

HALCOR

**Interim financial statements (Individual and Consolidated)
as of September 30, 2006**

according to the International Financial Reporting Standards (“IFRS”)

CHAIRMAN OF THE BOARD OF DIRECTORS	MEMBER OF THE BOARD OF DIRECTORS	GENERAL MANAGER	FINANCIAL MANAGER OF THE GROUP
THEODOSSIOS PAPAGEORGOPOULOS ID Card No. H 679222	GEORGIOS PASSAS ID Card No.Φ 020251	MENELAOS TASSOPOULOS ID Card No.Ξ 365174	SPYRIDON KOKKOLIS ID Card No. X 701209

HALCOR S.A.

COMPANY REGISTRATION NO.: 2836/06/B/86/48

Address: “Athens-Tower”2nd Building, 2-4 Messogeion Avenue- 115 27 Athens

HALCOR S.A.

**Interim Financial Statements
as of September 30, 2006**

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**Interim Financial Statements
as of September 30, 2006**

Balance Sheet

Amounts in Euro	Note	GROUP		COMPANY	
		30/9/2006	31/12/2005	30/9/2006	31/12/2005
ASSETS					
Non-current assets					
Property, plant and equipment	8	299.835.338	297.714.813	136.805.589	112.504.324
Intangible assets	9	2.212.933	2.832.015	384.117	397.784
Investment property		2.168.074	2.168.074	-	-
Participations		7.520.125	6.842.589	95.612.480	105.184.381
Available for sale financial assets		730.838	730.890	519.272	252.272
Deferred income tax assets		2.511.833	1.022.073	-	-
Derivative financial instruments		53.782	-	36.292	-
Other receivables		2.175.994	3.293.307	428.894	407.662
		317.208.918	314.603.762	233.786.643	218.746.422
Current assets					
Inventories	7	255.505.851	165.766.955	110.897.983	59.982.112
Trade and other receivables		342.280.808	202.224.088	183.790.111	90.866.895
Derivative financial instruments		2.793.509	1.622.157	1.674.536	972.507
Financial assets in fair value through profit and loss statements		8.231	8.231	-	-
Cash and cash equivalents		16.297.913	16.246.241	7.607.171	6.656.461
		616.886.312	385.867.672	303.969.801	158.477.975
Total assets		934.095.230	700.471.434	537.756.444	377.224.397
EQUITY					
Equity attributable to Shareholders of the Company					
Share capital		38.378.604	32.003.756	38.378.604	32.003.756
Share premium		66.268.333	65.230.753	66.268.333	65.230.753
Translation differences		513.773	(516.781)	-	-
Other reserves		63.768.681	61.611.677	63.183.831	61.320.370
Retained Earnings/ (loss)		56.764.100	27.086.414	25.940.965	10.813.780
Total		225.693.491	185.415.819	193.771.734	169.368.659
Minority interest		22.182.182	33.836.371	-	-
Total equity		247.875.674	219.252.190	193.771.734	169.368.659
LIABILITIES					
Long-term liabilities					
Borrowings	11	305.442.021	213.749.227	214.604.351	125.522.404
Derivative financial instruments		-	1.015.076	-	653.279
Deferred income tax liabilities		25.927.586	24.736.580	21.372.379	16.771.217
Post-employment benefit obligations		4.202.043	3.948.694	2.383.869	1.783.808
Subsidies		2.217.984	2.662.324	1.699.449	366.647
Provisions		5.192.103	5.192.103	5.000.000	5.000.000
Other long-term liabilities		11.356	10.586	-	-
		342.993.093	251.314.592	245.060.048	150.097.355
Short-term liabilities					
Suppliers and other liabilities		71.039.356	62.226.079	23.798.273	24.290.097
Income tax liabilities		7.834.910	7.139.840	4.460.960	4.563.848
Borrowings	11	262.434.513	159.007.019	69.790.812	27.682.167
Derivative financial instruments		1.917.683	1.531.714	874.619	1.222.271
		343.226.463	229.904.652	98.924.663	57.758.383
Total liabilities		686.219.556	481.219.244	343.984.711	207.855.738
Total equity and liabilities		934.095.230	700.471.434	537.756.444	377.224.397

The notes attached hereto from pages 8 to 16 constitute an integral part of these financial statements.

