MYTILINEOS®

HOLDINGS S.A.

Financial Statements

for the twelve month period

from the 1st of January to the 31st of December 2007

We confirm that the attached Financial Statements are those approved by the Board of Directors of "MYTILINEOS S.A." at 26/03/2008 and have been published to the electronic address www.mytilineos.gr. It is noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company's and Group's financial results and position, according to International Accounting Standards. It is also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures.

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

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A. Board of Directors Management Report

General Review

For the MYTILINEOS GROUP, 2007 was another positive year, despite the difficulties caused by USD - Euro exchange parity fluctuations, the decline of the Alumina prices comparing with the 2006 record prices as well as the significant increase of oil prices.

It was a year of important development its highlights being the full consolidation of "Aluminium Of Greece S.A." and "Delta Project S.A." and the strategic alliance with ENDESA.

The most important event for the Group was the strategic alliance for the Greek market with ENDESA, the largest Spanish electricity company, which will expand into South-eastern Europe. The new company, with the largest independent portfolio in the pipeline and under construction and a well-balanced mix between thermal and renewals, will become into the largest independent power operator in Greece.

The financial power of the new company, the know how of ENDESA (one of the largest private multinational companies, with presence in more than fifteen countries of Europe, America and Africa), and the relevant local presence and industrial dimension of the MYTILINEOS group, will allow the new company to face this ambitious development growth project.

A milestone for 2007 was the full merger of 'ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A' and 'DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A'. 'MYTILINEOS HOLDINGS SA'. After 35 years of ongoing presence in the Athens Exchange, full integration of ALUMINIUM OF GREECE and DELTA PROJECT, a pioneer in energy sector, strengthens the Group and further reinforces MYTILINEOS share. MYTILINEOS Group so far goes hand in hand with its Shareholders, thanking them for their confidence and delivers the commitment that it shall keep on planning the next business moves in the context of strategic development to ensure profit. Triple merger forms part of this context.

A most significant event for the penetration of METKA in the international business field was the contract agreement for the study, procurement and initialization of operation of a 220MW power plant on behalf of "THE KARACHI ELECTRIC SUPPLY CORPORATION Ltd" (KESC) at Karachi of Pakistan. The project refers to a combined cycle plant working with natural gas and, alternatively, with petroleum. METKA cooperated both with General Electric Co. for this project, which shall provide the gas turbines, and with "ISTROENERGO GROUP Inc" (IEG), a Slovakian company, which shall provide the thermal recovery boiler. The contract value comes up to €110 million. In the design of the station the potential expansion and increase of power up to 250MW is taken into account. METKA's penetration in a market of 160 million people where the supply of electric power does not exceed 60% is of great importance. According to conservative calculations, within the next decade 15,500 MW shall be added to the existing national system, of which 9,500 MW shall be operated with natural gas. METKA shall claim a large part of these power projects.

In addition, on 17.10.2007 METKA signed an agreement with the Public Power Company (PPC) for the construction, and set in operation of a gas-fired power plant of 420 Mwatt maximum power and for the twelve-year maintenance of its gas turbine.

In view to the MYTILINEOS Group general restructuring and due to the related object and activities of the two companies, METKA acquired from the company "DELTA MECHANICAL EQUIPMENT AND COMPLETED PROJECTS A.B.E.T.E." (DELTA PROJECT S.A.) the 100% of the shares of "ETADE S.A.".

The company philosophy in the field of Corporate Responsibility focuses on the harmonious coexistence of the entrepreneurial activities with its social and environmental actions. The Group responds actively and consistently to its social role and develops innovative actions on contemporary environmental ethics, such as environment aesthetics and the open dialogue with the local communities.

The Group's Corporate Responsibility program includes systematic actions aiming at a responsible operation on behalf of the company and at yielding practical results, mainly in the fields of: Environment, Society, Market and Working environment.

Since 2006, Mytilineos Group is a member of the Hellenic Network for Corporate Social Responsibility, which is an effort to cooperate and exchange good practices with other Greek companies.

Concerning the financial results of 2007, the Group increased its turnover by 8%, despite the negative effect of USD - Euro exchange parity which fluctuated from 1,30 at the beginning of the year to 1,46 at the end. The Group's turnover was negatively affected by that fluctuation by € 40m approximately. In addition, the Group's profit of after taxes and minority interests increase significantly (83,3%) comparing to 2006 and amounted to € 193m, mainly due to the

capital gains derived by the first phase of the agreement with ENDESA Europe in the energy sector and by the consolidation of the total results of ALUMINIO S.A. following the absorption of the minority rights due to the merger.
Finally, the Group's earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 18% and amounted to € 153m (2006: € 188m).

Prospects for the forthcoming year (2008)

The forthcoming year (2008) is expected to be difficult for the Metallurgy sector due to the increased prices in raw materials, transportation expenses and the decline of the dollar against the Euro. The development of the above within the next year are expected to be catalytic for the results of the Group. On the other hand, the EPC sector is expected to have an excellent year as two important energy projects (Fire-plant in Aliveri and St Nikolaos) are in full development and there are also very significant prospects for acquiring new projects for the unaccomplished part. Finally, 2008 is expected to be a significant year for the energy sector as the plan for the incorporation of the Group's energy assets in ENDESA Hellas is carrying on smoothly and the Cogeneration Plant will enter into the electricity market as an independent producer.

Ladies and Gentlemen shareholders, during 2007 MYTILINEOS GROUP increased its dynamics through its strategic choices, promoted its presence in the Energy Sector through significant strategic co operations, developing its presence in the international EPC sector. Concerning the Metallurgy sector, the Group keeps on its dynamic course taking by analyzing the market data and exploring possible opportunities.

During 2008, with aspiration and efficiency we shall continue to promote our goal of attaining a leading role in the European Heavy Industry Market.

Significant post balance sheet date events

The joint venture between METKA-GENERAL ELECTRIC was announced preferred bidder in the international tender conducted by PETROM S.A., subsidiary of the multi-national colossus OMV-

Austria, for the announcing of a contractor in respect of the construction of a 850Mw power plant in Petrobrazi of Romania.

On 1.1.2008 ENDESA Hellas announced that has applied for the renewal of the Installation License for the natural gas-fired power plant in Volos. The 440MW CCGT power plant will be constructed on a green field in the industrial zone of Volos region. ENDESA Hellas, which has also decided to build two additional CCGTs of a similar capacity within the next five years, is investigating appropriate sites and is preparing relevant proposals for that purpose.

On 1.1.2008 ENDESA Hellas announced that is in the process of completing the preparations for the commencing of the construction of the new electricity production unit in Volos.

MYTILINEOS Group has proceeded during the period 1.1.2008 to 26.3.2008 to the purchase of 871.170 common shares with an average purchase price of € 9.94.

