



**Interim financial statements
(Individual and Consolidated)
as of June 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
THEODOSIOS 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

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HALCOR S.A.

**Summary of the Interim Financial Statements
as of June 30, 2006**

Balance sheet

Amounts in €	Notes	GROUP		COMPANY	
		30/6/2006	31/12/2005	30/6/2006	31/12/2005
ASSETS					
Non-current assets					
Property, plant and equipment	8	292.995.614	297.714.814	137.840.662	112.504.324
Intangible assets	9	2.424.330	2.832.015	429.643	397.784
Investment property		2.168.074	2.168.074	-	-
Investments		7.363.924	6.842.589	95.543.892	105.184.381
Available for sale financial assets		730.838	730.890	464.292	252.272
Deferred income tax assets		2.720.134	1.022.073	-	-
Derivative financial instruments		112.027	-	83.877	-
Other receivables		4.662.233	3.293.307	429.772	407.662
Total non-current assets		313.177.174	314.603.763	234.792.138	218.746.422
Current Assets					
Inventories	7	296.051.600	165.766.955	144.120.579	59.982.112
Trade and other receivables		322.936.313	202.224.088	175.546.510	90.866.895
Derivative financial instruments		1.263.995	1.622.157	711.198	972.507
Financial assets in fair value through profit and loss statements		8.231	8.231	-	-
Cash and cash equivalents		11.439.776	16.246.241	3.931.670	6.656.461
Total current assets		631.699.915	385.867.672	324.309.956	158.477.975
Total assets		944.877.088	700.471.435	559.102.094	377.224.397
EQUITY					
Capital and reserves attributable to the Company's equity holders					
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		48.390	(516.781)	-	-
Reserves		56.923.108	61.611.677	58.578.413	61.320.370
Retained earnings		49.077.807	27.086.414	23.504.387	10.813.780
Total		210.696.243	185.415.819	186.729.738	169.368.659
Minority interest		20.784.672	33.836.371	-	-
Total equity		231.480.914	219.252.190	186.729.738	169.368.659
LIABILITIES					
Long term liabilities					
Borrowings	11	183.839.143	213.749.227	122.154.287	125.522.404
Derivative financial instruments		-	1.015.076	-	653.279
Deferred income tax liabilities		23.829.933	24.736.580	19.540.551	16.771.217
Retirement benefit obligations		4.088.747	3.948.694	2.335.044	1.783.808
Grants		2.371.492	2.662.324	1.775.515	366.647
Provisions		5.192.103	5.192.103	5.000.000	5.000.000
Other long term liabilities		11.760	10.586	-	-
		219.333.178	251.314.592	150.805.397	150.097.355
Short term liabilities					
Trade and other payables		81.000.816	61.508.993	32.405.696	24.237.645
Current income tax liabilities		11.980.525	7.856.925	5.039.981	4.616.300
Borrowings	11	391.930.508	159.007.020	178.021.859	27.682.167
Derivative financial instruments		9.151.147	1.531.715	6.099.423	1.222.271
		885.993.504	229.904.653	399.588.818	57.758.383
Total liabilities		1.105.326.682	481.219.244	550.394.215	207.855.738
Total equity and liabilities		1.336.807.596	700.471.435	737.123.953	377.224.397

The notes attached hereto from pages 7 to 15 constitute an integral part of these financial statements.

**Summary of the Interim Financial Statements
as of June 30, 2006**

Income statements

<i>Amounts in Euro</i>	GROUP			
	30/6/2006	3 months from 1/4 till 30/6/2006	30/6/2005	3 months from 1/4 till 30/6/2005
Sales	581.252.463	342.917.519	323.982.974	175.812.385
Cost of sales	(518.543.887)	(311.150.210)	(289.841.763)	(157.846.442)
Gross profit	62.708.576	31.767.309	34.141.211	17.965.943
Selling costs	(11.123.226)	(6.993.211)	(7.868.465)	(3.743.861)
Administrative expenses	(13.054.954)	(6.905.915)	(11.059.602)	(6.085.921)
Other operating income - net	175.269	126.221	1.470.658	(271.340)
Operating profit	38.705.665	17.994.404	16.683.803	7.864.822
Finance costs - net	(9.827.229)	(5.922.685)	(5.790.263)	(2.072.176)
Dividends	-	-	-	(8.610)
Share of profits/ (losses) of associates	919.691	635.870	(33.381)	(279.192)
Profit before income tax	29.798.127	12.707.588	10.860.159	5.504.844
Income tax expense	(5.968.500)	(2.369.955)	(4.464.105)	(2.177.126)
Profit for the year from continued operations	23.829.627	10.337.633	6.396.054	3.327.717
Attributable to:				
Equity holders of the Company	22.064.887	9.966.179	5.366.260	2.459.252
Minority interests	1.764.740	371.455	1.029.794	868.466
	23.829.627	10.337.633	6.396.054	3.327.717
Shares per profit to the shareholders for period (expressed in € per share)				
Basic and reduced	0,227	0,107	0,055	0,025