Income Statement

<i>Amounts in Euro</i>	GROUP			
	9 months till 30/9/2006	3 months from 1/7 till 30/9/2006	9 months till 30/9/2005	3 months from 1/7 till 30/9/2005
Sales	907.779.145	326.526.681	513.310.716	189.327.741
Cost of goods sold	(818.197.458)	(299.653.571)	(463.434.239)	(173.592.476)
Gross profit	89.581.686	26.873.110	49.876.477	15.735.265
Selling expenses	(15.518.337)	(4.395.111)	(9.921.977)	(2.053.511)
Administrative expenses	(19.231.893)	(6.176.939)	(16.199.165)	(5.139.563)
Other operating income/ (expenses) net	601.281	426.012	754.256	(716.402)
Operating results	55.432.737	16.727.072	24.509.592	7.825.789
Finance costs - net	(16.460.592)	(6.633.363)	(9.063.387)	(3.273.124)
Dividends	-	-	-	-
Share of profit/loss of associates	1.221.565	301.874	(146.161)	(112.780)
Profit before income tax	40.193.710	10.395.583	15.300.044	4.439.886
Income tax expenses	(7.389.128)	(1.420.628)	(5.850.128)	(1.386.023)
Net profit for the period from continued operations	32.804.582	8.974.955	9.449.916	3.053.863
Attributable to:				
Shareholders of the Parent	29.854.933	7.790.046	7.741.221	2.374.961
Minority interest	2.949.649	1.184.909	1.708.696	678.902
	32.804.582	8.974.955	9.449.916	3.053.863
Earnings per share attributable to shareholders of the parent for the period (expressed in € per share)				
Basic and diluted	0,304	0,089	0,080	0,024
Period's depreciation	(16.681.860)	(5.308.062)	(15.803.631)	(5.034.836)

The notes attached hereto from pages 8 to 16 constitute an integral part of these financial statements.

Income Statement

<i>Amounts in Euro</i>	COMPANY			
	9 months till 30/9/2006	3 months from 1/7 till 30/9/2006	9 months till 30/9/2005	3 months from 1/7 till 30/9/2005
Sales	533.264.510	185.942.411	285.117.054	103.531.824
Cost of goods sold	(496.307.976)	(174.986.175)	(255.028.603)	(92.943.983)
Gross profit	36.956.534	10.956.236	30.088.451	10.587.841
Selling expenses	(6.993.561)	(2.179.459)	(4.699.108)	(1.627.428)
Administrative expenses	(10.995.912)	(3.679.395)	(8.148.878)	(2.632.620)
Other operating income/ (expenses) net	2.623.721	885.914	(236.264)	(1.039.192)
Operating results	21.590.781	5.983.296	17.004.201	5.288.601
Finance costs - net	(7.956.713)	(3.327.043)	(4.610.095)	(1.573.611)
Dividends	1.781.448	133.818	1.655.953	-
Share of profit/loss of associates	-	-	-	-
Profit before income tax	15.415.516	2.790.071	14.050.059	3.714.990
Income tax expenses	(4.722.300)	(353.493)	(4.015.237)	(668.741)
Net profit for the period from continued operations	10.693.216	2.436.578	10.034.822	3.046.250
Attributable to:				
Shareholders of the Parent	10.693.216	2.436.578	10.034.822	3.046.250
Minority interest	-	-	-	-
	10.693.216	2.436.578	10.034.822	3.046.250
Earnings per share attributable to shareholders of the parent for the period (expressed in € per share)				
Basic and diluted	0,109	0,024	0,103	0,031
Period's depreciation	(7.350.120)	(2.481.477)	(5.957.977)	(2.054.913)

The notes attached hereto from pages 8 to 16 constitute an integral part of these financial statements.

