Interim Financial Statements

According to the International Financial Reporting Standards (IFRS)

Mar. 2006

SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A.

2-4 Mesogheion Ave.

Athens

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

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Balance Sheet

		CONSOLIDATED		COMPANY	
Amounts in €	**Note**	**31/3/2006**	**31/12/2005**	**31/3/2006**	**31/12/2005**
ASSETS					
Non-current assets					
Land & Buildings		259.269.086	260.983.774	47.601.116	47.881.187
Machinery		443.016.904	446.070.276	92.342.014	92.406.795
Other Fixed Assets		35.150.753	31.799.654	3.264.828	3.770.803
Intangible assets		170.381	213.087	27.039	30.283
Investments in associates	6	17.733.019	17.665.947	5.836.460	5.836.460
Investments in subsidiaries	7	-	-	193.471.981	192.703.801
Available for sale financial assets		1.589.761	1.555.166	1.441.147	1.406.537
Deferred income tax assets		432.425	325.314	-	-
Derivative financial instruments	8	178.452	-	-	-
Other receivables		4.031.224	4.085.802	1.234.014	1.262.415
		761.572.005	**762.699.021**	**345.218.597**	**345.298.280**
Current Assets					
Inventories		273.445.581	276.981.244	75.734.756	74.027.032
Trade and other receivables		281.157.891	254.670.552	165.384.003	145.574.368
Derivative financial instruments	8	244.656	160.812	-	-
Financial assets in fair value through profit and loss statement		968.074	1.002.873	-	-
Cash and cash equivalents		11.107.541	18.389.841	968.611	7.864.506
		566.923.743	**551.205.323**	**242.087.370**	**227.465.905**
Total assets		**1.328.495.748**	**1.313.904.344**	**587.305.967**	**572.764.186**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital		39.157.717	39.157.717	39.157.717	39.157.717
Share premium		118.091.070	118.091.070	118.091.070	118.091.070
Exchange differences		-66.797	-35.859	-	-
Other reserves		86.546.818	84.384.022	53.824.376	53.627.983
Retained earnings/(losses)		167.638.663	155.906.311	65.548.635	62.357.376
Total		411.367.471	397.503.261	276.621.798	273.234.146
Minority interest		**107.936.701**	**104.049.509**	**-**	**-**
Total equity		**519.304.172**	**501.552.770**	**276.621.798**	**273.234.146**
LIABILITIES					
Non-current liabilities					
Bank Borrowings	9	354.546.424	359.589.540	161.068.183	164.068.183
Obligations under financial lease	10	1.386.914	1.844.730	-	-
Derivative financial instruments	8	617.114	1.344.199	558.977	820.835
Deferred income tax liabilities		83.705.477	81.399.308	23.568.432	23.671.909
Retirement benefit obligations		4.909.172	5.680.325	1.768.546	1.772.579
Grants		15.822.796	16.152.065	529.514	561.082
Provisions		4.713.387	3.990.417	-	-
Other liabilities		750.000	-	-	-
		466.451.284	**470.000.584**	**187.493.652**	**190.894.587**
Current liabilities					
Trade and other payables		146.015.029	126.520.535	50.835.043	25.997.773
Current income tax liabilities		5.830.846	1.715.999	3.890.202	700.202
Bank Borrowings	9	187.812.062	208.454.958	68.465.272	81.937.478
Obligations under financial lease	10	1.803.326	1.789.668	-	-
Derivative financial instruments	8	138.689	2.679.909	-	-
Provisions		1.140.340	1.189.922	-	-
		342.740.292	**342.350.991**	**123.190.517**	**108.635.453**
Total liabilities		**809.191.576**	**812.351.575**	**310.684.169**	**299.530.041**
Total equity and liabilities		**1.328.495.748**	**1.313.904.344**	**587.305.967**	**572.764.186**

The notes on pages 6 to 27 constitute an integral part of these interim financial statements.

Income Statement

Ammounts in Euro	Note	CONSOLIDATED 1/1/2006 - 31/1/2006	CONSOLIDATED 1/1/2005 - 31/3/2005	COMPANY 1/1/2006 - 31/1/2006	COMPANY 1/1/2005 - 31/3/2005
Sales	5	**277.127.526**	**201.359.272**	**71.985.816**	**100.792.582**
Cost of sales		-223.324.249	-162.118.784	-57.512.326	-91.008.889
Gross profit		**53.803.277**	**39.240.488**	**14.473.490**	**9.783.692**
Selling & Marketing cost		-22.222.062	-19.129.953	-3.890.640	-5.548.729
Administrative expenses		-7.953.856	-9.309.960	-2.328.739	-2.282.333
Other operating income - net		3.821.886	3.053.212	133.079	1.398.777
Operating profit		**27.449.245**	**13.853.787**	**8.387.189**	**3.351.407**
Finance costs - net		-6.460.822	-6.560.005	-2.418.562	-2.383.784
Dividents Income		-	-	243.690	-
Share of profit of associates		26.090	-	-	-
Profit before income tax		**21.014.514**	**7.293.782**	**6.212.317**	**967.623**
Income tax expense		-5.318.138	-	-	-
Profit for the year from continued operations		**15.696.376**	**7.293.782**	**6.212.317**	**967.623**
Attributable to:					
Company's shareholders		12.000.647	5.665.932	3.191.259	626.196
Minority interest		3.695.729	-816.404	-	-
		15.696.376	**4.849.528**	**3.191.259**	**626.196**
Shares per profit to the shareholders for period expressed in € per share after taxes					
Basic and reduced	16	0,126	0,059	0,033	0,007
Depreciations in period		12.360.806	11.974.896	2.555.980	2.508.641

The notes on pages 6 to 27 constitute an integral part of these interim financial statements.