Factors of added value and performance evaluation

The group monitors its performance through the analysis of three (3) basic sectors:

(a) Metallurgy & Mining Sector, where "Aluminium Of Greece", "Delfi Distomon" and the activity of basic metals of the Groups' subsidiaries "Thoriki S.A.I.C." and "Sometra S.A." are incorporated. This sectors accounted for the 63,6% of group's Sales and the 67,7% of the Group's EBITDA.

(b) The Construction Projects Sector operated by the subsidiary METKA and its affiliated companies is another important sector for the Group. In 2007, this sector accounted for the 25,8,% of the Group's Sales and the 32,7,4% of the Group's EBITDA, while in the forthcoming year it is expected to have a significant contribution on the Group's profitability.

(c) Concerning the Energy sector, the strategic alliance with ENDESA in 2007 was a milestone for its the future contribution to the Group's financials.

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary corrective actions.

The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

-ROCE (Return On Capital Employed): this ratio divides EBIT with the total Capital Employed if the Group which is the sum of Equity, Total of Bank Loans and Long Term Provisions.
- ROE (Return On Equity): this ratio divides Earning After Tax(EAT) with the Group's Shareholders' Equity.
- EVA(Economic Value Added): this figure is calculated by multiplying the difference of ROCE and Cost of Capital with the Capital Employed as defined above and reflects the amount added to the economic value of the firm. In order to calculate the Cost of Capital the group uses the WACC formula.

The above indicators for 2007 as compare to 2006 are as follows:

	31/12/2007	**31/12/2006**
ROCE	**12%**	**15%**
ROE	**11%**	**18%**
EVA (σε εκατ.ευρώ)	**43**	**67**

Business Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of commodity and financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge the exposure to certain financial risks.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations.

Credit Risk

The Group has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions.

Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The policy of the Group is to minimise interest rate cash flow risk exposures on long-term financing. Liquidity risk is managed by retaining sufficient cash and immediately liquidated financial assets as well as sufficient credit lines with Banks and Suppliers in relation to the required financing of operations and investments.

Market Risk

Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply.

The Group is price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.). The Group's activities expose it to the fluctuations of the prices of Aluminium (AL), Zinc (Zn), Lead (Pb) as well as to Fuel Oil as a production cost.

Foreign Exchange Risk

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

Interest rate risk

Group's interest bearing assets comprises only of cash and cash equivalents. Additionally, the Group maintains its total bank debt in products of floating interest rate. In respect of its exposure to floating interest payments, the Group evaluates the respective risks and where deemed necessary considers the use of appropriate interest rate derivatives. The policy of the Group is to minimise interest rate cash flow risk exposures on long-term financing.

Corporate Governance

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

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

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

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

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

Dividend Policy

Regarding the distribution of dividends the Board Of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, proposes the distribution of dividends of 0,51€/share as opposed to 0,25€/share in 2006 (recalculated for comparability purposes upon the adjusted number of stocks after the split of the stocks). This proposed dividend is subject to the approval of the General Assembly.

Evangelos Mytilineos
Chairman & Managing Director

Information regarding the issues of article 4 paragraph 7-8 of L.3356/2007 of Mytilineos Holdings S.A.

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 7 and 8 of article 4 L.3356/2007.

I. Company's Share Capital Structure

The share capital of Mytilineos Holding S.A amounts to 125.080.916,71 euro, divided into 116.898.053 common registered shares with voting right and a par value of 1,07 euro each. Each share provides one voting right

The share capital of the Company during the financial period 1.1.2007 – 31.12.2007 was as follows:

A) The share capital of the company up to 3.9.2007 was 24.312.204 euro, divided into 40.520.340 common registered shares at par value of 0,60 euro each.

B) The 1st Repeat Extraordinary General Assembly of Shareholders of 3.9.2007 approved the merger by absorption of the anonymous companies ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A. by the Company and decided the concurrent and parallel:

a) Share capital increase of the Company,

(aa) (i) by the amount of the share capital contributed by ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME amounting 206,565,872.90 Euro less the amount of 108,359,199.60 Euro corresponding to the nominal value of the invalidated shares of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME held by the Company, ii) by the amount of the share capital contributed by DELTA MECHANICAL EQUIPMENT & INTEGRATED PROJECTS S.A. amounting to 4,250,000 Euro less the amount 2,700,180.04 Euro, corresponding to the nominal value of the invalidated shares of DELTA MECHANICAL EQUIPMENT &
INTEGRATED PROJECTS S.A. held by the Company, i.e. in total, by the amount of 99,756,493.26 Euro

(bb) by the amount of 135,483.84 Euro resulting from capitalization of part of the Company's share premium account, for the purpose of maintaining the share exchange ratio.

b) change of the nominal value of each Company share from 0.60 Euro 2.55 Euro,

c) the issuance of 8.187.182 registered shares of a nominal value of 2.55 Euro, which shall be distributed to the shareholders of the merged companies, as per the exchange ratios set forth in the Draft Merger Contract of 18.8.2007, which was approved by the Company's 1st Repeat Extraordinary General Assembly of Shareholders of 3.9.2007.

C) The 2nd Re-iterative General Meeting of the Company's shareholders of 26.11.2007
resolved on the following:

(a) decrease of the nominal value of the Company's shares € 2.55 to € 1.07 with the issuance of 68,190,531 new common registered shares, and the pro bono distribution of 24 new shares of the new par value of 1.07€ each for each 10 old shares of the previous par value of 2.55€ each, to the existing shareholders and

(b) increase of the Company's share capital through capitalization of share premium reserve amounting to 876,735.61€ for rounding purposes of the new par value of the shares.

Following the above, the share capital of the Company amounts to €125,080,916.71, divided into one 116,898,053 incorporeal common registered shares of a par value of
€ 1,07 each.

D) In accordance with the Board of Directors resolution of 5.12.2007, following the exercise by senior executives of the Company and of companies of Mytilineos group of stock option rights granted to them on the basis of the Stock Option Plans that have been approved by resolutions dated 14.6.2006 and 3.9.2007 of the General Meeting of Shareholders, the share capital was increased by €92.324,95 with cash payments and issuance of 86.285 new registered voting shares, nominal value of €1.07 each. Share price was 12,70€ according to the relevant stock option plan. The resulted par value difference of 1.003.495€ was transferred to share premium.

Following the exercise of the call options, the Company's share Capital amounts to Euro 125.173.241,66, divided into 116.984.338 ordinary shares of nominal value Euro 1,07.

Subsequently, the total amount of the Company's share capital amounts to 125,173.241,66 Euro divided into 116.984.338 intangible, common, registered voting shares of a new nominal value 1,07 Euro each.

The shares of Mytilineos Holding S.A are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

• The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves or 6% of the paid in capital (and in particular the larger of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The payment date and the payment method of the dividend are available through the media appointed by L. 3556/07. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

• The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

• The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.

• Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

• Shareholders participate in the Company's General Meeting which constitute the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

• The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 4 of article 33 of the Articles of Association).

The shareholders' responsibility is limited to the nominal value of the shares held.

II. Restrictions for transferring Company shares

The transfer of Company shares takes place based on procedures stipulated by the law while there are no restrictions set by the Articles of Association for transfer of shares.

III.Important Indirect/Direct participations according to articles 9-10 of L.3556/07

The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's Shares are presented in the following table.

ΟΝΟΜΑΤΕΠΩΝΥΜΟ	ΠΟΣΟΣΤΟ
EVANGELOS MYTILINEOS	14.57%
IOANNIS MYTILINEOS	15,44%

IV. Shares with special control rights

There are no Company shares that provide special control rights to their holders.

V. Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. Agreements between Company shareholders

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

VII. Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920

VIII. Responsibility of the BoD for the issuance of new shares or acquisition of own shares according to C.L. 2190/1920

A) According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at lease two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

B) In accordance with the decisions of the General Meeting of shareholders of the Company on 14.6.2006 and 3.9.2007 the Board of Directors of the Company: (a) On 5.12.2007 resolved on the specification of the terms and table of allocation of the stock option plan of the Company pursuant to the provisions of article 13 para. 13 of codified law 2190/1920 as in force, in favour of members of the Board and executive members of the Company and its affiliates. According to the above decision, there are 28 beneficiaries with up to 41,014 corresponding call options for the current year. The acquisition price of the options was fixed at €30.47 per share. (b) On 5.12.2007, following the exercise by senior executives of the Company and of companies of Mytilineos group of stock option rights granted to them on the basis of the Stock Option Plans, approved a share capital increase by €92.324,95 with cash payments and issuance of 86.285 new registered voting shares, at a nominal value of €1.07 each. Share price was 12,70€ according to the relevant stock option plan. The resulted par value difference of 1.003.495€ was transferred to share premium.

C) According to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920, the listed companies may acquire own shares through the Athens Stock Exchange, according to decision of the General Meeting until the 10% of total shares, in order to support the stock exchange price. In the Meeting held on 14.6.2006 the General Meeting of Shareholders, making use of the above possibility provided by the Law, decide that the Company should acquire, during the period 14.6.2006 - 13.6.2007 no more than 4.054.034 shares, equivalent to 10% of total existing shares, in order to support the stock exchange price of its share, in a price range between € 5 (minimum) and € 35 (maximum). In the Meeting held on 16.2.2006 the General Meeting of Shareholders amended the initial decision in a price range between € 5 (minimum) and € 50 (maximum). In the context of implementing the aforementioned General Meeting decision, the Company's BoD defines by resolution, prior to the start of the individual trading period, the principal trading terms, in particular the maximum number of own shares to be acquired, maximum and minimum price and time period that shares shall be acquired. The company on 6/6/2007 completed the 3rd phase of its Share Buyback Program through the acquisition of 1.096.293 treasury shares at an average price of 35,27euro on the context of the 16/2/2007 decision of the Board of Directors. During the reported period the company has acquired a total of 5.695.898 (adjusted after split) treasury shares which represent 4,82% of share capital

D) On 7.12.2007, the Board of Directors of the Company resolved on the commencement of the plan regarding the acquisition of owned shares pursuant to article 16 para. 1 of codified law 2190/1920, in implementation of the decision of the Extraordinary General Meeting of the Company's shareholders of 7.12.2007, and all acquisitions will be made pursuant to the provisions of Regulation 2273/2003 of the EU Committee. In the period from 13.12.2007 until 6.12.2009, the Company will acquire up to two million five hundred twenty two thousand four hundred sixty one (2,522,461) owned shares, at a minimum acquisition price of five (€5) euros per share and a maximum acquisition price of sixty (€60) euros per share. Up to 31.12.2007 the Company had not acquired any stocks.

IX. Important agreement which is amended / terminated in case a change arises in the company's control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. Agreement between the Company and BoD members or employees regarding the termination of their terms / employment

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer

The provisions formed for retirement compensations amounted to 598 k€ as at 31.12.2007.

Evangelos Mytilineos
Chairman & Managing Director

B. INDEPENDENT AUDITORS' REPORT

To the Shareholders of "MYTILINEOS S.A."

Report on the Financial Statements

We have audited the accompanying financial statements of **"MYTILINEOS S.A."** ("the Company") as well as the consolidated financial statements of the Company ("the Group"),which comprise (for both the Company and the Group), the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2007, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report comprises the information prescribed by Article 43a, paragraph 3 and Article 107, paragraph 3 of the Law 2190/20 as well as Article 11α of the Law N.3371/2005 and its content is consistent with the abovementioned financial statements.

Athens, 26 March 2008

The Certified Auditor

George Deligiannis

A.M. SOEL. 15791

Grant Thornton

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MYTILINEOS HOLDINGS S.A.

C. Income Statement

		THE GROUP		THE COMPANY	
		01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Sales		**912,597,327**	**837,038,920**	**3,255,618**	**137,049,813**
Cost of sales	6.23	(748,993,617)	**(628,294,737)**	(825,618)	(117,427,044)
Gross profit		**163,603,710**	**208,744,183**	**2,430,000**	**19,622,769**
Other operating income	6.25	50,454,577	13,917,301	25,619,786	4,785,348
Distribution expenses	6.24	(10,288,082)	(12,886,622)	(164,527)	(5,459,295)
Administrative expenses	6.24	(50,529,232)	(30,292,082)	(21,376,671)	(8,108,046)
Research & Development expenses	6.24	0	0	(691)	(83,591)
Other operating expenses	6.25	(22,177,212)	(16,694,645)	(3,022,914)	(7,772,731)
Earnings before interest and income tax		**131,063,762**	**162,788,136**	**3,484,983**	**2,984,453**
Financial income	6.26	17,141,825	3,497,562	15,812,787	1,836,419
Financial expenses	6.26	(25,891,422)	(11,832,854)	(16,910,710)	(8,052,930)
Other financial results	6.27	152,267,663	34,038,417	188,189,793	71,271,178
Negative goodwill	6.28	0	19,242,077		
Share of profit of associates	6.4	(193,791)	(4,419,693)		
Profit before income tax		**274,388,036**	**203,313,646**	**190,576,852**	**68,039,120**
Income tax expense	6.29	(59,169,808)	(47,350,130)	(29,503,609)	(15,406,812)
Profit for the period		**215,218,229**	**155,963,516**	**161,073,243**	**52,632,308**
Result from discontinuing operations		(4,546,239)	1,370,104		
Profit for the period		**210,671,990**	**157,333,620**	**161,073,243**	**52,632,308**
Attributable to:					
Equity holders of the parent		*193,601,160*	*152,381,406*	*161,073,243*	*52,632,308*
Minority interest		*17,070,830*	*4,952,214*		
Basic earnings per share	6.30	*1.71*	*1.57*	*1.42*	*0.54*
		Summury of Result		**Summury of Result**	
Earnings before income tax,financial results,depreciation and amortization		153,706,659	187,226,687	4,371,230	3,401,707
Earnings before income tax and financial results		131,063,762	162,788,136	3,484,983	2,984,453
Earnings before income tax		274,388,036	203,313,646	190,576,852	68,039,120
Earnings for the period		215,218,229	155,963,516	161,073,243	52,632,308

MYTILINEOS HOLDINGS S.A.