Statement of changes in equity

Amounts in Euro

	Share capital	Fair value reserves	Other reserves	Retained earnings	Translation differences	Total	Minority interest	Total Equity
GROUP								
Balance as of December 31, 2004	97.234.509	-	54.215.684	35.588.359	(92.352)	186.946.201	31.709.461	218.655.662
Application of IAS 32 & 39	-	(882.121)	-	-	-	(882.121)	-	(882.121)
Balance as of January 1, 2005	97.234.509	(882.121)	54.215.684	35.588.359	(92.352)	186.064.080	31.709.461	217.773.541
Translation differences	-	-	-	-	82.739	82.739	-	82.739
Profit / (loss) recognised directly to equity	-	(1.168.769)	-	2.359.375	-	1.190.606	566.070	1.756.676
Net profit for the period	-	-	-	7.741.221	-	7.741.221	1.708.696	9.449.916
Total recognised net profit for the period	-	(1.168.769)	-	10.100.596	82.739	9.014.565	2.274.766	11.289.331
Transfer of reserves	-	-	7.874.243	(7.874.243)	-	-	-	-
Dividend	-	-	-	(4.849.054)	-	(4.849.054)	-	(4.849.054)
	-	-	7.874.243	(12.723.297)	-	(4.849.054)	-	(4.849.054)
Balance as of September 30, 2005	97.234.509	(2.050.890)	62.089.926	32.965.659	(9.613)	190.229.591	33.984.227	224.213.818,06
Balance as of December 31, 2004	97.234.509	-	54.215.684	35.588.359	(92.352)	186.946.201	31.709.461	218.655.662
Application of IAS 32 & 39	-	(882.121)	-	(24.109)	-	(906.230)	-	(906.230)
Balance as of January 1, 2005	97.234.509	(882.121)	54.215.684	35.564.250	(92.352)	186.039.971	31.709.461	217.749.432
Translation differences	-	-	-	-	(424.429)	(424.429)	-	(424.429)
Profit / (loss) recognised directly to equity	-	390.482	-	767.893	-	1.158.374	-	1.158.374
Net profit for the period	-	-	-	3.490.957	-	3.490.957	1.514.001	5.004.958
Total recognised net profit for the period	-	390.482	-	4.258.849	(424.429)	4.224.902	1.514.001	5.738.903
Increase - decrease % of participation in subsidiaries	-	-	-	-	-	-	612.909	612.909
Transfer of reserves	-	-	7.887.633	(7.887.632)	-	-	-	-
Dividend	-	-	-	(4.849.054)	-	(4.849.054)	-	(4.849.054)
	-	-	7.887.633	(12.736.686)	-	(4.849.053)	612.909	(4.236.144)
Balance as of December 31, 2005	97.234.509	(491.639)	62.103.316	27.086.414	(516.781)	185.415.819	33.836.371	219.252.191
Balance as of January 1, 2006	97.234.509	(491.639)	62.103.316	27.086.414	(516.781)	185.415.819	33.836.371	219.252.191
Translation differences	-	-	-	-	1.030.554	1.030.554	288.273	1.318.826
Profit / (loss) recognised directly to equity	-	1.422.365	-	169.309	-	1.591.675	(535.317)	1.056.358
Net profit for the period	-	-	-	29.854.933	-	29.854.933	2.949.649	32.804.582
Total recognised net profit for the period	-	1.422.365	-	30.024.242	1.030.554	32.477.161	2.702.605	35.179.766
Additions due to merger	7.412.428	-	978.200	9.655.913	-	18.046.541	-	18.046.541
Surplus due to merger	-	-	(3.889.856)	-	-	(3.889.856)	(14.346.826)	(18.236.682)
Increase % of participation in subsidiaries	-	-	(123.176)	70.772	-	(52.404)	(9.968)	(62.372)
Transfer of reserves	-	-	3.769.470	(3.769.470)	-	-	-	-
Dividend	-	-	-	(6.303.770)	-	(6.303.770)	-	(6.303.770)
	7.412.428	-	734.638	(346.556)	-	7.800.511	(14.356.795)	(6.556.283)
Balance as of September 30, 2006	104.646.937	930.726	62.837.955	56.764.100	513.773	225.693.491	22.182.182	247.875.674

The notes attached hereto from pages 8 to 16 constitute an integral part of these financial statements.

