12.480.346)*	*(12.480.346)*	*(12.480.346)*
Adjusted Shareholders' Equity	***225.789.258***	***229.859.507***	***228.869.501***	***236.165.360***	***237.784.753***	***631.970.002***	***629.744.637***	***621.633.441***
Earnings after tax (according to IAS) for the years/periods as published in interim Financial Statements	***0***	***4.275.368***	***10.397.815***	***17.859.098***	***20.673.590***	***148.675.055***	***179.761.786***	***193.607.987***
Corrections								
Other contingent taxes					*(466.782)*		*10.694.942*	*10.694.942*
Adjusted Earnings after tax	***0***	***4.275.368***	***10.397.815***	***17.859.098***	***20.206.809***	***148.675.055***	***190.456.728***	***204.302.929***

	COMPANY							
	1/1/2004	**31/3/2004**	**30/6/2004**	**30/9/2004**	**31/12/2004**	**31/3/2005**	**30/6/2005**	**30/9/2005**
Shareholders' Equity as published in interim Financial Statements	***208.969.082***	***209.770.352***	***214.141.770***	***218.005.488***	***210.946.692***	***211.287.365***	***211.815.736***	***217.217.595***
Corrections								
Other contingent taxes	*-11.044.942*	*-11.044.942*	*-11.044.942*	*-11.044.942*	*-11.384.942*	*-11.384.942*	*-11.384.942*	*-11.384.942*
Adjusted Shareholders' Equity	***197.924.140***	***198.725.410***	***203.096.828***	***206.960.546***	***199.561.751***	***199.902.423***	***200.430.795***	***205.832.654***
Earnings after tax (according to IAS) for the years/periods as published in interim Financial Statements	***0***	***801.270***	***9.224.722***	***13.088.439***	***5.983.259***	***340.673***	***9.016.844***	***14.418.703***
Corrections								
Other contingent taxes					*-340.000*		*10.694.942*	*10.694.942*
Adjusted Earnings after tax	***0***	***801.270***	***9.224.722***	***13.088.439***	***5.643.259***	***340.673***	***19.711.786***	***25.113.645***

Additionally the Group, using the exception of IFRS 1, did not confront to the provisions of IAS 21. As a result, at 01.01.2004 the Group reclassified translation exchange rate differences, related to foreign investments, of € 7.325.712 from the "Translation Reserves" to "Retained Earnings", without any impact on the Group's Equity.

6.34 Pledge of assets

There are no pledges on Group's assets.

6.35 Commitments

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

	THE GROUP		THE COMPANY	
Commitments from construction contracts	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Value of pending construction contracts	445.822.976	441.778.876	0	0
Granted guarantees of good performance	77.166.752	128.896.702	0	0
Total	**522.989.728**	**570.675.578**	**0**	**0**

6.36 Contingent Assets & Contingent Liabilities

Disclosures related to contingent assets

The account of assets "Other receivables" includes a litigation claim of the parent company from Export Credit Insurance Organization (ECIO), amounting to 4 14.509.364. The above claim has been granted to the company (decision EA 6619/2004) by the Court of Appeal of Athens. According to the Court's decision ECIO is obliged to pay to MYTILINEOS A.E. compensation which amounts to 4 16.069.095,48 plus interest, until full repayment and ensured by an equal amount letter of credit. There are no other litigations which have an important impact on company's and Group's financial position.

Disclosures related to contingent liabilities

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

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

COMPANY	YEARS NOT INSPECTED BY TAX AUTHIRITIES
MYTILINEOS S.A. Maroussi, Athens	2003-2005
METKA S.A., N. Heraklio, Athens	2005
SERVISTEEL, Volos	2003-2005
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	2001-2005
3.Κ.Π. A.T.E.E., Abelokipoi, Athens	2003-2005
RODAX A.T.E.E.N. Heraklio, Athens	2001-2005
ELEMKA A.E.,Heraklio, Athens	1999-2005
ALUMINIUM OF GREECE S.A.	2004 -2005
DELFI DISTOMON A.M.E.	2002-2005
ELVO, Thessaloniki	2004-2005
SOMETRA S.A., SIBIU Romania	
MYTILINEOS FINANCE S.A., Luxemburg	2000-2005
STANMED TRADING LTD , Cyprus	2003-2005
MYTILINEOS BELGRADE D.O.O., Serbia	1999-2005
MYVEKT INTERNATIONAL SKOPJE	1999-2005
RDA TRADING, Guernsey Islands	1999-2005
DEFENSE MATERIAL INDUSTRY S.A. - MYTILINEOS AND Co, Maroussi, Athens	2003-2005
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	2003-2005
INDUSTRIAL RESEARCH PROGRAMS "BEAT", Halandri. Athens	2003-2005
G. SIDIROMETALLICA S.A.., Maroussi, Athens	2002-2005
HELLENIC COPPER MINES LTD, Cyprus	
GENIKI VIOMICHANIKI, Maroussi, Athens	2003-2005
MYTILINEOS HELLENIC WIND POWER S.A. , Maroussi, Athens	2003-2005
AIOLIKI ANDROU TSIROVLIDI S.A., Maroussi, Athens	2003-2005
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	2003-2005
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	2003-2005
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	2003-2005
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	2003-2005
AIOLIKI ANDROU RAHI XIROKABI S.A.., Maroussi, Athens	2003-2005
AIOLIKI PLATANOU S.A., Maroussi, Athens	2003-2005
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	2003-2005
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	2003-2005
AIOLIKI SIDIROKASTROU S.A, Maroussi, Athens	2003-2005