D. Balance Sheet

		THE GROUP		THE COMPANY	
ASSETS		**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Non Current Assets	**Note**				
Tangible Assets	6.1	387,654,004	540,960,295	11,135,837	11,603,083
Goodwill	6.2	141,359,317	128,257,177		
Intangible Assets	6.3	9,154,551	57,786,478	61,367	220,021
Investments in Subsidiary Companies		0	(0)	670,048,251	731,634,333
Investments in Associate Companies	6.4	190,159,396	30,247,173	178,451,784	15,920,830
Deferred Tax Receivables	6.5	23,676,349	26,069,199	588,386	5,398,678
Financial Assets Available for Sale	6.6	476,783	70,317,907	36,831	39,384
Derivatives		19,273,780	0		
Other Long-term Receivables	6.7	1,352,222	3,100,976	110,239	120,241
		773,106,400	**856,739,205**	**860,432,695**	**764,936,570**
Current Assets					
Inventories	6.8	180,883,181	203,057,887		
Trade and other receivables	6.9	298,984,780	177,395,158	7,823,595	11,238,869
Other receivables	6.10	59,612,562	95,379,341	59,994,092	102,810,204
Other current assets	6.11	5,539,884	10,502,793	1,750,514	85,019
Financial assets at fair value through profit or loss	6.13	6,702,160	7,736,578	2,903,008	3,024,669
Derivatives		17,318,463	0		
Cash and cash equivalents	6.14	84,932,830	15,373,860	4,103,726	3,054,147
		653,973,859	**509,445,616**	**76,574,935**	**120,212,908**
Non Current Assets Available for Sale	6.32	222,637,992	0		
Total Assets		**1,649,718,252**	**1,366,184,821**	**937,007,631**	**885,149,478**
EQUITY AND LIABILITIES					
Equity					
Share capital	6.15	119,142,828	98,973,983	119,142,831	98,242,049
Share premium	6.15	223,992,887	382,783,535	75,311,801	176,154,344
Fair value reserves	6.15	35,722,651	990,699		
Other reserves	6.15	110,524,343	33,481,850	94,236,621	66,790,784
Translation reserves	6.15	(35,317,312)	(9,843,629)		
Retained earnings		288,926,818	220,481,924	297,455,074	281,638,126
Equity attributable to parent's shareholders		**742,992,215**	**726,868,362**	**586,146,327**	**622,825,302**
Minority interests		56,859,671	52,269,350		
Total Equity		**799,851,886**	**779,137,712**	**586,146,327**	**622,825,302**
Non-Current Liabilities					
Long-term debt	6.16	56,854,789	37,421,006	12,550,000	21,328,695
Derivatives	6.12		6,811,203		5,345,713
Deferred tax liability	6.5	78,920,832	48,494,888	48,356,487	14,132,695
Liabilities for pension plans	6.17	40,596,831	34,647,563	598,188	671,279
Other long-term liabilities	6.18	24,093,345	38,231,865		59,124
Provisions	6.19	18,156,475	19,771,825	1,268,343	3,100,000
Total Non-Current Liabilities		**218,622,272**	**185,378,350**	**62,773,017**	**44,637,505**
Current Liabilities					
Trade and other payables	6.20	182,781,132	103,438,292		65,752
Tax payable	6.21	59,960,787	57,935,003	13,067,260	49,879,474
Short-term debt	6.16	295,637,473	156,004,485	228,646,004	108,920,240
Current portion of non-current liabilities	6.16	0	17,564,120		17,564,120
Liabilities to subsidiaries	6.22	0	0	34,864,564	39,138,463
Derivatives	6.12	0	38,043,373		546,731
Other payables	6.22	30,325,491	28,430,821	11,217,865	1,571,890
Current portion of non-current provisions	6.19	2,390,431	252,666	292,593	0
Total current liabilities		**571,095,314**	**401,668,759**	**288,088,287**	**217,686,670**
Total liabilities		**789,717,586**	**587,047,109**	**350,861,304**	**262,324,175**
Liabilities related to non current assets available for sale	6.32	60,148,780	0		
TOTAL EQUITY AND LIABILITIES		**1,649,718,252**	**1,366,184,821**	**937,007,631**	**885,149,478**

MYTILINEOS HOLDINGS S.A.