Statement of changes in equity

Amounts in Euro

	Share capital	Fair value reserves	Other reserves	Retained earnings	Translation differences	Total	Minority interest	Total Equity
COMPANY								
Balance as of December 31, 2004	97.234.509	-	54.147.302	13.976.593	-	165.358.404	-	165.358.404
Profit / (loss) recognised directly to equity	-	-	-	-	-	-	-	-
Application of IAS 32 & 39	-	(607.577)	-	-	-	(607.577)	-	(607.577)
Balance as of January 1, 2005	97.234.509	(607.577)	54.147.302	13.976.593	-	164.750.827	-	164.750.827
Profit / (loss) recognised directly to equity	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	10.034.822	-	10.034.822	-	10.034.822
Total recognised net profit for the period	-	-	-	10.034.822	-	10.034.822	-	10.034.822
Transfer of reserves (from distribution)	-	-	7.850.350	(7.850.350)	-	-	-	-
Dividend	-	-	-	(4.849.054)	-	(4.849.054)	-	(4.849.054)
Reserves from derivatives	-	373.406	-	-	-	373.406	-	373.406
	-	373.406	7.850.350	(12.699.404)	-	(4.475.647)	-	(4.475.647)
Balance as of September 30, 2005	97.234.509	(234.171)	61.997.652	11.312.011	-	170.310.002	-	170.310.002
Balance as of December 31, 2004	97.234.509	-	54.147.302	13.976.593	-	165.358.404	-	165.358.404
Profit / (loss) recognised directly to equity	-	-	-	-	-	-	-	-
Application of IAS 32 & 39	-	(607.577)	-	-	-	(607.577)	-	(607.577)
Balance as of January 1, 2005	97.234.509	(607.577)	54.147.302	13.976.593	-	164.750.827	-	164.750.827
Profit / (loss) recognised directly to equity	-	(69.705)	-	-	-	(69.705)	-	(69.705)
Net profit for the period	-	-	-	9.536.591	-	9.536.591	-	9.536.591
Total recognised net profit for the period	-	(69.705)	-	9.536.591	-	9.466.885	-	9.466.885
Transfer of reserves (from distribution)	-	-	7.850.350	(7.850.350)	-	-	-	-
Dividend	-	-	-	(4.849.054)	-	(4.849.054)	-	(4.849.054)
	-	-	7.850.350	(12.699.404)	-	(4.849.054)	-	(4.849.054)
Balance as of December 31, 2005	97.234.509	(677.282)	61.997.652	10.813.780	-	169.368.659	-	169.368.659
Balance as of January 1, 2006	97.234.509	(677.282)	61.997.652	10.813.780	-	169.368.659	-	169.368.659
Profit / (loss) recognised directly to equity	-	1.304.439	-	-	-	1.304.439	-	1.304.439
Net profit for the period	-	-	-	10.693.216	-	10.693.216	-	10.693.216
Total recognised net profit for the period	-	1.304.439	-	10.693.216	-	11.997.656	-	11.997.656
Transfer of reserves	-	-	3.470.678	(3.470.678)	-	-	-	-
Dividend	-	-	-	(6.303.770)	-	(6.303.770)	-	(6.303.770)
Additions due to merger	7.412.428	-	978.200	14.208.417	-	22.599.045	-	22.599.045
Surplus due to merger	-	-	(3.889.856)	-	-	(3.889.856)	-	(3.889.856)
	7.412.428	-	559.022	4.433.969	-	12.405.419	-	12.405.419
Balance as of September 30, 2006	104.646.937	627.157	62.556.674	25.940.965	-	193.771.734	-	193.771.734

The notes attached hereto from pages 8 to 16 constitute an integral part of these financial statements.