Income statements

<i>Amounts in Euro</i>	COMPANY			
	30/6/2006	3 months from 1/4 till 30/6/2006	30/6/2005	3 months from 1/4 till 30/6/2005
Sales	347.322.099	208.084.969	181.585.230	98.665.199
Cost of sales	(321.321.801)	(194.567.975)	(162.084.619)	(89.356.098)
Gross profit	26.000.298	13.516.994	19.500.610	9.309.101
Selling costs	(4.814.102)	(2.781.031)	(3.071.680)	(1.630.344)
Administrative expenses	(7.316.517)	(4.144.987)	(5.516.258)	(2.886.393)
Other operating income - net	1.737.807	1.064.632	802.928	715.642
Operating profit	15.607.486	7.655.608	11.715.600	5.508.005
Finance costs - net	(4.629.671)	(2.793.407)	(3.036.484)	(1.581.575)
Dividends	1.647.630	590.615	1.655.953	891.047
Share of profits/ (losses) of associates	-	-	-	-
Profit before income tax	12.625.445	5.452.816	10.335.069	4.817.478
Income tax expense	(4.368.806)	(2.651.977)	(3.346.497)	(1.431.148)
Profit for the year from continued operations	8.256.639	2.800.839	6.988.572	3.386.330
Attributable to:				
Equity holders of the Company	8.256.639	2.800.839	6.988.572	3.386.330
Minority interests	-	-	-	-
	8.256.639	2.800.839	6.988.572	3.386.330
Shares per profit to the shareholders for period (expressed in € per share)				
Basic and reduced	0,085	0,029	0,072	0,035

The notes attached hereto from pages 7 to 15 constitute an integral part of these financial statements.