E. Statement of changes in Equity (Group)

Amounts in €	Share Capital	Share Capital above par	Revaluation Reserves	Other Reserves	Translation Reserves	Profit(Loss) carried forward	Total	Minorities	Total
	Attributable to the group's shareholders								
Opening Balance 01/01/2006, according to IFRS -as published-	**24,312,204**	**187,520,764**	**15,167,655**	**18,894**	**(3,266,881)**	**165,730,937**	**389,483,572**	**318,350,300**	**707,833,872**
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	74,811,851	201,666,266	0	0	0	(46,717,790)	229,760,327	(229,760,327)	0
Adjusted Opening Balance 01/01/2006, according to IFRS from application of IAS 8	**99,124,055**	**389,187,030**	**15,167,655**	**18,894**	**(3,266,881)**	**119,013,147**	**619,243,899**	**88,589,973**	**707,833,872**
Change in equity for the period 01/01 - 31/12/2006									
Translation reserve of foreign Subsidiaries					(6,576,748)		(6,576,748)	(350,004)	(6,926,752)
Capitalization taxes				(1,241,547)			(1,241,547)	(10,531)	(1,252,078)
- Available for sale financial assets							0		0
Profit (Loss) from revaluation recognized directly in equity			4,512,663				4,512,663	5,072,432	9,585,095
Minus: Profit (Loss) transferred to income statement due to sale			(3,048,849)				(3,048,849)	(3,427,040)	(6,475,889)
Profit (Loss) from revaluation recognized directly in equity			(28,973,601)				(28,973,601)	(32,567,607)	(61,541,208)
Profit (Loss) transferred to income statement due to sale			8,678,908				8,678,908	9,755,476	18,434,383
Taxes recognised directly in Equity			4,653,924				4,653,924	5,231,216	9,885,141
Net profit(loss) recognized directly in Equity	**0**	**0**	**(14,176,955)**	**(1,241,547)**	**(6,576,748)**	**0**	**(21,995,250)**	**(16,296,059)**	**(38,291,309)**
Dividents distribution						(16,208,126)	(16,208,126)	(21,981,725)	(38,189,852)
Subsidiaries' Treasury Shares	(150,072)	(6,403,494)					(6,553,566)	0	(6,553,566)
Distribution approval 2005				34,704,502		(34,704,502)	0	0	0
Impact from acquisition of share in subsidiaries							0	(27,888,903)	(27,888,903)
Impact from sale of share in subsidiaries							0	24,543,078	24,543,078
Impact from subsidiaries share capital increase							0	350,772	350,772
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8							0		0
Net profit(loss) for the period 1/1/-31/12/2006						152,381,406	152,381,406	4,952,214	157,333,620
Total Recognised Profit(Loss) for the period	(150,072)	(6,403,494)	(14,176,955)	33,462,955	(6,576,748)	101,468,777	107,624,463	(36,320,622)	71,303,841
Closing Balance at 31/12/2006, according to IFRS	**98,973,983**	**382,783,536**	**990,700**	**33,481,849**	**(9,843,629)**	**220,481,923**	**726,868,362**	**52,269,350**	**779,137,712**
Opening Balance 01/01/2007, according to IFRS -as published-	**24,162,132**	**181,117,270**	**990,699**	**33,481,850**	**(9,843,629)**	**220,481,924**	**450,390,245**	**328,747,467**	**779,137,712**
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	74,811,851	201,666,266	0	0	0	0	276,478,117	(276,478,117)	0
Adjusted Opening Balance 01/01/2007, according to IFRS from application of IAS 8	**98,973,983**	**382,783,535**	**990,699**	**33,481,850**	**(9,843,629)**	**220,481,924**	**726,868,362**	**52,269,350**	**779,137,712**
Change in equity for the period 01/01 - 31/12/2007									
Translation reserve of foreign Subsidiaries					-25,473,682		(25,473,682)	-1,652,318	(27,126,000)
Taxes recognised directly in Equity				(2,880,041)		(34,879,620)	(37,759,661)		(37,759,661)
Dividents distribution						(22,975,769)	(22,975,769)	(32,193,027)	(55,168,796)
Transfer to reserves				48,091,597		(46,882,608)	1,208,988	(1,208,988)	0
- Available for sale financial assets							0		0
Profit (Loss) from revaluation recognized directly in equity			(16,500,484)				(16,500,484)		(16,500,484)
Minus: Profit (Loss) transferred to income statement due to sale							0		0
- Cash Flow hedging reserve							0		0
Profit (Loss) recognized directly in equity			47,291,863				47,291,863		47,291,863
Profit (Loss) transferred to income statement due to sale			15,858,632				15,858,632		15,858,632
Net profit(loss) recognized directly in Equity	**0**	**0**	**46,650,011**	**45,211,556**	**(25,473,682)**	**(104,737,997)**	**(38,350,113)**	**(35,054,333)**	**(73,404,445)**
Treasury stock sales/purchases	(5,880,339)	(65,827,092)					(71,707,431)		(71,707,431)
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	24,944,642	(88,468,879)				(10,769,308)	(74,293,545)	74,293,545	0
Share capital increase from split	876,736	(876,736)					0		0
Equity mavement from split	135,481	(4,621,436)					(4,485,955)		(4,485,955)
Equity movement from Stock Option Plan	92,325	1,003,495		160,777			1,256,596		1,256,596
Minorities decrease from Subsidiaries Treasury Shares cancelation			(11,918,060)	31,670,161		(9,648,961)	10,103,141	(51,107,704)	(41,004,563)
Impact from acquisition of share in subsidiaries							0	(6,265,695)	(6,265,695)
Impact from sale of share in subsidiaries							0	5,653,678	5,653,678
Net profit(loss) for the period 1/1/-31/12/2007						193,601,160	193,601,160	17,070,830	210,671,990
Total Recognised Profit(Loss) for the period	**20,168,845**	**-158,790,649**	**34,731,952**	**77,042,493**	**-25,473,682**	**68,444,895**	**16,123,853**	**4,590,321**	**20,714,174**
Closing Balance at 31/12/2007, according to IFRS	**119,142,828**	**223,992,887**	**35,722,651**	**110,524,343**	**(35,317,312)**	**288,926,819**	**742,992,215**	**56,859,671**	**799,851,886**

F. Statement of changes in Equity (Company)

	Attributable to the parent's shareholders				
	Share Capital	**Share Capital above par**	**Other reserves**	**Profit(Loss) carried forward**	**Total**
Opening Balance at 01/01/2006 according to GR Gaap	24,312,204	183,906,926	783,427	27,246,309	***236,248,866***
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	111,688,120	10,524,786	67,918,432	228,253,790	***418,385,128***
Opening Balance at 01/01/2006 according to IFRS	**136,000,324**	**194,431,712**	**68,701,859**	**255,500,099**	***654,633,994***
Adjustments in Shareholders Equity for the period 01/01-31/12/06					
Treasury Stock Purchases	(30,277,519)	(6,403,494)			***(36,681,013)***
Profit distribution 2006			3,898,559	(3,898,560)	***(0)***
Dividents				(17,208,126)	***(17,208,126)***
Adjustments in Shareholders Equity due to acquisition	(7,480,756)	(11,873,874)	(5,809,635)	(5,387,595)	***(30,551,860)***
Net Profit for the period 01/01-31/12/06				52,632,308	***52,632,308***
Total recognised profit(loss) for the period	***(37,758,275)***	***(18,277,368)***	***(1,911,075)***	***26,138,027***	***(31,808,692)***
Closing balance at 31/12/2006	**98,242,049**	**176,154,344**	**66,790,784**	**281,638,126**	***622,825,302***
Opening Balance at 01/01/2007 according to GR Gaap	24,162,132	177,503,432	4,591,987	53,624,538	***259,882,088***
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	74,079,917	(1,349,088)	62,198,797	228,013,588	*362,943,214*
Opening Balance at 01/01/2007 according to IFRS	**98,242,049**	**176,154,344**	**66,790,784**	**281,638,125**	***622,825,302***
Adjustments in Shareholders Equity for the period 01/01-31/12/07					
Treasury Stock Purchases	(5,880,339)	(65,827,092)			***(71,707,431)***
Adjustments in Shareholders Equity due to acquisition	26,688,796	(36,018,946)	11,606,142	(106,601,607)	***(104,325,615)***
Share Capital increase from stock Options	92,325	1,003,495			***1,095,820***
Stock Options fair value			160,777		***160,777***
Profit distribution 2007			15,678,918.20	(38,654,687.00)	***(22,975,769)***
Dividents					***0***
Net Profit for the period 01/01-31/12/07				161,073,243	***161,073,243***
Total recognised profit(loss) for the period	***20,900,782***	***(100,842,543)***	***27,445,837***	***15,816,949***	***(36,678,975)***
Closing balance at 31/12/2007	***119,142,831***	***75,311,801***	***94,236,621***	***297,455,075***	***586,146,327***

MYTILINEOS HOLDINGS S.A.