HALCOR S.A.**Interim Financial Statements
as of September 30, 2006****Cash flow statement**

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1-30/09/2006	1/1 - 30/9/2005	1/1-30/09/2006	1/1 - 30/9/2005
Cash flows from operating activities				
Cash generated from operations	(151.768.567)	19.283.394	(116.801.380)	30.422.303
Interests paid	(12.493.947)	(9.101.437)	(4.759.820)	(2.831.346)
Income tax paid	(5.150.435)	(4.304.251)	(4.213.283)	(4.568.131)
Net cash generated from operating activities	(169.412.948)	5.877.706	(125.774.483)	23.022.825
Cash flows from investing activities				
Purchase of property, plant and equipment (PPE)	(21.330.997)	(15.493.036)	(3.831.294)	(2.444.033)
Purchase of intangible assets	(162.528)	(575.034)	(89.937)	(116.967)
Sales of PPE	1.822.779	2.646.937	122.907	125.904
Sales of holdings	25.423	-	5.423	16.419.548
Dividends received	-	-	1.781.448	1.655.953
Interest received	275.362	138.076	65.474	157.162
Increase of participation in subsidiaries		(296.157)	3.766.288	(36.195.229)
Net cash generated from investing activities	(19.369.961)	(13.579.214)	1.820.309	(20.397.661)
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(6.285.707)	(4.680.478)	(6.285.707)	(4.847.370)
Borrowings received	207.927.494	42.000.000	138.608.645	30.000.000
Repayment of borrowings	(12.807.205)	(19.411.930)	(7.418.053)	(20.764.600)
Net cash generated from financing activities	188.834.581	17.907.593	124.904.885	4.388.030
Net (decrease)/ increase in cash and cash equivalents	51.672	10.206.085	950.711	7.013.195
Cash and cash equivalents at the beginning of period	16.246.241	11.413.152	6.656.461	4.118.539
Cash and cash equivalents at the end of period	16.297.913	21.619.237	7.607.171	11.131.733

The notes attached hereto from pages 8 to 16 constitute an integral part of these financial statements.

Notes to the Financial Statements of September 30, 2006

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

1. Group Formation and Activities

HALCOR METAL WORKS S.A. (formerly VECTOR S.A. Metals Processing Company) (or “HALCOR” or the “Company”) was incorporated in Athens in 1977.

The Interim Summary Consolidated Financial Statements (the “Financial Statements”) of the company for the nine-month period ended on September 30, 2006 include the Company and its subsidiaries (the “Group”).

The Group engages in business activities in Greece, Bulgaria, Romania, Cyprus, the United Kingdom, France, Germany and Serbia – Montenegro.

The individual and consolidated financial statements of the Company for the financial year that ended on December 31, 2005 are available on the Company’s website, www.halcor.gr.

2. Basis for Financial Statement preparation

The Financial Statements have been prepared according to the IFRS and the International Accounting Standard (IAS) 34.

The Financial Statements do not include all the information required for complete annual financial statements.

The Financial Statements were approved by the Company’s Board of Directors on November 8, 2006.

3. Basic accounting principles

The basic accounting principles applied by the Company during the drafting of the present financial statements are the same as those applied for the drafting of the annual individual and consolidated statements of December 31, 2005.

4. Assessments

When drawing up interim financial statements Directors are required to use their judgment and resort to assumptions and assessments which will affect the application of the accounting principles and the aforementioned amounts in the items of assets and liabilities, profits and losses. The actual results may be different in the end from these assumptions and assessments.

With the exception of the cases described below, the main assumptions and assessments made by the Directors in the application of the Group's accounting policies as well as the main sources of information employed to calculate and specify any doubt and which were used for the drafting of the Financial Statements, are the same as the ones applied for the drafting of the annual individual and consolidated statements of December 31, 2005.

During the nine-month period which ended on September 30, 2006 the Management reassessed the calculations and assumptions regarding:

- The recoverable value of tangible assets (Note 8)
- The recoverable value of intangible assets (Note 9)

5. Primary reporting format – business sectors

Results per sector for the nine-month period till 30/9/2005

9 months till September 30, 2005 (amounts in euro)