**Summary of the Interim Financial Statements
as of June 30, 2006**

Statement of changes in equity

Amounts in €

	Share capital	Share premium	Other reserves	Retained earnings	Translation Differences	Total	Minority Interests	Total Equity
GROUP								
Balance as of 31 December 2004	32.003.756	65.230.753	54.215.684	35.588.359	(92.352)	186.946.201	31.709.461	218.655.662
Application of IAS 32 & 39			(882.121)	(24.109)		(906.230)		(906.230)
Balance as of 1 January 2005	32.003.756	65.230.753	53.333.563	35.564.250	(92.352)	186.039.971	31.709.461	217.749.432
Currency translation differences					163.759	163.759		163.759
Profit or loss recognised directly to equity			(182.627)	1.708.841		1.526.214	353.805	1.880.019
Net profit for the period				5.366.260		5.366.260	1.029.794	6.396.054
Total of recognised net profit of period	-	-	(182.627)	7.075.101	163.759	7.056.233	1.383.599	8.439.832
Transfer of reserves			7.874.242	(7.874.242)		-		-
Divident				(4.849.054)		(4.849.054)		(4.849.054)
	-	-	7.874.242	(12.723.296)	-	(4.849.054)	-	(4.849.054)
Balance as of 30 June 2005	32.003.756	65.230.753	61.025.178	29.916.055	71.407	188.247.150	33.093.060	221.340.210
Balance as of 31 December 2004	32.003.756	65.230.753	54.215.684	35.588.359	(92.352)	186.946.201	31.709.461	218.655.662
Application of IAS 32 & 39			(882.121)	(24.109)		(906.230)		(906.230)
Balance as of 1 January 2005	32.003.756	65.230.753	53.333.563	35.564.250	(92.352)	186.039.971	31.709.461	217.749.432
Currency translation differences	-	-			(424.429)	(424.429)	-	(424.429)
Profit or loss recognised directly to equity	-	-	390.482	767.893		1.158.375		1.158.375
Net profit for the period	-	-		3.490.957		3.490.957	1.514.001	5.004.958
Total of recognised net profit of period	-	-	390.482	4.258.850	(424.429)	4.224.903	1.514.001	5.738.904
Increase - decrease in holdings percentage in subsidiary companies					-	-	612.909	612.909
Transfer of reserves			7.887.633	(7.887.633)		-		-
Divident				(4.849.054)		(4.849.054)		(4.849.054)
	-	-	7.887.633	(12.736.687)	-	(4.849.054)	612.909	(4.236.145)
Balance as of 31 December 2005	32.003.756	65.230.753	61.611.677	27.086.413	(516.781)	185.415.820	33.836.371	219.252.191
Balance as of 1 January 2006	32.003.756	65.230.753	61.611.677	27.086.413	(516.781)	185.415.819	33.836.371	219.252.190
Currency translation differences					565.171	565.171	162.336	727.507
Profit or loss recognised directly to equity			(5.423.208)	273.062		(5.150.146)	(621.981)	(5.772.127)
Net profit for the period				22.064.887		22.064.887	1.764.740	23.829.627
Total of recognised net profit of period	-	-	(5.423.208)	22.337.949	565.171	17.479.912	1.305.095	18.785.007
Additions because of the merger	5.707.815	1.704.613	978.200	9.655.913		18.046.541	(14.346.826)	3.699.715
Surplus because of the merger			(3.889.856)			(3.889.856)		(3.889.856)
Buy -sell of self shares						-		-
Increase - decrease in holdings percentage in subsidiary companies			(123.176)	70.772		(52.404)	(9.968)	(62.372)
Transfer of reserves	667.033	(667.033)	3.769.470	(3.769.470)		-		-
Divident				(6.303.770)		(6.303.770)		(6.303.770)
	6.374.848	1.037.580	734.638	(346.555)	-	7.800.511	(14.356.795)	(6.556.283)
Balance as of 30 June 2006	38.378.604	66.268.333	56.923.107	49.077.807	48.390	210.696.242	20.784.672	231.480.914

The notes attached hereto from pages 7 to 15 constitute an integral part of these financial statements.

**Summary of the Interim Financial Statements
as of June 30, 2006**

Statement of changes in equity

<i>Amounts in €</i>	Share capital	Share premium	Other reserves	Retained earnings	Translation Differences	Total	Minority Interests	Total Equity
COMPANY								
Balance as of 31 December 2004	32.003.756	65.230.753	54.147.302	13.976.593	-	165.358.404	-	165.358.404
Profit or loss recognised directly to equity								
Application of IAS 32 & 39			(607.577)			(607.577)		(607.577)
Balance as of 1 January 2005	32.003.756	65.230.753	53.539.725	13.976.593	-	164.750.827	-	164.750.827
Profit or loss recognised directly to equity								
Net profit for the period				6.988.572		6.988.572		6.988.572
Total of recognised net profit of period				6.988.572		6.988.572		6.988.572
Transfer of reserves (from distribution)			7.850.350	(7.850.350)				
Dividend				(4.849.054)		(4.849.054)		(4.849.054)
Reserves from derivatives			(114.321)			(114.321)		(114.321)
			7.736.029	(12.699.404)		(4.963.375)		(4.963.375)
Balance as of 30 June 2005	32.003.756	65.230.753	61.275.754	8.265.761	-	166.776.024	-	166.776.024
Balance as of 31 December 2004	32.003.756	65.230.753	54.147.302	13.976.593	-	165.358.404	-	165.358.404
Profit or loss recognised directly to equity								
Application of IAS 32 & 39			(607.577)			(607.577)		(607.577)
Balance as of 1 January 2005	32.003.756	65.230.753	53.539.725	13.976.593	-	164.750.827	-	164.750.827
Profit or 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 of recognised net profit of period			(69.705)	9.536.591		9.466.886		9.466.886
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 31 December 2005	32.003.756	65.230.753	61.320.370	10.813.780	-	169.368.659	-	169.368.659
Balance as of 1 January 2006	32.003.756	65.230.753	61.320.370	10.813.780	-	169.368.659	-	169.368.659
Profit or loss recognised directly to equity			(3.300.979)			(3.300.979)		(3.300.979)
Net profit for the period				8.256.639		8.256.639		8.256.639
Total of recognised net profit of period			(3.300.979)	8.256.639		4.955.660		4.955.660
Transfer of reserves (from distribution)	667.033	(667.033)	3.470.678	(3.470.678)				
Dividend				(6.303.770)		(6.303.770)		(6.303.770)
Additions because of the merger	5.707.815	1.704.613	978.200	14.208.417		22.599.045		22.599.045
Surplus because of the merger			(3.889.856)			(3.889.856)		(3.889.856)
	6.374.848	1.037.580	559.022	4.433.969		12.405.419		12.405.419
Balance as of 30 June 2006	38.378.604	66.268.333	58.578.413	23.504.387	-	186.729.738	-	186.729.738