Statement of changes in equity

Amounts in €	Share capital	Reserves of fair value	Other reserves	Retained earnings	Translation Differences	Total	Interests	Equity
CONSOLIDATED								
Balance at 1st of January 2004	**157.166.163**	**-**	**60.798.798**	**179.549.345**	**-244.738**	**397.269.568**	**100.672.581**	**497.942.148**
IAS 32-39 Adoption	-	-2.260.998	-	-	-	**-2.260.998**	**-535.280**	**-2.796.278**
Balance at 1st of January 2005	**157.166.163**	**-2.260.998**	**60.798.798**	**179.549.345**	**-244.738**	**395.008.570**	**100.137.301**	**495.145.870**
Currency translation differences	-	-	-	-	76.839	76.839	-	76.839
Profit or loss recognised directly to equity	-	-547.431	-	-	-	-547.431	-124.014	-671.445
Net profit for the period	-	-	-	5.665.932	-	5.665.932	-816.404	4.849.528
Total of recognised net profit of period	-	-547.431	-	5.665.932	76.839	5.195.340	-940.418	4.254.922
Buy -sell of own shares	82.624	-	-	-	-	82.624	-	82.624
Raise in % at participation in subsidiaries	-	-	1.561.582	-5.869.857	-	-4.308.276	4.422.434	114.159
	82.624	-	1.561.582	-5.869.857	-	-4.225.652	4.422.434	196.782
Balance at 31 March 2005	**157.248.787**	**-2.808.429**	**62.360.379**	**179.345.419**	**-167.899**	**395.978.258**	**103.619.317**	**499.597.575**
Balance at 31 March 2005	**157.248.787**	**-2.808.429**	**62.360.379**	**179.345.419**	**-167.899**	**395.978.258**	**103.619.317**	**499.597.575**
Currency translation differences	-	-	-	-	132.040	132.040	-	132.040
Profit or loss recognised directly to equity	-	467.519	-	-	-	467.519	102.732	570.251
Net profit for the period	-	-	-	10.622.653	-	10.622.653	2.065.073	12.687.725
Total of recognised net profit of period	-	467.519	-	10.622.653	132.040	11.222.212	2.167.804	13.390.016
Issue of share capital	-	-	-	-	-	-	214.499	214.499
Raise in % at participation in subsidiaries	-	-	196	-146.741	-	-146.546	-19.991	-166.537
Transfer of reserves	-	-	24.364.357	-24.364.357	-	-	-	-
Divident	-	-	-	-9.550.663	-	-9.550.663	-1.932.120	-11.482.783
	-	-	24.364.553	-34.061.761	-	-9.697.209	-1.737.612	-11.434.821
Balance at 31 December 2005	**157.248.787**	**-2.340.910**	**86.724.932**	**155.906.311**	**-35.859**	**397.503.261**	**104.049.509**	**501.552.770**
Balance at 1st of January 2006	**157.248.787**	**-2.340.910**	**86.724.932**	**155.906.311**	**-35.859**	**397.503.261**	**104.049.509**	**501.552.770**
Currency translation differences	-	-	-	-	-30.938	-30.938		-30.938
Profit or loss recognised directly to equity	-	2.064.654	-	-	-	2.064.654	583.297	2.647.951
Net profit for the period	-	-	-	12.000.647	-	12.000.647	3.695.729	15.696.376
Total of recognised net profit of period	-	2.064.654	-	12.000.647	-30.938	14.034.363	4.279.026	18.313.389
Raise in % at participation in subsidiaries	-	-6.166	104.307	-268.294	-	-170.152	-391.834	-561.986
	-	-6.166	104.307	-268.294	-	-170.152	-391.834	-561.986
COMPANY								
Balance at 31 December 2004	**157.248.787**	**-**	**46.220.134**	**69.392.182**	**-**	**272.861.103**	**-**	**272.861.103**
IAS 32-39 Adoption	-	-742.668	-	-	-	-742.668	-	-742.668
Balance at 1st of January 2005	**157.248.787**	**-742.668**	**46.220.134**	**69.392.182**	**-**	**272.118.435**	**-**	**272.118.435**
Profit or loss recognised directly to equity	-	-116.190	-	-	-	-116.190	-	-116.190
Net profit for the period	-	-	-	626.196	-	626.196	-	626.196
Total of recognised net profit of period	-	-116.190	-	626.196	-	510.006	-	510.006
Balance at 31 March 2005	**157.248.787**	**-858.858**	**46.220.134**	**70.018.378**	**-**	**272.628.441**	**-**	**272.628.441**
Balance at 31 March 2005	**157.248.787**	**-858.858**	**46.220.134**	**70.018.378**	**-**	**272.628.441**	**-**	**272.628.441**
Profit or loss recognised directly to equity	-	243.231	-	-	-	243.231	-	243.231
Net profit for the period	-	-	-	9.913.136	-	9.913.136	-	9.913.136
Total of recognised net profit of period	-	243.231	-	9.913.136	-	10.156.367	-	10.156.367
Transfer of reserves	-	-	8.023.475	-8.023.475	-	-	-	-
Divident	-	-	-	-9.550.663	-	-9.550.663	-	-9.550.663
	-	-	8.023.475	-17.574.138	-	-9.550.663	-	-9.550.663
Balance at 31 December 2005	**157.248.787**	**-615.627**	**54.243.609**	**62.357.376**	**-**	**273.234.146**	**-**	**273.234.146**
Balance at 1st of January 2006	**157.248.787**	**-615.627**	**54.243.609**	**62.357.376**	**-**	**273.234.146**	**-**	**273.234.146**
Profit or loss recognised directly to equity	-	196.394	-	-	-	196.394	-	196.394
Net profit for the period	-	-	-	3.191.259	-	3.191.259	-	3.191.259
Total of recognised net profit of period	-	196.394	-	3.191.259	-	3.387.653	-	3.387.653
Balance at 31 March 2006	**157.248.787**	**-419.233**	**54.243.609**	**65.548.635**	**-**	**276.621.799**	**-**	**276.621.798**

The notes on pages 6 to 27 constitute an integral part of these interim financial statements.

Cash Flow Statement

Amounts in €	Note	CONSOLIDATED 1/1/2006 - 31/1/2006	CONSOLIDATED 1/1/2005 - 31/3/2005	COMPANY 1/1/2006 - 31/1/2006	COMPANY 1/1/2005 - 31/3/2005
Cash flows from operating activities					
Cash generated from operations	11	37.993.218	-3.618.403	12.733.778	7.005.233
Interest paid		-6.165.387	-8.072.617	-966.163	-1.169.122
Income tax paid		-	-	-	-
Net cash generated from operating activities		**31.827.831**	**-11.691.020**	**11.767.615**	**5.836.110**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		-11.071.709	-8.992.582	-1.670.241	-380.361
Purchase of intangible assets		-	-173.094	-	-
Proceeds from sale of PPE		107.683	663.040	-	555.837
Dividends received		-	132.501	243.690	870.869
Acquisition of other investments/available for sale investments		-34.610	-	-34.610	-997
Acquisition of financial assets at fair value through profit and loss		-	536.497	-	-
Disposals of financial assets at fair value through profit and loss		49.999	-	-	-
Interest received		70.051	109.185	302	-
Raise in participation to subsidiaries		-603.603	-39.246	-768.180	-12.183.632
Other		-14.549	-	-	-7.123
Net cash generated from investing activities		**-11.496.738**	**-7.763.697**	**-2.229.039**	**-11.145.407**
Cash flows from financing activities					
Issue of ordinary shares		-	77.760	-	-
Sale/(purchase) of treasury shares		-	82.624	-	-
Dividends paid to parent company's shareholders		-	-6.084	-	-6.084
Borrowings received		34.946.958	41.156.222	-	14.005.745
Repayment of borrowings		-60.649.039	-13.270.602	-16.472.206	-7.295.262
Changes in leasing capital		-444.158	-2.021.032	-	-
Dividends paid to minority interests		-1.622.388	-935.965	-	-
Other		98.111	-	37.735	-
Net cash generated from financing activities		**-27.670.516**	**25.082.923**	**-16.434.471**	**6.704.399**
Net decrease or raise in cash and cash equivalents		**-7.339.423**	**5.628.206**	**-6.895.895**	**1.395.102**
Cash and cash equivalents at beginning of the period		18.389.841	16.880.226	7.864.506	879.202
Exchange differences on cash and cash equivalents		57.123	69.365	-	-
Cash and cash equivalents at end of the period		**11.107.541**	**22.577.798**	**968.611**	**2.274.304**

The notes on pages 6 to 27 constitute an integral part of these interim financial statements.

Chairman of Board of Directors	Vice President of Board of Directors	General Director	Financial Director
Georgios Kalfarentzos	Grigoris Konstantakopoulos	Dimitrios Paraskevopoulos	Konstantinos Natsis

Additional data and information on the interim financial statements

1. General information

The interim financial statements include the interim corporate financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the "Company") and the interim consolidated financial statements of the Company and its subsidiaries (together the "Group"). The corporate names of the Company's subsidiaries are presented in Note 6 &7 of the financial statements.