During the reporting period, tax authorities' inspection assessed tax differences, amounting to € 10.874.788. The assessed tax differences are offset against relevant provisions.

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

Other Contingent Assets & Liabilities

The Group has accumulated claims amounting to € 2,200k from insurance companies, relating to damages incurred at the construction process. The outcome of the above mentioned claims is in the stage of finalization by the insurance companies. In addition the Group has submitted demands to its construction customers, amounting to € 1.500k for executed work that is not related to Contractual Obligations.

The European Union (EU) according to KIOTO's convention has engaged to reduce Co2 emissions responsible for the "greenhouse effect". Therefore, it has issued a decision that allows for the trading of Co2 emissions.

From the 1st of January 2005 ALUMINIUM OF GREECE has been made aware of its allocation of the Greek National Allocation Plan for CO2 emissions as approved by the EU Commission. From 01.01.2006 the group will apply IFRIC 3 to present any contingent liabilities that may arise from that aspect.

6.37 Sale of Treasury Shares

During the reporting period the Group sold treasury shares. Profit amounting to € 3.613.838, was transferred directly to Equity (share premium).

6.38 Dividends Payable

In the current period the Group paid a total amount of € 40.401.731 for Dividends to the Group Companies Shareholders, out of which an amount of € 17.736.977 regards inter company dividends.

In addition an amount of € 9.925.900 was received as dividend from the Subsidiary "Aluminum Of Greece" which was acquired at 1/1/2005.

This dividend constitutes distribution of reserves prior to acquisition, thus decreasing the cost of the acquisition and increasing equally the amount of negative goodwill that the group has reported in the profit and loss for the year.

6.39 Number of employees

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Full time employees	3.314	3.696	63	68
Part time employees	419	598	2	2
Total	**3.733**	**4.294**	**65**	**70**

6.40 Related party transactions

INTERCOMPANY SALES - PURCHASES
01/01-31/12/05

SALES \ PURCHASES	MYTILINEOS S.A.	WIND POWER GROUP	POWER GENERATION & SUPPLY	GENIKI VIOMICHANIKI	DEFENSE MATERIAL INDUSTRY	SIDIROMETALLICA	MYTILINEOS FINANCE S.A.	ALLUMINIUM OF GREECE (AoG)	METKA	ELEMKA	SOMETRA S.A.	ELVO	TOTAL
MYTILINEOS S.A.		19,159	1,742	1,742	1,742	720	0	0	1,454,780	28,722	75,022,453	170,520	**76,701,578**
WIND POWER GROUP	0		0	0	0	0	0	0	0	0	0	0	**0**
POWER GENERATION & SUPPLY	0	0		0	0	0	0	0	0	0	0	0	**0**
GENIKI VIOMICHANIKI	0	0	0		0	0	0	0	0	0	0	0	**0**
DEFENSE MATERIAL INDUSTRY	0	0	0	0		0	0	0	0	0	0	0	**0**
SIDIROMETALLICA	0	0	0	0	0		0	0	0	0	0	0	**0**
MYTILINEOS FINANCE S.A.	543,012	0	0	0	0	0		12,413,308	0	0	37,111	0	**12,993,430**
ALLUMINIUM OF GREECE (AoG)	0	0	6,963	0	0	0	79,388,156		0	0	0	0	**79,395,119**
METKA	0	0	19,844	0	0	0	346,731	15,057,008		0	0	96,551	**15,520,134**
ELEMKA	0	0	0	0	0	0	0	0	(5,177)		0	0	**(5,177)**
SOMETRA S.A.	47,079,837	0	0	0	0	0	0	0	0	0		0	**47,079,837**
ELVO	0	0	0	0	0	0	0	0	0	0	0		**0**
TOTAL	**47,622,849**	**19,159**	**28,549**	**1,742**	**1,742**	**720**	**79,734,887**	**27,470,316**	**1,449,603**	**28,722**	**75,059,564**	**267,071**	**231,417,851**