The notes attached hereto from pages 7 to 15 constitute an integral part of these financial statements.

**Summary of the Interim Financial Statements
as of June 30, 2006**

Cash flow statement

<i>Amounts in €</i>	Note	GROUP		COMPANY	
		1/1 - 30/6/2006	1/1 έως 30/6/2005	1/1 - 30/6/2006	1/1 έως 30/6/2005
Cash flows from operating activities					
Cash generated from operations	12	(187.383.596)	(1.613.728)	(147.588.911)	(1.035.005)
Interest paid		(7.899.449)	(5.792.022)	(3.576.678)	(3.161.476)
Income tax paid		(4.693.612)	(4.487.072)	(4.213.283)	(4.487.072)
Net cash generated from operating activities	12	(199.976.657)	(11.892.822)	(155.378.872)	(8.683.553)
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(9.023.229)	(11.835.000)	(2.448.849)	(1.560.123)
Purchase of intangible assets		(127.293)	(211.000)	(89.437)	-
Proceeds from sale of PPE		1.134.303	962.000	136.780	99.244
Disposals of subsidiaries		5.423	-	5.423	-
Dividends received		-	-	1.647.630	1.655.953
Interest received		151.888	125.462	40.416	89.734
Other		-	-	-	35.258
Net cash generated from investing activities		(7.858.908)	(10.958.538)	(708.037)	320.066
Cash flows from financing activities					
Issue of ordinary shares		-	-	6.374.848	-
Dividends paid to parent company's shareholders		15.695	-	15.695	-
Borrowings received		213.680.018	51.417.906	151.839.692	27.522.792
Repayment of borrowings		(10.666.614)	(21.091.146)	(4.868.117)	(16.104.354)
Dividends paid to minority interests		-	(43.000)	-	-
Net cash generated from financing activities		203.029.100	30.283.759	153.362.118	11.418.437
Net decrease or raise in cash and cash equivalents		(4.806.465)	7.432.399	(2.724.791)	3.054.951
Cash and cash equivalents at beginning of the period		-	-	-	-
Cash and cash equivalents at end of the period		(4.806.465)	7.432.399	(2.724.791)	3.054.951

The notes attached hereto from pages 7 to 15 constitute an integral part of these financial statements.

Notes to Financial Statements of June 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 six-month period that ended on June 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.

Some comparative information from the six-month period which ended on June 30, 2005, such as those that were presented in the half-yearly Consolidated Financial Statements of June 30, 2005, has been refashioned in order to be rendered comparable with the corresponding funds of the six-month period which ended on June 30, 2006.

The Financial Statements were approved by the Company’s Board of Directors on August 10, 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 semester which ended on June 30, 2006, the Directors 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 6 months until 30 June 2005

6 months until 30 June 2005 (<i>Amounts in Euro</i>)	Copper products	Cable products	Services	Total
Total gross sales per sector	260.245.359	82.162.697	44.913.168	387.321.223
Inter-company sales	(59.934.593)	(1.686.000)	(1.717.656)	(63.338.249)
Net sales	200.310.766	80.476.697	-	323.982.974
Operating profits	12.367.650	1.532.354	2.783.799	16.683.803
Financial income-expenses	(4.956.703)	(432.968)	(400.593)	(5.790.263)
Share in the results of affiliated companies	(33.381)	-	-	(33.381)
Profits before taxes	7.377.566	1.099.386	2.383.206	10.860.159
Income tax	(3.370.258)	(561.053)	(532.793)	(4.464.104)
Minority interests	(199.046)	(40.561)	(790.186)	(1.029.794)
Net profit	3.808.261	497.772	1.060.227	5.366.260