The Group's main activities include the production and sale of steel products.

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

The Company is seated in Greece, 2-4 Mesogheion Ave. of the Municipality of Athens of the Prefecture of Attiki. The Company's electronic address is www.sidenor.gr.

The Company's financial statements have been approved for publication by its Board of Directors on May 11 2006.

2. Overview of significant accounting policies

The basic accounting principles that were applied during the preparation of the present financial statements are described below. These principles have been applied with consistency in all the presented periods.

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

New International Financial Reporting Standards (IFRS), amendments and interpretations have been issued, whose implementation is mandatory for accounting periods beginning on January 1st 2006 and onwards. The Group's and Company's assessment regarding the effect from the implementation of the aforementioned new standards and interpretations is presented below:

IAS 19 (amendment) Employee Benefits (effective from January 1st 2006)

This amendment provides companies with the opportunity to choose an alternative recognition method for actuarial profit and losses. New recognition conditions for cases of multi-employer pension plans, for which there is inadequate information for the accounting implementation of defined benefits, may be imposed. Moreover, new disclosure demands have been added. The specific amendment does not apply to the group.

IAS 39 (amendment) Accounting of Cash Flow Hedging for anticipated intra-group transactions (effective from January 1st 2006).

This amendment allows the foreign exchange risk from a highly probable intra-group transaction to be characterized as an item for hedging in the consolidated financial statements with the condition that: (a) the transaction is in a currency different than the currency of the company participating in the transaction and (b) the foreign exchange risk will affect the consolidated income statement. This amendment does not relate to the Group's operations, as the Group does not have intra-group transactions that could be characterized as items for hedging.

IAS 39 (amendment) Fair Value Option (effective from January 1st 2006).

This amendment changes the definition of financial instruments classified at fair value through P&L and limits the ability to classify financial instruments in this category. The Group considers that the specific amendment will not have a material affect on the classification of financial instruments, as the Group and the Company will be in a position to adjust to the amended criteria for the definition of financial instruments at market value through P&L. The Group and Company will apply this amendment in annual financial statements of 2006.

IAS 39 and IFRS 4 (amendment) Financial Guarantee Contracts (effective from January 1st 2006).

This amendment requires the recognition of issued financial guarantees, except for those that have been proved by the Company as constituting insurance contracts, initially at fair value and following to be valued at the largest value between (a) the net book value of relevant payments received and postponed and (b) the expense required to settle the commitment at the balance sheet date. The Management has reached the conclusion that this amendment does not apply to the Group and the Company.

IFRS 1 (amendment) First Time Adoption of International Financial Reporting Standards and IFRS 6, Exploration and Evaluation of Mineral Sources (effective from January 1st 2006).

These amendments are not relevant to the Group's operations.

IFRS 7, Financial instruments: Disclosures and additional adjustment to IAS 1, Presentation of Financial Statements, Capital Disclosures (effective from January 1st 2007).

IFRS 7 introduces further disclosures aiming at improving the provided information as regards to financial instruments. It requires the disclosure of qualitative and quantitative information relating to the exposure to risk from financial instruments. Specifically, it pre-defines minimum required disclosures related to credit risk, liquidity risk and market risk (it requires sensitivity analysis concerning the market risk). IFRS 7 replaces IAS 30 (Disclosures in Financial Statements of Banks and Financial Institutions) and the requirements of IAS 32, (Financial Information Disclosures and Presentation). It applies to all companies that compile financial statements according to IFRS. The adjustment to IAS 1 introduces disclosures relating to the amount of the company's capital and the way such is managed. The Group and Company assessed the effect of IFRS 7 and the adjustment to IAS 1 and concluded that the additional disclosures required by their implementation are the sensitivity analysis for market risk and the capital disclosures. The Group will apply IFRS 7 and the amendment of IAS 1 from January 1st 2007.

Interpretation 4, Definition of business agreements that include financial leasing (effective from January 1st 2006).

Interpretation 4 requires definition of whether a business agreement includes financial leasing or not. Specifically, it requires an evaluation of the following information: a) if the fulfilment of the agreement depends on the use of a specific fixed asset(s) and b) if the agreement provides the lessee the right to use the fixed asset and only. The Management considers that Interpretation 4 is not expected to affect the accounting of existing business agreements.

2.2 Framework for the compilation of the financial statements

The Group's interim financial statements dated December 31st 2005 cover the three months period until Mar 2006, have been prepared according to IFRS.

The financial statements have been prepared according to the historical cost principle.

The preparation of financial statements according to IFRS requires the use of certain important accounting estimations and the exercise of judgment on behalf of the Management during the application of accounting policies. In addition, it requires the use of calculations and assumptions that affect asset and liability figures, the disclosure of potential receivables and liabilities on the day the financial statements are prepared and income and expense figures during the said period. Despite the fact that these calculations are based on the Management's best possible knowledge of current conditions and actions, actual results may differ from these calculations.

The financial statements have been compiled by the Management based on the International Financial Reporting Standards ("IFRS"), as well as the International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee, as such have been adopted by the European Union, and the IFRS issued by the International Accounting Standards Board (IASB).

All IFRS issued by the IASB and that are in effect during the compilation of the present financial statements, have been adopted by the European Council through their validation procedure by the European Union ("EU"), except for the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Valuation". Following the proposal by the Accounting Standards Committee, the Council adopted Regulations 2086/2004 and 1864/2005 that require the use of IAS 39, except for specific provisions that refer to hedging of deposit portfolios, by all listed companies from January 1st 2005.

As the Group is not affected by the provisions that refer to hedging of deposit portfolios, which are not required by the issuance of IAS 29 as such has been verified by the EU, the present financial statements have been compiled according to IFRS as such have been adopted by the EU and the IFRS that have been issued by the IASB.

2.2.1 Increase of Participation in Subsidiaries

In case of an increase in its participation percentage in subsidiaries, the Group calculates goodwill based on the book values of the subsidiary's assets. The goodwill results from the comparison of the transaction cost with the book value of third party interest bought and is recognized directly in equity.

2.2.2 Consolidated financial statements

(a) Subsidiary companies

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

A subsidiary's buy-out by the Group is recorded in accounting books according to the buy-out method. The acquisition cost of a subsidiary is the fair value of its assets that were transferred, of its shares that were issued and of its liabilities that were undertaken on the day the buy-out was effected, plus any cost that is directly associated with the buy-out. Personal assets, liabilities and potential liabilities that are acquired through a business combination are estimated at the time of the buy-out at their fair values regardless of the participation percentage. The buy-out cost that exceeds the fair values of the individual assets that were acquired is recorded as goodwill. If the total buy-out cost is less than the fair value of the individual assets that were acquired, the difference is recorded in the results.

Inter-company transactions, balances and non-realised profits from transactions between the Group's companies are not recorded. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been decreased. The accounting principles that are applied by the Group's subsidiary companies have been amended so that they may be consistent with those that have been adopted by the Group.

A company records its investments in subsidiary companies at their acquisition cost less impairment.

(b) Affiliated companies

Affiliated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the participation percentage in the voting rights of an affiliated company ranges between 20% and 50%. Investments in affiliated companies are recorded in accounting books according to the net worth method and are initially recognised at their acquisition cost. The account in which investments in affiliated companies are recorded also includes the goodwill that arises during the buy-out (decreased by possible impairment losses).