G. Cash flow statement

	Note	THE GROUP 2007	THE GROUP 2006	THE COMPANY 2007	THE COMPANY 2006
Cash flows from operating activities					
Cash flows from operating activities	6.31	127,622,928	115,659,960	36,243,300	104,549,092
Interest paid		(25,317,243)	(10,199,796)	(16,995,049)	(7,424,780)
Income tax paid		(57,534,624)	(59,942,419)	(48,189,897)	(17,440,130)
Net Cash flows continuing operating activities		**44,771,060**	**45,517,745**	**(28,941,646)**	**79,684,182**
Net Cash flows discontinuing operating activities		**(3,175,330)**	**(5,205,553)**	**0**	**0**
Net Cash flows from continuing and discontinuing operating activities		**41,595,730**	**40,312,192**	**(28,941,646)**	**79,684,182**
Cash flows from investing activities					
Purchases of tangible assets		(14,291,343)	(88,281,074)	(397,705)	(524,346)
Purchases of intangible assets		(2,675,562)	(2,189,601)	(102,110)	(200,283)
Sale of tangible assets		1,478,160	12,951,326	636,167	367,659
Dividends received		541,195	297,856	35,677,860	20,298,792
Loans to related parties		1,703,262	0	0	0
Purchase of financial assets held-for-sale		0	(30,132,625)	0	(2,553)
Purchase of financial assets at fair value through profit and loss		(1,000,157)	(6,487,291)	0	(2,784,291)
Derivatives settlement		0	0	0	0
Acquisition of associates		0	0	0	0
Acquisition /Sale of subsidiaries (less cash)		20,049,499	(47,271,396)	19,981,500	(117,056,063)
Sale of financial assets held-for-sale		947,769	21,415,222	0	15,620,488
Sale of financial assets at fair value through profit and loss		979,216	5,933,627	0	3,939,238
Interest received		17,679,419	3,826,159	15,811,448	1,836,419
Cash received from loans to associates		0	0	0	0
Grants received		184,514	14,068,620	0	0
Other cash flows from investing activities		(29,742)	1,017,993	0	0
Net Cash flow from continuing investing activities		**25,566,231**	**(114,851,184)**	**71,607,160**	**(78,504,940)**
Net Cash flow from discontinuing investing activities		**(94,518,734)**	**(4,664,839)**	**0**	**0**
Net Cash flow from continuing and discontinuing investing activities		**(68,952,502)**	**(119,516,023)**	**71,607,160**	**(78,504,940)**
Cash flow from financing activities					
Proceeds from issue of share capital		1,095,820	1,587,235	1,095,820	
Sale of treasury shares		(77,701,015)	(6,553,565)	(77,701,015)	(36,681,013)
Tax payments		(2,949,400)	0	0	0
Dividends payed to parent's shareholders		(60,437,472)	(38,050,707)	(74,764,815)	(17,208,889)
Proceeds from borrowings		321,132,287	49,569,460	22,826,779	1,384,238
Repayments of borrowings		(273,730,783)	(54,739,644)	(26,342,815)	(21,502,558)
Payment of finance lease liabilities		(68,722)	(67,803)	0	0
Other cash flows from investing activities			0	0	0
Net Cash flow continuing financing activities		**(92,659,285)**	**(48,255,024)**	**(154,886,047)**	**(74,008,222)**
Net Cash flow discontinuingt financing activities		**6,615,982**	**4,437,016**	**0**	**0**
Net Cash flow continuing and discontinuing financing activities		**(86,043,303)**	**(43,818,008)**	**(154,886,047)**	**(74,008,222)**
Net (decrease) / increase in cash and cash equivalents		**(113,400,075)**	**(123,021,839)**	**(112,220,533)**	**(72,828,980)**
Cash and cash equivalents at beginning of period		(132,286,127)	(12,678,968)	(112,321,746)	(50,534,724)
Exchange differences in cash and cash equivalents		260,817	(118,694)	0	(66,510)
Net cash at the end of the period		**(245,425,385)**	**(135,819,501)**	**(224,542,279)**	**(123,430,214)**
Overdrafts		**(332,301,261)**	**(151,193,361)**	**(228,646,004)**	**(126,484,361)**
Cash and cash equivalent		**86,875,876**	**15,373,860**	**4,103,726**	**3,054,147**
Net cash at the end of the period		**(245,425,385)**	**(135,819,501)**	**(224,542,279)**	**(123,430,214)**

1. Information about MYTILINEOS HOLDINGS S.A.

1.1 General Information

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

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

The financial statements for the year ended 31.12.2007(along with the respective comparative information for the previous year 2006, were approved by the Board of directors in 26/03/2008

1.2 Nature of activities

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

The Group's primary strategic goal regards the Metallurgical sector, where the principal objective is to sanction the Group as the most powerful vertically intergraded producer of Aluminum and basic metals in South East Europe. Subsequently, the group also aims in the development of its activities beyond the south east Europe market.

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

Regarding the energy sector, in 2007 the Group moved into a strategic alliance with ENDESA, the largest Spanish electricity company and agreed into the creation of ENDESA Hellas. The new company, with the largest independent portfolio in the pipeline and under construction and a well-balanced mix between thermal and renewals, will become into the largest independent power operator in Greece. The scope of the new company includes the construction and operation of thermal power stations (natural gas and coal), renewables (wind parks, hydro and photovoltaic) as well as electricity and CO2 emissions trading. Gradual retail penetration is also foreseen after the opening up of EU markets in July 2007. Furthermore, the construction of the Cogeneration Plant (334MW) along with the Group's decision to proceed with the construction and operation of a new Merchant Independent Power Production Plant of 412 MW near the "Aluminium of Greece" plant are going to grant a substantial stake of the Hellenic Energy Market.

2. Basis for preparation of the financial statements

The consolidated financial statements of **MYTILINEOS S.A.** as of December 31st 2007 covering the entire 2007 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

According to the IFRS, the preparation of the Financial Statements requires estimations during the application of the company's accounting principles. Important admissions are presented wherever it has been judged appropriate.

3. Basic accounting principles

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

3.1 Adjustments for the accounting of the merger of subsidiaries "ALUMINIUM OF GREECE SA" and "DELTA PROJECT S.A."

During the reported period (28/09/2007), the merger of the subsidiaries "ALUMINIUM OF GREECE SA" and "DELTA PROJECT S.A." was completed. In order to account for the above mentioned merger in Parent and Group level Financial Statements, the company applied IAS 8 "ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS" (paragraph 10) as the merger between companies being under common control does not fall within the provisions of some standard or interpretation.