Results per sector for the 6 months until 30 June 2006

6 months until 30 June 2006 (<i>Amounts in Euro</i>)	Copper products	Cable products	Services	Total
Total gross sales per sector	500.990.359	153.238.820	58.429.671	712.658.850
Inter-company sales	(117.587.515)	(10.815.645)	(3.003.226)	(131.406.387)
Net sales	383.402.844	142.423.175	-	581.252.463
Operating profits	26.249.507	10.370.198	2.085.960	38.705.665
Financial income-expenses	(7.173.702)	(2.223.640)	(429.887)	(9.827.229)
Share in the results of affiliated companies	633.173	286.517	-	919.691
Profits before taxes	19.708.979	8.433.075	1.656.074	29.798.127
Income tax	(3.186.022)	(2.123.272)	(659.206)	(5.968.500)
Minority interests	(1.469.720)	(50.665)	(244.355)	(1.764.741)
Net profit	15.053.237	6.259.138	752.512	22.064.887

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 31st and in accordance to the provisions of Law 2166/1993 and the 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.

The merger resulted in a € 3,889,855.77 goodwill, which appears under the Equity account.

7. Inventories

In the time period between January 1st and June 30th 2006, as far as the company is 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) was fully charged on the results of 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. Borrowing

<i>Amounts in Euro</i>	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Long-term lending				
Bank borrowings	49.839.143	59.249.227	15.654.287	20.522.404
Bond loans	134.000.000	154.500.000	106.500.000	105.000.000
Total long-term loans	183.839.143	213.749.227	122.154.287	125.522.404
Short-term loans				
Overdrafts	622.531	48.635	622.351	48.365
Bank borrowings	391.307.977	158.958.384	177.399.507	27.633.802
Total short-term loans	391.930.508	159.007.019	178.021.859	27.682.167
Total loans	575.769.650	372.756.246	300.176.146	153.204.571

The maturity dates of long-term loans are:

<i>Amounts in Euro</i>	GROUP	GROUP	COMPANY	COMPANY
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Between 1 and 2 years	71.764.088	74.347.543	50.236.235	51.372.598
Between 2 and 5 years	110.387.555	136.870.434	71.918.053	74.149.807
Beyond 5 years	1.687.500	2.531.250	-	-
	183.839.143	213.749.227	122.154.287	125.522.404

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

	COMPANY	
	30/6/2006	31/12/2005
Bank lending (long-term)	6,66%	6,66%
Bank lending short-term)	4,07%	3,46%
Bond loans	3,72%	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 operational activities

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/1 - 30/6/2006	1/1 έως 30/6/2005	1/1 - 30/6/2006	1/1 έως 30/6/2005
Profits of the period	23.829.627	6.396.054	8.256.639	6.988.572
Adjustments for:				
Tax	5.968.500	4.464.105	4.368.806	3.346.497
Depreciation of tangible assets	10.760.173	10.600.795	4.745.172	3.797.320
Amortisation of intangible assets	613.624	168.000	123.471	105.744
Impairment	2.691.816	-	-	-
Profits/(losses) from the sale of tangible assets	(241.994)	(262.000)	(49.667)	(3.244)
(Income) interest	(151.888)	(160.720)	(40.416)	(89.734)
Interest charges	9.982.807	5.792.022	4.670.087	3.161.476
(Income) from dividends	-	-	(1.647.630)	(1.655.953)
(Amortisation) of grants	(290.832)	(731.667)	(115.526)	(26.818)
(Profits)/losses from associate companies	(919.691)	33.381	-	-
	52.238.452	26.458.931	20.307.245	15.623.865
Changes in working capital				
Increase/(decrease) in stocks	(130.606.942)	(29.450.687)	(84.138.467)	(6.744.823)
Increase/(decrease) in receivables	(122.468.312)	(10.610.079)	(85.260.873)	(12.154.423)
Increase/(decrease) in liabilities	12.720.473	11.418.431	503.270	1.973.884
Increase/(decrease) in provisions	592.680	500.882	448.678	258.434
Increase/(decrease) in personnel retirement benefit obligation	140.053	68.794	551.236	8.058
	(239.622.048)	(28.072.659)	(167.896.156)	(16.658.870)
Net cash flows from operating activities	(187.383.596)	(1.613.728)	(147.588.911)	(1.035.005)