The Group's share in the profits or losses of its affiliated companies after the relative buy-out has been completed is recorded in the results, while its share in changes in reserve accounts after the buy-out has been completed is recorded in the reserve accounts. Accumulated changes affect the book value of the Group's investments in affiliated companies. If the Group's share in the losses of an affiliated company is greater than the value of its investment therein, additional losses are not recognised, unless payments have been made or liabilities have been undertaken on the affiliated company's behalf.

Non-realised profits that arise from transactions between the Group and its affiliated companies are not taken into consideration to the extent of the Group's participation therein. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been decreased. The accounting principles that are applied by the Group's affiliated companies have been amended so that they may be consistent with those that have been adopted by the Group.

The Company records its investments in affiliated companies at their acquisition cost less impairment.

2.2.3 Foreign exchange conversions

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

The figures recorded in the financial statements of the Group's companies are expressed in the currency of the economic environment in which each company operates ("functional currency").

The consolidated financial statements are expressed in Euros, which constitutes both the parent company's functional assessment currency and its presentation currency.

(b) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the day the balance sheet is prepared are recorded in the results.

(c) The Group's Companies

The figures recorded in the financial statements of the Group's companies (none of which operate in a hyperinflation economy) that are expressed in a different functional currency from the Group's presentation currency, are converted as follows:

Assets and liabilities are converted based on the exchange rates that are applicable on the day the balance sheet is prepared.

Income and expenses are converted based on the period's average exchange rates (unless the average exchange rate is not a fair estimation of the accumulated affect of the exchange rates that were applicable on the day on which the transactions were carried out, in which case income and expenses are converted based on the actual exchange rates that were applicable on the day on which the transactions were carried out) and any foreign exchange difference that may arise is recorded in an owner's equity reserve account and transferred to the results when these companies are sold.

Foreign exchange differences that may arise due to the conversion of the Group's net investment in a foreign company are recorded in owner's equity. Upon the sale of a foreign company, any accumulated foreign exchange difference is transferred to the income statement as part of the sale's profit or loss.

Goodwill and adjustments of fair values that arise from the buy-out of foreign companies are regarded as the latter's assets and liabilities and are converted based on the exchange rate that is applicable on the day the balance sheet is prepared.

2.2.4 Tangible Fixed Assets

Tangible fixed assets are recorded at their acquisition cost less accumulated depreciation and any impairment. The acquisition cost includes all direct expenses that were incurred during the asset's acquisition.

Expenses that are incurred after the purchase of a tangible fixed asset are recorded as an increase of the tangible fixed asset's book value or as a separate fixed asset only if the Group acquires future financial gains there from and the cost thereof may be estimated with a certain degree of reliability. Repair and maintenance costs are recorded in P&L when these are incurred.

Land is not depreciated. Other tangible fixed assets are depreciated based on the straight line method with equal interim charges during the asset's expected service life, so that the asset's cost may be recorded at its residual value at the end thereof. The service lives of tangible fixed assets are set as follows:

- Buildings	10-33	years
- Mechanical equipment	5-20	years
- Vehicles	6-10	years
- Other equipment	3-8	years

The residual value and the service life of any tangible fixed asset may be re-evaluated in any balance sheet, if this is deemed necessary.

When the book value of a tangible fixed asset exceeds its estimated recoverable value, the difference (impairment) is immediately recorded in the results as an expense.

During the sale of a tangible fixed asset, any difference that may arise between the price that is received and the book value thereof is recorded in the results as a profit or loss.

Financial expenses that concern the construction of an asset are capitalised throughout the period of the asset's construction. All other financial expenses are recognised in the income statement.

2.2.5 Intangible Assets

Software programs

Software licenses are estimated at their acquisition cost, less accumulated amortisation and any accumulated impairment. These assets are amortised based on the straight line method throughout their service life, which ranges between 3 to 5 years.

Expenses that are incurred for the software's development and maintenance are recognised in the Income Statement as an expense in the year in which they are incurred.

2.2.6 Impairment of Assets

Assets that have an indefinite service life are not depreciated. Their value is decreased on an interim basis even when certain facts indicate that their book value may not be recovered. Assets that are depreciated are subject to control regarding their impairment are indications that their book value will not be recovered. The recoverable value is the greater amount between an asset's fair value, less selling expenses, and the use value. Losses due to an asset's impairment are recorded in the Income Statement as an expense in the year in which they are incurred.

2.2.7 Investments

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

(a) Financial assets recorded at their fair value with changes to results

This category includes financial assets that were acquired in order to be resold in a short period of time. Financial assets of this category are recorded in a current asset account if they are held for commercial purposes or if they are expected to be sold within 12 months of the day the balance sheet is prepared.

(b) Loans and Receivables

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

(c) Investments that are held until maturity

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

(d) Available financial assets

This category includes non-derivatives that are either classified in this category or cannot be classified in any of the aforementioned categories. These assets are recorded in non-current asset accounts provided the Administration does not intend to liquidate them within 12 months of the day the balance sheet is prepared.

The purchase and sale of an investment is recognised on the day the transaction is carried out, which is also the day on which the Group is bound to purchase or sell the asset. Investments are initially recorded at their fair value plus the transaction's expenses. Investments are written off when the right to collect the cash flows that arise there from expires or is transferred and the Group has substantially transferred all the risks and benefits that ownership thereof entails.

Subsequently, assets that are available for sale are evaluated at their fair value and the relative profits or losses are recorded in an owner's equity reserve account until they are sold or devaluated. Upon the sale or impairment of these assets the profit or loss is transferred to the results. Impairment losses that have been recognised in the results may not be reversed through the results.

Realised and non-realised profits or losses that arise from changes in the fair values of financial assets, evaluated at their fair value with changes to the results, are recognised in the period in which they arise.

The fair values of financial assets that are traded in stock markets are determined by current purchase prices. The fair values of financial assets that are not traded in stock markets are determined by applying evaluation methods, such as analysis of recent transactions, comparable assets that are traded and discounting cash flows.

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

2.2.8 Derivative Financial Instruments

Hedging of Cash Flows

The efficient part of changes in the fair value of financial derivative, which are characterized and categorized as "cash flow hedging", is recognized in the net worth. The profit / loss of the non-efficient part is recognized directly in the period's results.

The amounts accumulated in equity are recycled through P&L at the time the natural movement is realized. The profit / loss that is related to the effective part of the financial derivative used for hedging purposes, is recognized in the period's P&L, specifically in the financial cost.

At the time a financial derivative matures, is sold or is considered non-efficient, then any cumulative loss / profit is transferred from the net worth to the period's results. When an expected transaction is no longer expected, then the gradual profit / loss is registered directly in the period's results.

2.2.9 Stocks

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

2.2.10 Clients and other short-term receivables

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

2.2.11 Cash and equivalent cash accounts

Cash and equivalent cash accounts include cash on hand and sight deposits.

2.2.12 Reporting per sector

A business sector is defined as a group of assets and activities that provide products and services that are subject to risks and performances different to those that other business sectors are subject to. A geographic sector is defined as a geographic region in which products and services are provided and which is subject to risks and performances different to those that other regions are subject to.

2.2.13 Share capital

Common shares are included in owner's equity.

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

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

2.2.14 Borrowings

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

Loans are classified as short-term obligations unless the Group has the right to defer the settlement thereof for at least 12 months from the day the balance sheet is prepared. In this case, loans are classified as long-term liabilities.

2.2.15 Deferred Income Tax

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

Deferred tax claims are recognised to the extent that a future taxable profit will arise from the use of the temporary difference that creates the deferred tax claim.