	Copper products	Cable products	Services	Total
Total gross sales per sector	413.024.880	133.916.433	65.318.713	612.260.027
Intercompany sales	(89.593.980)	(5.528.309)	(3.827.022)	(98.949.311)
Net sales	323.430.900	128.388.125	61.491.691	513.310.716
Operating profit	17.302.197	3.640.408	3.566.987	24.509.592
Financial income - expenses	(7.295.275)	(998.768)	(769.344)	(9.063.387)
Share in the results of affiliated companies	(146.161)	-	-	(146.161)
Profit before income tax	9.860.761	2.641.641	2.797.643	15.300.044
Income tax	(3.971.734)	(1.011.837)	(866.556)	(5.850.128)
Minority interest	(1.378.441)	(64.771)	(265.484)	(1.708.696)
Net profit	4.510.585	1.565.032	1.665.603	7.741.220

Results per sector for the nine-month period till September 30, 2006

9 months till September 30, 2006 (amounts in euro)

	Copper products	Cable products	Services	Total
Total gross sales per sector	777.525.528	235.180.712	92.201.509	1.104.907.749
Intercompany sales	(176.573.595)	(15.978.182)	(4.576.828)	(197.128.605)
Net sales	600.951.933	219.202.530	87.624.681	907.779.145
Operating profit	39.124.574	13.240.532	3.067.630	55.432.736
Financial income - expenses	(12.298.304)	(3.519.770)	(642.517)	(16.460.591)
Share in the results of affiliated companies	1.073.831	147.734	-	1.221.565
Profit before income tax	27.900.101	9.868.496	2.425.113	40.193.710
Income tax	(3.382.263)	(3.095.707)	(911.157)	(7.389.128)
Minority interest	(2.171.703)	(86.872)	(691.075)	(2.949.649)
Net profit	22.346.134	6.685.917	822.881	29.854.933

6. Subsidiary Merger

The Boards of Directors of the Companies FITCO S.A. and HALCOR S.A. in their meetings on January 30, 2006 decided on the merger of the two companies by means of absorption of the former by the latter with merger balance sheets as of January 31, 2006 and in accordance to the provisions of Law 2166/1993 and Codified Law 2190/1920.

The merger was approved by the General Meetings of the two companies on June 15, 2006 and was finalized by decision no. K2-9666 of the Minister of Development on June 30, 2006. (Government Gazette No. 6611/4.7.2006).

The merger resulted in a € 3.889.855,77 goodwill which appears under the Equity account.

7. Inventories

In the period between January 1 and September 30, 2006 both as far as the Company and the Group are concerned, no conditions for inventory value depreciation occurred.

8. Tangible fixed assets

Following the absorption of FITCO SA and the approval of the Company's investment plans, cases where it was estimated that an issue of value depreciation of tangible fixed assets owned by the company might arise, were examined

On the basis of related reports by the Company's engineers, depreciation was applied on:

- Fixed assets of the former FITCO S.A. which are not included in the business plan of the new HALCOR.
- HALCOR fixed assets which are to be replaced by planned investments.

The depreciation amount (€ 2.692 th.) was fully charged on the results for the period and in particular on the Company's cost of goods sold account.

9. Intangible assets

Following the complete integration of FITCO SA in HALCOR's computing systems, software expenses for the former FITCO SA were depreciated.

This depreciation, amounting to € 175 thousand has been charged in full on the results of this period.

10. Dividends

The Ordinary General Meeting of June 15, 2006 approved the distribution of a dividend amounting to € 6,303,770 - thus 0.065 €/share.

11. Borrowings

	GROUP		COMPANY	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
<i>Amounts in Euro</i>				
Long-term borrowings				
Bank loans	46.442.021	59.249.227	13.104.351	20.522.404
Syndicated loans	259.000.000	154.500.000	201.500.000	105.000.000
Total long-term borrowings	305.442.021	213.749.227	214.604.351	125.522.404
Short-term borrowings				
Overdrafts	3.297.870	48.365	3.297.870	48.365
Bank loans	259.136.643	158.958.654	66.492.942	27.633.802
Total short-term borrowings	262.434.513	159.007.019	69.790.812	27.682.167
Total loans	567.876.535	372.756.246	284.395.163	153.204.571

The maturity dates of long-term loans are:

<i>Amounts in Euro</i>				
Between 1 and 2 years	98.014.088	22.974.945	73.986.235	51.372.598
Between 2 and 5 years	205.740.433	188.243.032	140.618.117	74.149.807
Beyond 5 years	1.687.500	2.531.250	-	-
	305.442.021	213.749.226	214.604.351	125.522.404

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

	COMPANY	
	30/9/2006	31/12/2005
Bank loans (long-term)	6,68%	6,66%
Bank loans (short-term)	4,49%	3,46%
Syndicated loans	3,86%	3,23%

The Ordinary General Meeting of June 15, 2006, approved the issue of debenture loans amounting in total to € 125,000,000.