The management during the application of IAS 8 (paragraph 10) took into account the financial substance of the facts in order to develop an accounting policy that reveals substantial information for the financial performance and position of the group in order to help the users of the financial statements with their decisions. The accounting policy applied by the Group is consistent to generally accepted accounting policies internationally that are not in conflict to the IFRS Framework.

According to this policy the company has incorporated the assets, liabilities, equity and results of the absorbed entities from 1/1/2006.

The above mentioned changes analyzed in the following tables:

BALANCE SHEET - PARENT COMPANY	MYTILINEOS	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS
	31/12/2006				
ASSETS	(before merger)	(after spin off of Metallurgy Segment)	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger)
Non-Current Assets					
Tangible Assets	11,445,768		157,315		11,603,083
Intangible Assets	47,381		172,640		220,021
Investments in Subsidiary Companies	365,810,620	461,216,438	22,253,189	117,645,914	731,634,333
Investments in associate companies	15,920,830				15,920,830
Deferred tax receivables	4,623,678	775,000			5,398,678
Financial assets available for sale	39,384				39,384
Other Long-term Receivables	107,092		13,150		120,241
	397,994,752	**461,991,438**	**22,596,293**		**764,936,570**
Current Assets					
Trade and other receivables	10,707,436		531,433		11,238,869
Receivables from subsidiaries	35,567,188				35,567,188
Other receivables	20,764,997	45,452,057	1,025,961		67,243,015
Other current assets	85,019				85,019
Financial assets at fair value through profit or loss	3,024,669				3,024,669
Cash and cash equivalents	2,301,371		752,776		3,054,147
	72,450,681	**45,452,057**	**2,310,170**		**120,212,908**
Total Assets	**470,445,432**	**507,443,496**	**24,906,463**		**885,149,478**
EQUITY AND LIABILITIES					
Equity attributable to parent's shareholders					
Share capital	24,162,132	180,889,296	4,250,000	-111,059,380	98,242,049
Share premium	177,503,432	170,725	5,066,722	-6,586,534	176,154,344
Other reserves	4,591,987	60,474,393	1,724,404		66,790,784
Retained earnings	53,624,538	225,569,629	2,443,959		281,638,126
Total Equity	**259,882,088**	**467,104,043**	**13,485,085**		**622,825,302**
Non-Current Liabilities					
Long-term debt	21,328,695				21,328,695
Derivatives	5,345,713				5,345,713
Deferred tax liability	13,949,573		183,122		14,132,695
Liabilities for pension plans	650,123		21,156		671,279
Other long-term liabilities			59,124		59,124
Provisions		3,100,000			3,100,000
Total Non-Current Liabilities	**41,274,104**	**3,100,000**	**263,401**		**44,637,505**
Current Liabilities					
Trade and other payables			65,752		65,752
Tax payable	12,462,072	37,239,453	177,949		49,879,474
Short-term debt	98,331,867		10,588,373		108,920,240
Current portion of non-current liabilities	17,564,120				17,564,120
Liabilities to subsidiaries	39,138,463				39,138,463
Derivatives	546,731				546,731
Other payables	1,245,987		325,903		1,571,890
Total current liabilities	**169,289,240**	**37,239,453**	**11,157,977**		**217,686,670**
Total liabilities	**210,563,344**	**40,339,453**	**11,421,378**		**262,324,175**
Total Equity and Liabilities	**470,445,432**	**507,443,496**	**24,906,463**		**885,149,478**

MYTILINEOS®
HOLDINGS S.A.

31/12/2007

INCOME STATEMENT - PARENT	MYTILINEOS	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS
	(before merger)	(after spin off of Metallurgy Segment)	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger)
Sales	889,543	2,100,000	866,075	-600,000	3,255,618
Cost of sales	0	-400,771	-424,847		-825,618
Gross profit	**889,543**	**1,699,229**	**441,228**		**2,430,000**
Other operating income	25,583,052	5	36,730		25,619,786
Distribution expenses	-2,594	0	-161,933		-164,527
Administrative expenses	-20,506,870	0	-1,469,800	600,000	-21,376,671
Research & Development expenses	0	0	-691		-691
Other operating expenses	-2,921,308	-45,551	-56,055		-3,022,914
Financial income	15,063,252	748,197	1,339		15,812,787
Financial expenses	-16,453,924	0	-456,786		-16,910,710
Other financial results	185,727,335	0	2,462,458		188,189,793
Profit before income tax	**187,378,484**	**2,401,879**	**796,489**		**190,576,852**
Income tax expense	-25,956,844	-3,567,209	20,444		-29,503,609
Profit for the period	**161,421,640**	**-1,165,330**	**816,933**		**161,073,243**
Earnings before income tax,financial results, depreciation and amortization	**3,882,012**	**1,653,683**	**-1,164,465**		**4,371,230**
(-) depreciation and amortization	-840,190	0	-46,057		-886,247
Earnings before income tax and financial results	**3,041,822**	**1,653,683**	**-1,210,522**		**3,484,983**

31/12/2006

INCOME STATEMENT - PARENT	MYTILINEOS	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS
	(before merger)	(after spin off of Metallurgy Segment)	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger)
Sales	132,329,416	0	4,720,397		137,049,813
Cost of sales	-113,451,184	0	-3,975,860		-117,427,044
Gross profit	**18,878,232**	**0**	**744,537**		**19,622,769**
Other operating income	3,716,021	0	1,069,327		4,785,348
Distribution expenses	-5,259,396	0	-199,899		-5,459,295
Administrative expenses	-7,624,408	0	-483,638		-8,108,046
Research & Development expenses	0	0	-83,591		-83,591
Other operating expenses	-7,305,078	0	-467,653		-7,772,731
Financial income	1,745,651	0	90,768		1,836,419
Financial expenses	-7,693,522	-45,333	-314,075		-8,052,930
Other financial results	60,765,095	10,506,083	0		71,271,178
Profit before income tax	**57,222,594**	**10,460,750**	**355,775**		**68,039,120**
Income tax expense	-10,827,679	-4,240,985	-338,148		-15,406,812
Profit for the period	**46,394,915**	**6,219,765**	**17,627**		**52,632,308**
Earnings before income tax,financial results, depreciation and amortization	**2,741,602**	**0**	**660,106**		**3,401,707**
(-) depreciation and amortization	-336,231	0	-81,023		-417,255
Earnings before income tax and financial results	**2,405,370**	**0**	**579,083**		**2,984,453**