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

2.2.16 Income Tax

Income tax is calculated based on the tax legislation and the tax rates that are in effect in the countries where the Group's operations take place, and is registered as an expense during the period in which the income arises.

The effect on results carried forward and minority interest due to change of percentage in subsidiaries, is considered as transactions between the Group's shareholders and is thus recognized directly in Total Equity.

2.2.17 Personnel benefits

(a) Benefits following withdrawal from the Service

Benefits following withdrawal from the service include both fixed contributions programs and fixed benefits programs.

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

The liability that is recorded in the balance sheet for fixed benefits programs is the present value of the commitment for the fixed benefit less the fair value of the program's assets, the changes that arise from the non-recognised actuarial profits and losses and the cost of past service. The commitment of the fixed benefit is calculated by an independent actuary with the projected unit credit method.

Actuarial profits and losses that arise from adjustments on the basis of historic data and are above or below the margin of 10% of the accumulated liability are recorded in the results within the expected average insurance term of the program's participants. The cost of past service is recorded directly in the results, with the exception of the case in which changes to the program depend on the remaining term of the employee's past service. In this case, the cost of past service is recorded in the results based on the fixed method within the maturing period.

(b) Employment termination benefits

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

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

2.2.18 Government Grants

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

Government grants that concern expenses are deferred and are recorded in the results so that these will match the expenses that they will cover.

Government grants regarding the purchase of tangible fixed assets are recorded in long-term liability accounts as deferred state grants and are transferred as income to the income statement based on the fixed method over the expected service life of these assets.

2.2.19 Allowances

Allowances are recognised when:

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

When there are various similar liabilities, the possibility that an outflow of funds will be demanded during the settlement thereof is determined by examining the category of the liabilities overall. An allowance is recognised even if the possibility of an outflow of funds regarding any asset that is included in the same category of liabilities may be negligible.

2.2.20 Recognition of income

Income includes the fair value of goods that have been sold and of services that have been rendered, net of Value Added Tax, discounts and returns. Inter-Group income is not taken into account. Income is recognised as follows:

(a) Sale of goods

Sales of goods are recognised when the Group delivers the goods to its customers, when the goods are received by the latter and when collection of the claim is reasonably guaranteed.

(b) Provision of services

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

(c) Income from interest

Income from interest is recognised based on time proportion and with the use of the true interest rate. When receivables decrease, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial true interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied on the decreased (new book) value.

(d) Dividends

Dividends are accounted for as revenues when a right to collect is established.

2.2.21 Financial Leasing

Leases of fixed assets, in which the Group substantially maintains all the risks and benefits that ownership thereof entails, are classified as leasing. Leasing is capitalised from the moment the lease begins at the lesser amount between the fixed asset's fair value and the present value of the minimum lease amounts. The corresponding liabilities that arise from the leases, net of financial expenses, are recorded in liability accounts. The part of the financial expenses that concerns leasing is recorded in the results during the term of the lease.

Leases, in which the lessor substantially maintains all the risks and benefits, are classified as operating leases. Payments that are made with regard to operating leases are recognised in P&L on a fixed basis during the term of the lease.

2.2.22 Dividend distribution

The distribution of dividends to the parent company's shareholders is recognised as a liability in the consolidated financial statements when the distribution thereof is approved by the General Meeting of the shareholders

3 Financial risk management

3.1 Financial risk factors

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

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

(a) Market risk

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

(b) Credit risk

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

(c) Liquidity risk

Liquidity risk is kept at a low level by having sufficient cash on hand and sufficient credit limits with collaborating banks.

(d) Interest rate fluctuation risk

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

3.2 Fair value estimation

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

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

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

4 Critical accounting estimates and judgements of the Administration

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

4.1 Significant accounting evaluations and acknowledgments

The Group proceeds in evaluations and acknowledgements with regard to the development of future events. Evaluations and acknowledgements that entail a significant probability that they will cause substantial adjustments to the book values of assets and liabilities in the following 12 months are:

a) The Group's judgment is required in order to determine the income tax allowance. There are many transactions and estimations for which the tax's final determination is uncertain. If the final tax is different than the initially recognised tax, the difference shall affect the income tax and the allowance for deferred taxation of the period.

b) The Group forms an allowance for disputed cases based on evidence provided by the Group's Legal Department.

c) The Group forms allowances for contractual obligations to its clients, which are estimated based on historical and statistical data that arose from the resolution of corresponding past cases.

d) The Group forms allowance for impairments of holdings by taking into consideration the future benefits that shall arise therefrom.

4.2 The Administration's decisive judgments on the application of accounting principles

The Administration's estimations were not required in order to apply accounting principles.

4.3 Expenses reorganization

Some of year's 2004 expenses have been reorganized in order to be comparable with the ones of year 2005.

5 Segment Information

Primary reporting format – business segments

The Group is divided into two business sectors:

(1) Steel products that are used in construction activities

(2) Tube products

The results per sector for the 3 months until 31 December 2004 and 31 March 2005

1st of January 2005 - 31 March 2005	Steel Products	Tubes	Non Allocated	Total
Sales	**230.563.837**	**49.878.500**	-	**280.442.338**
Intra Company Sales	-76.950.845	-2.132.221	-	-79.083.065
Net Sales	**153.612.993**	**47.746.280**	-	**201.359.272**
Operating Profits	**14.384.985**	**-531.198**	-	**13.853.787**
Financial Income Expenses (Net)	-	-	-6.560.005	**-6.560.005**
Profits before taxes	**14.384.985**	**-531.198**	**-6.560.005**	**7.293.782**
Income Tax			**-2.444.254**	**-2.444.254**
Net Profit	**14.384.985**	**-531.198**	**-9.004.259**	**4.849.528**

31/12/2005	Steel Products	Tubes	Non Allocated	Total
Assets	**936.826.458**	**372.894.368**	**4.183.518**	**1.313.904.344**
Liabilities	**442.599.190**	**286.637.078**	**83.115.307**	**812.351.575**
Investments in Tangible & Intagible Assets	**37.731.585**	**4.798.106**	**-**	**42.529.692**

Other items per segment included in the results for the 3 month period ending on March 31st 2005

1st of January 2005 - 31 March 2005	Steel Products	Tubes	Not Allocated	Total
Depreciation of Tangible Assets	8.907.315	3.067.581	-	11.974.896
Total of Depreciation	**8.907.315**	**3.067.581**	-	**11.974.896**
Impairement of Inventories	-	607.293	-	607.293

1st of January 2006 - 31 March 2006	Steel Products	Tubes	Not Allocated	Total
Sales	**226.728.204**	**88.127.198**	**-**	**314.855.402**
Intra Company Sales	-33.418.542	-4.309.335	-	**-37.727.876**
Net Sales	**193.309.662**	**83.817.864**	-	**277.127.526**
Operating Profits	21.232.270	6.216.975	-	27.449.245
Financial Income Expenses (Net)	-	-	-6.460.822	-6.460.822
Share in affiliate companies' results	-	-	26.090	26.090
Profits before taxes	**21.232.270**	**6.216.975**	**-6.434.732**	**21.014.514**
Income Tax			-5.318.138	**-5.318.138**
Net Profit	**21.232.270**	**6.216.975**	**-11.752.870**	**15.696.376**

31/3/2006	Steel Products	Tubes	Not Allocated	Total
Assets	973.958.730	354.537.018	-	**1.328.495.748**
Liabilities	523.230.776	285.960.800	-	**809.191.576**
Investements in Tangible & Intageble Assets	10.686.208	385.501	-	**11.071.709**

Other items per segment included in the results for the 3 month period ending on March 31st 2006

1st of January 2006 - 31 March 2006	Steel Products	Tubes	Not Allocated	Total
Depreciation of Tangible Assets	9.318.248	2.999.807	-	12.318.055
Depreciation of Intagible Assets	42.752	-	-	42.752
Total of Depreciation	**9.360.999**	**2.999.807**	**-**	**12.360.806**
Impairement of Inventories	-	1.252.568	-	1.252.568

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

Transfers and transactions between segments are conducted under real commercial terms and conditions, according to those in effect for transactions with third parties.