12. Cash flows from operating activities

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1-30/09/2006	1/1 - 30/9/2005	1/1-30/09/2006	1/1 - 30/9/2005
Profit for the period	32.804.582	9.449.916	10.693.216	10.034.822
Adjustments for:				
Tax	7.389.128	5.850.128	4.722.300	4.015.237
Depreciation of tangible assets	15.709.472	10.225.035	7.180.623	5.832.362
Amortisation of intangible assets	879.645	800.397	169.498	152.433
Impairment	2.866.794		2.866.794	
(Profit)/ loss from sale of tangible assets	(202.233)	(262.000)	(53.726)	(71.652)
(Profit)/ loss from sale of participations	(3.690)	158.961	(3.690)	5
(Income) interest	(275.362)	(138.075)	(65.474)	(157.162)
Interest expenses	16.739.644	9.101.437	8.022.187	4.767.257
(Income) from dividends	-	-	(1.781.448)	(1.655.953)
(Amortisation) subsidies	(423.917)	(731.667)	(191.593)	(26.818)
(Profit) / loss from affiliated companies	(1.221.565)	146.161	-	-
	74.262.498	34.600.294	31.558.686	22.890.531
Changes in working capital				
(Increase)/ decrease in inventories	(90.061.193)	(4.486.221)	(50.915.871)	13.052.639
(Increase)/ decrease in receivables	(140.220.173)	(16.919.608)	(93.558.832)	(2.641.720)
Increase/ (decrease) in liabilities	2.565.903	4.240.675	(4.934.101)	(3.721.144)
Increase/ (decrease) in provisions	1.431.049	1.741.779	448.678	802.774
Increase/ (decrease) personnel retirement benefit obligation	253.348	106.475	600.061	39.223
	(226.031.065)	(15.316.900)	(148.360.066)	7.531.772
Net cash flows from operating activities	(151.768.567)	19.283.394	(116.801.380)	30.422.303

13. Obligations

The Group leases fork-lift trucks, pallet carriers and automobiles. The leases vary in duration but none exceeds the period of five years from the time of the contract. During the period that ended on September 30, 2006, costs amounting to €344,058 (December 31, 2005: €349,409) were registered in the Company's operating results.

14. Contingent receivables - liabilities

In a survey conducted by the European Competition Commission on European copper pipes manufacturers, a violation regarding the observance of rules for competition in the market of copper water pipes was detected. The European Committee imposed fines on seven companies, including HALCOR S.A. HALCOR's fine corresponds to 9.16 million Euros. Although the company deems that the imposition of a fine was unjustified and unfair and that the amount imposed was exceptionally high, it has filed a recourse against the Committee's decision before the Court of the European Communities. The company's Management, based on the recommendation of its legal department with regard to the recourse's validity, deems that the final amount of the aforementioned fine (provided that the court confirms its lawful imposition) will not exceed 5 million Euros, an amount that as a provision has burdened the results of the 2004 fiscal year.

Mortgages of € 20 million in the whole have been filed against real estates of the subsidiary HELLENIC CABLES SA, ICME ECAB S.A. in Romania.

The company METAL AGENCIES LTD which is seated in the United Kingdom is controlled by HALCOR, in a percentage of 93.28%, and claims a tax return of € 62.6 thousand from the English state.

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The company SOFIA MED AD which is seated in Bulgaria and all 100% of its stock is controlled by HALCOR, claims by means of judicial process a tax return of € 299.5 thousand from the Bulgarian State. According to the reports of the company's legal service, the Company's Directors believe that its claim is very likely (over 50%) to be satisfied.

15. Transactions with affiliated parties

The following transactions refer to transactions with affiliated parties.