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 June 30, 2006, costs amounting to €190,590 (December 31, 2005: €349,409) were registered in the Company's operating results.

14. Possible liabilities / receivables

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.

HALCOR S.A.**Summary of the Interim Financial Statements
as of June 30, 2006**

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.

A lawsuit has been filed against HALCOR S.A. by a former employee with the accusation of unlawful termination of contract. The amount of damages demanded reaches € 150,000.

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.

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	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Sale of goods				
Subsidiary companies	-	-	102.122.688	98.116.047
Other related parties	55.801.093	53.153.725	25.587.639	27.428.766
	55.801.093	53.153.725	127.710.327	125.544.813
Sale of services				
Subsidiary companies	-	-	-	2.472.251
Other related parties	850.837	8.113.765	140.918	623.099
	850.837	8.113.765	140.918	3.095.350
Sale of fixed assets				
Subsidiary companies	-	-	50.300	219.038
Other related parties	-	876.492	-	-
	-	876.492	50.300	219.038
Purchase of goods				
Subsidiary companies	-	-	15.740.376	24.154.633
Other related parties	64.884.704	50.770.978	10.862.492	6.284.364
	64.884.704	50.770.978	26.602.868	30.438.997
Purchase of services				
Subsidiary companies	-	-	1.513.966	3.193.800
Other related parties	2.109.596	9.704.543	-	4.753.470
	2.109.596	9.704.543	1.513.966	7.947.270
Purchase of fixed assets				
Subsidiary companies	-	-	-	-
Other related parties	-	2.901.460	-	1.422.357
	-	2.901.460	-	1.422.357
Benefits to Key Management Personnel				
<i>Amounts in Euro</i>				
Fees - benefits to the members of the Board of Directors and executives	1.129.752	3.371.380	453.604	917.784
Benefits due to the interruption of a collaboration	1.840.145	1.363.857	1.210.430	1.210.430
	2.969.898	4.735.237	1.664.034	2.128.214

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. Events following the balance sheet date

- In July and August 2006, the Company in order to repay short term loans signed agreements for debenture loans amounting in total to € 95,000,000.

- The HELLENIC CABLES SA Stockholders General Meeting on June 15, 2006, approved a debenture loan amounting up to € 50 million, which will replace existing short term loan obligations and finance the Company's investment plans. By virtue of this decision, on July 28, 2006 the amount of € 10 million was disbursed –this corresponds to 4 bonds of € 2.5 million each, based on contract signed with the credit institution– and is to be repaid in four equal annual installments beginning from the second anniversary of the receiving date. The loan will bear Euribor interest rate plus spread.

HALCOR S.A.

**Summary of the Interim Financial Statements
as of June 30, 2006**

Review Report of Certified Auditors Accountants

To the Shareholders of
HALCOR METAL WORKS S.A.

We have reviewed the accompanying Condensed Stand Alone and Consolidated Financial Statements (the "Financial Statements") of HALCOR METAL WORKS S.A. (the Company) for the six-month period ended 30 June 2006, which comprise the balance sheet as at 30 June 2006 and the income statement, statement of changes in equity and cash flow statement for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. These Financial Statements are the responsibility of the Company's management. Our responsibility is to issue a report on these Financial Statements based on our review. Our review relates to the six-month period and does not extend to the review of the financial information on the results of the second quarter 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400 as specified by the Greek Auditing Standards. This Standard requires that we plan and perform our review to obtain sufficient evidence as to the whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Financial Statements are not prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRS) which have been adopted by the EU applicable to interim financial statements (IAS 34).

Athens, 14 August 2006

KPMG Kyriacou Certified Auditors S.A.

Michael Kokkinos

Certified Auditor Accountant

AM SOEL 12701