The assets do not include the deferred tax receivable, the participations and the derivatives held for commercial purposes.
The liabilities include the operating liabilities (including those from derivatives used for hedging of future transactions). Tax liabilities and possible corporate borrowings that cannot be allocated to the sectors are not included.

6 Investments in associates

The Companies that consolidated with net equity method are the following:

	CONSOLIDATED		COMPANY	
Amounts in Euro	31/3/2006	31/12/2005	31/3/2006	31/12/2005
Beginning Balance	**17.665.947**	**16.337.458**	**5.836.460**	**5.839.751**
Profit/loss (after taxes) share	26.090	1.331.763	-	-
Sales	-	-3.292	-	-3.292
Other changes	40.982	19	-	-
Ending Balance	**17.733.019**	**17.665.947**	**5.836.460**	**5.836.460**

		Participation percentage	
Corporate Name	**Country**	**31/3/2006**	**31/12/2005**
SIDMA SA	Greece	24,05%	23,98%
DIAPEM SA	Greece	33,35%	33,35%
BEPEM SA	Greece	50,00%	50,00%
METALLOURGIA OF ATTICA	Greece	50,00%	50,00%
ELKEME SA	Greece	20,00%	20,00%

Brief financial information on affiliated companies:

	31/3/2006	31/12/2005	31/3/2005
Assets	174.242.805	164.450.641	-
Liabilities	107.521.034	97.748.145	-
Income (Sales)	34.222.129	-	31.781.412
Profits after Taxes	1.178.236	-	1.672.655

7 Investments in companies that are consolidated with Full Consolidation method

	COMPANY	
Amounts in Euro	31/3/2006	31/12/2005
Balance at the beginning of the period	**192.703.801**	**158.435.518**
Exchange differences	-	-
Additions	768.180	34.268.282
Disposals	-	-
Impairments	-	-
Other changes	-	-
Balance at the end of the period	**193.471.981**	**192.703.801**

Name	Country	(%) direct interest held	(%) indirect interest held	Direct and indirect interest held	Bussiness segment
2005					
SOVEL SA	Greece	61,45%	0,49%	61,94%	Steel Products
DEPAL SA	Greece	90,92%	0,00%	90,92%	Steel Products
STOMANA INDUSTRY S.A.	Bulgaria	85,97%	0,00%	85,97%	Steel Products
ERLIKON SA	Greece	98,92%	0,00%	98,92%	Steel Products
AEIFOROS SA	Greece	90,00%	0,00%	90,00%	Steel Products
ETAL SA	Greece	83,26%	10,29%	93,55%	Steel Products
PROSAL SA	Greece	70,00%	0,00%	70,00%	Tubes
TEPRO STEEL EAD	Bulgaria	100,00%	0,00%	100,00%	Steel Products
ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	0,00%	100,00%	Steel Products
BOZETTI LTD	Cyprus	100,00%	0,00%	100,00%	Steel Products
BEMET SA	Greece	100,00%	0,00%	100,00%	Steel Products
ETHL SA	Greece	3,89%	60,10%	63,98%	Steel Products
PRAKSYS SA	Greece	51,00%	0,00%	51,00%	Steel Products
DIADIPETHIV SA	Greece	30,50%	39,53%	70,03%	Tubes
AEIFOROS BULGARIA SA	Bulgaria	0,00%	90,00%	90,00%	Steel Products
BET SA	Greece	0,00%	60,52%	60,52%	Tubes
BEAT SA	Greece	0,00%	39,94%	39,94%	Steel Products
SIGMA AE	Bulgaria	0,00%	63,34%	63,34%	Steel Products
ARGOS SA	Greece	0,00%	63,34%	63,34%	Steel Products
CORINTH PIPEWORKS SA	Greece	0,00%	76,58%	76,58%	Tubes

Name	Country	(%) direct interest held	(%) indirect interest held	Direct and indirect interest held	Bussiness segment
2006					
SOVEL SA	Greece	62,22%	0,00%	62,22%	Steel Products
DEPAL SA	Greece	90,92%	0,00%	90,92%	Steel Products
STOMANA INDUSTRY S.A.	Bulgaria	85,97%	0,00%	85,97%	Steel Products
ERLIKON SA	Greece	98,92%	0,00%	98,92%	Steel Products
AEIFOROS SA	Greece	90,00%	0,00%	90,00%	Steel Products
ETAL SA	Greece	83,26%	10,41%	93,68%	Steel Products
PROSAL SA	Greece	70,00%	0,00%	70,00%	Tubes
TEPRO STEEL EAD	Bulgaria	100,00%	0,00%	100,00%	Steel Products
ELMONTE HOLDINGS LIMITED	Cyprus	100,00%	0,00%	100,00%	Steel Products
BOZETTI LTD	Cyprus	100,00%	0,00%	100,00%	Steel Products
BEMET SA	Greece	100,00%	0,00%	100,00%	Steel Products
ETHL SA	Greece	3,89%	60,10%	63,98%	Steel Products
PRAKSYS SA	Greece	51,00%	0,00%	51,00%	Steel Products
DIADIPETHIV SA	Greece	30,50%	39,67%	70,17%	Tubes
AEIFOROS BULGARIA SA	Bulgaria	0,00%	90,00%	90,00%	Steel Products
BET SA	Greece	0,00%	61,28%	61,28%	Tubes
BEAT SA	Greece	0,00%	40,44%	40,44%	Steel Products
SIGMA AE	Bulgaria	0,00%	63,34%	63,34%	Steel Products
ARGOS SA	Greece	0,00%	63,34%	63,34%	Steel Products
CORINTH PIPEWORKS SA	Greece	0,00%	76,85%	76,85%	Tubes

Within the period no acquisition has been made just increases in participations

8 Derivatives

	CONSOLIDATED		COMPANY	
	31/3/2006	**31/12/2005**	**31/3/2006**	**31/12/2005**
Amounts in Euro				
Non-current assets				
Interest rate swap contracts	178.452	-	-	-
Total	**178.452**	**0**	**0**	**0**
Current assets				
Foreign exchange forward contracts	244.656	160.812	-	-
Total	**244.656**	**160.812**	**-**	**-**
Long-term liabilities				
Interest rate swap contracts	617.114	1.344.199	558.977	820.835
Total	**617.114**	**1.344.199**	**558.977**	**820.835**
Short-term liabilities				
Interest rate swap contracts	73.600	124.400	-	-
Foreign exchange forward contracts	65.089	2.555.509	-	-
Total	**138.689**	**2.679.909**	**-**	**-**
Amounts that were charged in the P&L as income or (expense)	**-2.065.198**	**-8.231.894**	**-**	**-**
Detailed interest rate swap contracts				
Nominal value	177.200.000	194.069.803	113.000.000	113.000.000

The above financial derivatives cover foreign exchange risk (US Dollar) as well as interest rate risk.