<i>Amounts in Euro</i>	GROUP		COMPANY	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Sale of goods				
Subsidiaries	-	-	144.681.666	98.116.047
Other affiliated parties	127.240.976	53.153.725	43.989.875	27.428.766
	127.240.976	53.153.725	188.671.541	125.544.813
Sale of services				
Subsidiaries	-	-	-	2.472.251
Other affiliated parties	13.832.238	8.113.765	160.593	623.099
	13.832.238	8.113.765	160.593	3.095.350
Sale of fixed assets				
Subsidiaries	-	-	85.471	219.038
Other affiliated parties	59.626	876.492	34.098	-
	59.626	876.492	119.569	219.038
Purchase of goods				
Subsidiaries	-	-	27.394.548	24.154.633
Other affiliated parties	132.963.877	50.770.978	14.430.417	6.284.364
	132.963.877	50.770.978	41.824.965	30.438.997
Purchase of services				
Subsidiaries	-	-	2.374.266	3.193.800
Other affiliated parties	3.786.469	9.704.543	131.228	4.753.470
	3.786.469	9.704.543	2.505.495	7.947.270
Purchase of fixed assets				
Subsidiaries	-	-	-	-
Other affiliated parties	188.440	2.901.460	-	1.422.357
	188.440	2.901.460	-	1.422.357

Benefits to Key Management Personnel

<i>Amounts in Euro</i>	GROUP		COMPANY	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Fees - benefits to the members of the Board of Directors and executives	4.125.982	1.795.162	2.843.718	1.641.736
Benefits after the interruption of a collaboration	-	-	-	-
Other long term benefits	-	-	-	-
Share based benefits	-	-	-	-
	4.125.982	1.795.162	2.843.718	1.641.736

End-of-year balances from sale-purchase of goods, services, fixed assets, etc.

<i>Amounts in Euro</i>	GROUP		COMPANY	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Receivables from affiliated parties :				
Subsidiaries	-	-	34.411.237,10	11.748.130
Other affiliated parties	40.200.597	9.868.993	12.443.297,64	2.832.233
	40.200.597	9.868.993	46.854.535	14.580.363
Liabilities to affiliated parties:				
Subsidiaries	-	-	3.904.301	4.325.194
Other affiliated parties	26.556.464	10.845.272	1.843.088	1.705.073
	26.556.464	10.845.272	5.747.389	6.030.267

The services to and from affiliated parties, as well as sales and purchases of goods are conducted according to the pricelists applicable to non affiliated parties.

16. Transfer of items of the previous period 01/01 -30/09/2005

In the consolidated income statement of the period 01/01 – 30/09/2005 and specifically in the “Other operating Income – Expenses”, there was a transfer of € 449,040 to the “Financial Income-Expenses”, as well as transfer-movement of an amount of € (146,161) from the “Other Operating Income-Expenses” to the “Financial Income-Expenses” account as “Profit-Loss from affiliated companies”. These transfers were made for comparability reasons and resulted in the decrease of the “Profit before tax, Financing, Investing results and depreciation” account by €302,879, of the “Profit before tax, Financing, Investing results” account by € 302,879 and a respective decrease in Financial Expenses by the same amount.

In the income statement of the Company for the period 01/01-30/09/2005 and specifically the “Other operating Income – Expenses”, there was a transfer of € 244,753 to the “Financial Income-Expenses”, as well as transfer of an amount of € 1,655,953 from the “Other operating Income-Expenses” to the “Financial Income” (as dividend income). These transfers were made for comparability reasons and resulted in the decrease of the “Profit before tax, Financing, Investing results and depreciation” account by €1,900,706, of the “Profit before tax, Financing, Investing results” account by € 1,900,706 and a respective decrease in financial expenses by the same amount.

17. Acquisition of a subsidiary

In July 2006, HALCOR S.A. acquired the total number of shares of the company HABAKIS LTD. – LICENSE & DISTRIBUTION. For this reason the company is included for the first time in the current period in the consolidated financial statements.

18. Events following the balance sheet date

- There are no events after the balance sheet date which may have an impact on the financial standing of the Company.