INTERCOMPANY RECEIVABLES - PAYABLES
01/01-31/12/05

RECEIVABLES \ PAYABLES	MYTILINEOS S.A.	WIND POWER GROUP	POWER GENERATION & SUPPLY	GENIKI VIOMICHANIKI	DEFENSE MATERIAL INDUSTRY	SIDIROMETALLICA	MYTILINEOS FINANCE S.A.	ALLUMINIUM OF GREECE (AoG)	METKA	ELEMKA	SOMETRA S.A.	ELVO	TOTAL
MYTILINEOS S.A.		674,852.39	0.00	0.00	4,262.21	0.00	0.00	0.00	2,721,851.08	-2,157.60	75,100,225.15	16,910.70	**78,515,943.93**
WIND POWER GROUP	0.00		290,088.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**290,088.17**
POWER GENERATION & SUPPLY	17,362.84	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**17,362.84**
GENIKI VIOMICHANIKI	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
DEFENSE MATERIAL INDUSTRY	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
SIDIROMETALLICA	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
MYTILINEOS FINANCE S.A.	8,304,268.39	0.00	0.00	0.00	0.00	0.00		2,073,652.87	0.00	0.00	0.00	0.00	**10,377,921.26**
ALLUMINIUM OF GREECE (AoG)	0.00	0.00	7,213.35	0.00	0.00	0.00	10,408,402.45		33,570,686.50	0.00	0.00	0.00	**43,986,302.30**
METKA	0.00	0.00	41,631.28	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	**41,631.28**
ELEMKA	4,108.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	736.00		0.00	0.00	**4,844.58**
SOMETRA S.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	**0.00**
ELVO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		**0.00**
TOTAL	**8,325,739.81**	**674,852.39**	**338,932.80**	**0.00**	**4,262.21**	**0.00**	**10,408,402.45**	**2,073,652.87**	**36,293,273.58**	**-2,157.60**	**75,100,225.15**	**16,910.70**	**133,217,183.66**

INTERCOMPANY RECEIVABLES - PAYABLES 31/12/2005

PAYABLES

RECEIVABLES

31/12/2005	MYTTILINEOS AE	ELEMKA	SIDIROMET ALLICA	MYTILINEOS FINANCE	GENIKI VIOMICHANIKI	ELVO	WIND POWER GROUP	ALLUMINIUM OF GREECE (AoG)	POWER GENERATION & SUPPLY	DEFENSE MATERIAL INDUSTRY	SOMETRA	METKA	TOTAL
MYTTILINEOS AE		6,247	7,557		151,564				30	2,410	31,596,569	39,387	**31,803,764**
MYTILINEOS FINANCE											19,135		**19,135**
SOMETRA													**0**
ELEMKA	4,109											18,963	**23,071**
METKA (TRADE)	8	13,255		2,915,403					37,265				**2,965,931**
METKA (LOANS)				8,300,000									**8,300,000**
ELVO													**0**
ALLUMINIUM OF GREECE (AoG)													**0**
POWER GENERATION & SUPPLY	371,995												**371,995**
WIND POWER GROUP									337,117				**337,117**
TOTAL	**376,111**	**19,502**	**7,557**	**11,215,403**	**151,564**	**0**	**0**	**0**	**374,412**	**2,410**	**31,615,704**	**58,350**	**43,821,013**

INTERCOMPANY TRANSACTIONS 1/1 - 31/12/2005
PURCHASES

SALES

	MYTTILINEOS AE	ELEMKA	SIDIROMET ALLICA	MYTILINEOS FINANCE	GENIKI VIOMICHANIKI	ELVO	WIND POWER GROUP	ALLUMINIUM OF GREECE (AoG)	POWER GENERATION & SUPPLY	DEFENSE MATERIAL INDUSTRY	SOMETRA	METKA	TOTAL
MYTTILINEOS AE		32,985	1,285	234,385	1,974		21,711		4,300	1,974	47,671,662	231,250	**48,201,526**
MYTILINEOS FINANCE											36,605		**36,605**
SOMETRA	45,003,741												**45,003,741**
POWER GENERATION & SUPPLY													**0**
ELEMKA												260,138	**260,138**
WIND POWER GROUP													**0**
METKA	1,006,271	25,528		349,386					23,625				**1,404,810**
ALLUMINIUM OF GREECE (AoG)													**0**
TOTAL	**46,010,012**	**58,513**	**1,285**	**583,771**	**1,974**	**0**	**21,711**	**0**	**27,925**	**1,974**	**47,708,267**	**491,388**	**94,906,820**

6.41 Management remuneration and fringes

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Wages & other short term employment benefits	6.173.354	1.638.994	2.928.495	878.708

6.42 Proposed dividend

The Board of Directors of the parent company will propose to the general Assembly the distribution of dividends form 2005 profit amounting to € 16.208.136 or €0,40 per share as opposed to €0,20/per share for the previous year (2004).

6.43 Post Balance Sheet events

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