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

On March 31 2006, the fixed interest rates of long-term loans covered by interest rate swaps ranged from 2.3% to 5.3%. The basic floating rates are based on EURIBOR.

Profit and losses recognized in Total Equity (fair value reserve) from forward foreign exchange contracts, on 31/12/2005 will be transferred to the Income Statements at several dates ranging from one and four months from the balance sheet date.

9 Bank Loans

	CONSOLIDATED		COMPANY	
Amounts in Euro	31/3/2006	31/12/2005	31/3/2006	31/12/2005
Long-term lending				
Bank borrowings	110.796.424	115.839.540	22.318.183	25.318.183
Finance Lease Obligations	1.386.914	1.844.730	-	-
Bond loans	243.750.000	243.750.000	138.750.000	138.750.000
Total long-term loans	**355.933.338**	**361.434.270**	**161.068.183**	**164.068.183**
Short-term loans				
Overdrafts	14.062.235	12.665.217	1.306.181	6.327.985
Bank borrowings	173.749.827	195.789.740	67.159.091	75.609.493
Finance Lease Obligations	1.803.326	1.789.668	-	-
Total short-term loans	**189.615.388**	**210.244.626**	**68.465.272**	**81.937.478**
Total loans	**545.548.726**	**571.678.895**	**229.533.455**	**246.005.660**

The maturity dates of long-term loans are:

Amounts in Euro				
Between 1 and 2 years	103.636.389	107.911.724	55.159.091	58.159.091
Between 2 and 5 years	218.080.805	228.345.088	105.909.092	105.909.092
Beyond 5 years	32.829.230	25.177.457	-	-
	354.546.424	**361.434.270**	**161.068.183**	**164.068.182**

10 Finance Lease

	CONSOLIDATED	
Amounts in Euro	31/3/2006	31/12/2005
Fiance Lease Obligations-minimum leases		
Up to 1 year	2.021.638	2.014.518
Between 1 and 5 years	1.473.395	3.854.665
Total	**3.495.033**	**5.869.183**
Less: Future finance lease payments	-304.793	-2.234.785
Present Value Finance Lease Obligations	**3.190.240**	**3.634.398**
The present value of finance lease obligations is analysed as follows:		
Up to 1 year	1.803.326	1.789.668
Between 1 and 5 years	1.386.914	1.844.730
Present Value Finance Lease Obligations	**3.190.240**	**3.634.398**

The financial leasing concerns machinery and vehicles of the subsidiary companies Corinth Pipework and AEIFOROS S.A.

11 Operating Cash Flows

	CONSOLIDATED		COMPANY	
Amounts in Euro	1/1/2006 - 31/1/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/1/2006	1/1/2005 - 31/3/2005
Profits of the period	15.696.376	4.849.528	3.191.259	626.196
Adjustments for:				
Tax	5.318.138	2.444.254	3.021.058	341.427
Depreciation of tangible assets	12.318.054	11.974.896	2.552.736	2.508.641
Amortisation of intangible assets	42.752	-	3.245	-
Profits/(losses) from the sale of tangible assets (see below)	101.899	-	-	322.616
(Income) interest	-70.051	-109.185	-302	-
Interest charges	6.628.984	6.744.629	2.457.196	2.385.292
(Income) from dividends	-	-132.501	-243.690	-870.869
(Amortisation) of grants	-329.269	-	-31.567	-56.003
(Profits)/losses from associate companies	-26.090	-194.089	-	-
Loss from the destruction of fixed assets	42.116	-	8.332	-
Other (please clarify)	-98.111	-	-37.735	-
	39.624.798	**25.577.531**	**10.920.532**	**5.257.300**
Changes in working capital				
Increase/(decrease) in stocks	4.788.231	-28.068.070	-1.707.725	-11.569.089
Increase/(decrease) in receivables	-26.410.236	-6.382.817	-19.781.233	12.201.961
Increase/(decrease) in liabilities	21.363.286	10.417.079	23.306.237	1.372.077
Increase/(decrease) in provisions	-601.708	-4.989.174	-	-
Increase/(decrease) in personnel retirement benefit obligation	-771.153	-172.952	-4.033	-257.017
	-1.631.580	**-29.195.934**	**1.813.246**	**1.747.933**
Net cash flows from operating activities	**37.993.218**	**-3.618.403**	**12.733.778**	**7.005.233**

Profits/(loss) from the sale of tangible assets include:

Amounts in Euro				
Net book value	209.582	-	-	878.453
Profits/(losses) from the sale of tangible assets	-101.899	-	-	-322.616
Income from the sale of tangible assets	**107.683**	**-**	**-**	**555.837**

12 Commitments

1. Capital commitments

Amounts in Euro	CONSOLIDATED 31/03/06	CONSOLIDATED 31/12/2005	COMPANY 31/03/06	COMPANY 31/12/2005
Tangible assets	16.161.692	13.328.343	-	-
Other (please clarify)	1.302.959	1.360.764	-	-
	17.464.651	**14.689.107**	**-**	**-**

2. Liabilities from operating leases

Amounts in Euro	CONSOLIDATED 31/3/2006	CONSOLIDATED 31/12/2005	COMPANY 31/3/2006	COMPANY 31/12/2005
Up to 1 year	870.815	937.035	308.640	323.354
Between 1 and 5 years	1.806.548	2.036.521	600.396	671.197
More than 5 years	315.707	365.814	-	-
	2.993.070	**3.339.370**	**909.036**	**994.551**
Charged in P&L	**188.675**	**860.896**	**104.705**	**319.584**

There are no significant capital liabilities that have been taken but not executed as at the Balance Sheet date.

13 Contingent Liabilities - Receivables

The group has contingent liabilities and receivables related to banks, other guarantees and other issues that emerge in the context of its basic activity, as follows:

Amounts in Euro	CONSOLIDATED		COMPANY	
Liabilities	**31/3/2006**	**31/12/2005**	**31/3/2006**	**31/12/2005**
Guarantees for securing liabilities towards suppliers	51.331.150	52.794.027	11.403.125	21.734.513
Guarantees for securing good execution of contracts with customers	47.702.002	48.283.426	1.006.671	1.006.671
Provided mortgages and collateral - lands & buildings	101.882.285	73.490.541	-	-
Other liabilities	28.693.279	27.636.584	-	-
Total	**229.608.715**	**202.204.577**	**12.409.795**	**22.741.184**

Amounts in Euro	CONSOLIDATED		COMPANY	
	31/3/2006	**31/12/2005**	**31/3/2006**	**31/12/2005**
Lawsuits of employees due to labor accident in Corinth	1.300.000	1.000.000	-	-
Other lawsuits	5.366.651	6.041.404	-	-
Contractual liabilities	4.093.371	4.010.095	-	-
Bank Letters of Guarantee	13.860.724	13.856.670	-	-
Tax liabilities	4.072.533	2.728.415	-	-
Total	**28.693.279**	**27.636.584**	**-**	**-**

Amounts in Euro	CONSOLIDATED		COMPANY	
Receivables	**31/3/2006**	**31/12/2005**	**31/3/2006**	**31/12/2005**
Guarantees for securing receivables from customers	1.204.846	949.346	1.204.846	1.354.846
Other receivables	303.668	303.667	-	-
Total	**1.508.513**	**1.253.013**	**1.204.846**	**1.354.846**

The subsidiary company Corinth Pipework SA created a provision of a total amount of € 921,855 for the negative outcome of lawsuits until the fiscal year 2005 included. During the current period (31/3/2006), the amount of € 12,000 was paid to plaintiffs and an additional provision of € 120,000 was formed and € 34,000 charges P&L.

Furthermore, up until the fiscal year 2005 included, the company made a provisions for losses that may emerge as a result of its contractual liabilities towards customers, amounting to a total of €3,393,112. During the present period (31/3.2006) and in relation to the above, the company created an additional provision of €619,166.

The total amount of provisions made, is considered adequate and no additional charges are expected to arise.

During the fiscal year 2005, final tax audit reports were issued against the subsidiary company ETIL SA, which concern the tax audit of fiscal years 1999 & 2000. According to these tax audit reports, additional taxes have been imposed amounting to €2,728 thousand, which is analyzed as €938 thousand as basic income tax and €1,790 thousand as additions. The subsidiary company did not accept this liability and legally objected such by filing an appeal to the Administrative Courts on 15/2/2006. At the same time it submitted a request towards the committee, of article 70 L. 2238/94, aiming at exempting the service rendering sector from the off-balance sheet definition. The company's management's view is that the issue will be solved with a significant reduction in the company's final liability. The definition of the tax that will finally be paid cannot be defined at the time, and as such the company has not made a relevant provision with a respective burden on the current period's results.

Stomana Industry AD calculated the amount of € 1,344 as municipality tax to the Municipality of Pernik in Bulgaria. The company does not accept the obligation because it does not get reciprocal benefits from the municipality of Pernik. Therefore the company appeals in court and expects significant reduction of the amount due.

14 Existing collateral assets

There are mortgages and collateral written on the real estate property of subsidiaries Corinth Pipework S.A. and STOMANA AD, amounting to €73,204 thousand and €28,682 thousand respectively, in favour of banks.

15 Related Parties

	CONSOLIDATED		COMPANY	
Amounts in Euro	**31/3/2006**	**31/12/2005**	**31/3/2006**	**31/12/2005**
Sale of goods				
Subsidiary companies	-	-	18.494.614	6.419.510
Other related parties	9.515.400	8.157.408	1.087.503	49.073
	9.515.400	**8.157.408**	**19.582.118**	**6.468.583**
Sale of services				
Subsidiary companies	-	-	7.208.373	986.906
Other related parties	211.746	209.884	450	393
	211.746	**209.884**	**7.208.823**	**987.299**
Sale of fixed assets				
Subsidiary companies	-	-	-	555.000
	-	**-**	**-**	**555.000**
Purchase of goods				
Subsidiary companies	-	-	10.575.496	59.495.322
Other related parties	13.479.414	13.103.149	2.869.319	525.846
	13.479.414	**13.103.149**	**13.444.815**	**60.021.168**
Purchase of services				
Subsidiary companies	-	-	88.992	781.116
Other related parties	3.287.181	1.950.706	1.428.706	194.262
	3.287.181	**1.950.706**	**1.517.698**	**975.378**
Purchase of fixed assets				
Subsidiary companies	-	-	181.915	-
Other related parties	86.729	5.254.941	63.819	-
	86.729	**5.254.941**	**245.734**	**-**

Benefits to Key Management Personnel

	CONSOLIDATED		COMPANY	
Amounts in Euro	**31/3/2006**	**31/12/2005**	**31/3/2006**	**31/12/2005**
Fees - benefits to the members of the Board of Directors and executives	376.810	364.649	100.898	95.638
	376.810	**364.649**	**100.898**	**95.638**

Balances at year end that arise from the sale-purchase of goods, services, fixed assets, etc.

	CONSOLIDATED		COMPANY	
Amounts in Euro	**31/3/2006**	**31/12/2005**	**31/3/2006**	**31/12/2005**
Receivables from related parties:				
Subsidiary companies	-	-	21.975.069	21.717.859
Other related parties	40.461.507	26.415.650	20.319.527	14.773.519
	40.461.507	**26.415.650**	**42.294.596**	**36.491.378**
Liabilities to related parties:				
Subsidiary companies	-	-	24.561.734	5.374.802
Other related parties	7.823.834	8.557.824	1.416.414	1.570.327
	7.823.834	**8.557.824**	**25.978.148**	**6.945.129**

16 Earnings per share

Ongoing activities

	CONSOLIDATED		COMPANY	
Amounts in Euro	**31/3/2006**	**31/3/2005**	**31/3/2006**	**31/3/2005**
Profits that correspond to the shareholders of the parent company	12.000.647	5.665.932	6.212.317	967.623
Weighted average number of shares	95.506.626	95.506.626	95.506.626	95.506.626
Basic profits per share (Euros per share)	0,126	0,059	0,065	0,010

	CONSOLIDATED		COMPANY	
Amounts in Euro	**31/3/2006**	**31/3/2005**	**31/3/2006**	**31/3/2005**
Profits that correspond to the shareholders of the parent company	12.000.647	5.665.932	3.191.259	626.196
Weighted average number of shares	95.506.626	95.506.626	95.506.626	95.506.626
Total weighted average number of shares for reduced profits per share	95.506.626	95.506.626	95.506.626	95.506.626
Reduced profits per share (Euros per share)	0,126	0,059	0,033	0,007

The basic and reduced profits per share are calculated by dividing the profit that corresponds to the shareholders of the parent company by the weighted average number of common shares during the period. Own shares that were purchased by the company are not included in the aforementioned number of common shares.

17 Non-audited Fiscal Years

The Company has been audited by the competent tax authorities until, and including, 2004.

Some of the Group's subsidiary companies have not been audited by tax authorities for various fiscal years from 1999 until and including 2005.

Company	From	To
SIDENOR	2005	
SOVEL SA	2001 -	2001
DEPAL SA	2002 -	2002
STOMANA INDUSTRY S.A.	2005	
ERLIKON SA	2001 -	2001
AEIFOROS SA	2003 -	2003
ETAL SA	1999 -	1999
PROSAL SA	2004 -	2004
TEPRO STEEL EAD	2001 -	2001
ELMONTE HOLDINGS LIMITED	2001 -	2001
BOZETTI LTD	2003 -	2003
BEMET SA	2003 -	2003
ETHL SA	2001 -	2001
PRAKSYS SA	2005	
DIADIPETHIV SA\	2002 -	2002
AEIFOROS BULGARIA SA	2005	2005
BET SA	2003 -	2003
BEAT SA	2003 -	2003
SIGMA SA	2002 -	2002
ARGOS SA	2003 -	2003
CORINTH PIPEWORKS	2003 -	2003
SIDMA SA	2005	
DIAPEM SA	2003 -	2003
BEPEM SA	2000 -	2000
METALLOURGIA OF ATTICA	2002 -	2002
ELKEME SA	2003 -	2003

18 Number of Personnel

Number of personnel employed at the end of the current period: Group 3,325 and Company 353.

19 Events after the Balance Sheet date

During April 2006, final tax audit report were issued against the parent company SIDENOR SA, which concern the tax audit of fiscal years 2002-2004. According to these tax audit report, additional taxes have been imposed amounting to €1,172 thousand, which charged into current's period P&L, as a provision.

On April 3rd 2006, Board of Directors of subsidiary's company "Corinth Pipeworks SA" decided to start the procedures in order to sell the machinery equipment of mill based in Corinth.