CASH FLOW - PARENT	MYTILINEOS (before merger)	ALUMINIUM OF GREECE (after spin off of Metallurgy Segment)	DELTA PROJECT (after spin off of Construction and Turn key project Segment)	ADJUSTMENTS For the application of "Pooling of Interest" method)	MYTILINEOS (after merger)
	31/12/2006				
Net Cash flows from operating activities	68,201,583	14,506,958	-3,024,360	0	79,684,182
Net Cash flow from investing activities	-87,339,911	15,620,488	-6,785,517	0	-78,504,940
Net Cash flow financing activities	-39,810,974	-30,127,447	-4,069,801	0	-74,008,222
Net Cash flow	-58,949,301	0	-13,879,679	0	-72,828,980

The Statement of Changes in Equity after the adjustment from the application of "Pooling of Interest" method according to IAS 8, is analyzed as follows:

01/01/2006	Share Capital	Share Capital above par	Other reserves	Profit(Loss) carried forward	Total Equity
Equity before merger with the application of "Pooling of Interest" method - 1/1/2006	**24,312,204**	**183,906,926**	**783,427**	**27,246,309**	**236,248,866**
Increase with capital of the absorbed companies					
ALUMINIUM OF GREECE	210,585,182	230,489	66,596,314	224,036,104	501,448,089
DELTA PROJECT	4,250,000	4,974,806	1,322,118	4,217,686	14,764,610
Decrease according to the Parent's stake to the share capital					
ALUMINIUM OF GREECE	-100,446,883				-100,446,883
DELTA PROJECT	-2,700,180				-2,700,180
Adjustement in reserves - share capital above par		5,319,492			5,319,492
Total adjustments	***111,688,120***	***10,524,787***	***67,918,432***	***228,253,790***	***418,385,129***
Equity after merger with the application of "Pooling of Interest" method - 1/1/2006	**136,000,324**	**194,431,713**	**68,701,859**	**255,500,099**	**654,633,994**

01/01/2007	Share Capital	Share Capital above par	Other reserves	Profit(Loss) carried forward	Total Equity
Equity before merger with the application of "Pooling of Interest" method - 1/1/2006	**24,162,132**	**177,503,432**	**4,591,987**	**53,624,538**	**259,882,088**
Increase with capital of the absorbed companies					
ALUMINIUM OF GREECE	180,889,296	170,725	60,474,393	225,569,629	467,104,043
DELTA PROJECT	4,250,000	5,066,722	1,724,404	2,443,959	13,485,085
Decrease according to the Parent's stake to the share capital					
ALUMINIUM OF GREECE	-108,359,200				-108,359,200
DELTA PROJECT	-2,700,180				-2,700,180
Adjustement in reserves - share capital above par		-6,586,534			-6,586,534
Total adjustments	***74,079,917***	***-1,349,088***	***62,198,797***	***228,013,588***	***362,943,214***
Equity after merger with the application of "Pooling of Interest" method - 1/1/2006	**98,242,049**	**176,154,344**	**66,790,784**	**281,638,126**	**622,825,302**

Subsequently, at group level all minority rights in Equity for 1/1/2006, 31/12/2006, 1/1/2007 and 31/12/2007 and income statement for 1/1-31/12/2007, for 1/1-31/12/2006 and any intermediate period for the purposes of continuity and comparison have been reversed.

It is noted that apart from the above mentioned accounting treatment, no other adjustments have been made to affect other accounts of Consolidated Financial Statements.

The adjustments made at Group level are depicted in the following tables:

Adjustments in Equity

	ALUMINIUM OF GREECE	DELTA PROJECT	Total
Minority Interests 1/1/2006	-74,388,802	95257.09	**-74,293,545**
Reverse on share Capital (increase because of merger)	-24,849,385	-95257.09	**-24,944,642**
Reverse on retained earnings	10,769,308	0	**10,769,308**
Reverse on reserves (Above par)	88,468,879	0	**88,468,879**
Minority Interests 1/1/2007	218,529,201	11,231,125	**229,760,327**
Reverse on share Capital (increase because of merger)	-73,195,703	-1,616,149	**-74,811,851**
Reverse on retained earnings	46,693,387	24,404	**46,717,790**
Reverse on reserves (Above par)	-192,026,886	-9,639,380	**-201,666,266**

Adjustments in Results

Minority Interests Reversed from Income Stetement	**1/1/ -31/12/2007**	**1/1/- 31/12/2006**
ALUMINIUM OF GREECE	19,628,965	-46,777,926
DELTA PROJECT	-2,111,163	-24,404
Total Minority Interests reversed	**17,517,802**	**-46,802,329**

3.2 New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretations Committee have issued a series of new accounting standards and interpretations, for the accounting periods beginning on January 1st 2007.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

-IAS 1, Presentation of Financial Statements – Revised.

The standard was revised to require statement of changes in equity to include only transactions with shareholders. A new statement of comprehensive income is introduced and dividends to equity holders are shown only in the statement of changes of equity or notes to the financial statements. The Group is in the process of assessing the impact this revised standard will have on its financial statements. The revised IAS 1 becomes effective for financial years beginning on or after January 2009.

-IFRS 2 'Share based payment: "vesting conditions and cancellations" – Amendment

The amendment clarifies two issues: The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group expects that this Interpretation will have no impact on its financial statements. The amended IFRS 2 becomes effective for financial years beginning on or after January 2009.

-IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements' – Revised

As regards IFRS 3, this will apply to business combinations occurring in those periods and its scope has been revised to include combinations of mutual entities and combinations without consideration (dual listed shares). IFRS 3 and IAS 27, inter alia, require greater use of fair value through the income statement and cement the economic entity concept of the reporting entity. Furthermore, these standards also introduce the following requirements (i) to remeasure interests to fair value when control is obtained or lost, (ii) recognising directly in equity the impact of all transactions between controlling and non-controlling shareholders where loss of control is not lost and, (iii) focuses on what is given to the vendor as consideration rather than what is spent to achieve the acquisition. More specifically, items such as acquisition-related costs, changes in the value of the contingent consideration, share-based payments and the settlement of pre-existing contracts will generally be accounted for separately from the business combination and will often affect the income statement. The revisions to the Standards have not yet been endorsed by the EU. The revised IFRS 3 and IAS 7 become effective for financial years beginning on or after January 2009.

-IAS 32 and IAS 1 Puttable Financial Instruments - Amendment

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to have an impact on its financial statements. The amendment to IAS 32 becomes effective for financial years beginning on or after January 2009.

-IFRS 7, Disclosures of Financial Instruments

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company’s performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 for the annual financial statements 01/01 - 31/12/2007.

-IFRS 8. Operating Sectors

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group.

-IFRS 23. (amendment) Borrowing Cost

In the revised standard, the previous benchmark treatment of recognising borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of the asset. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning on or after 1st January 2009.

-IFRIC 7 "Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies"

IFRIC 7 requires entities to apply IAS 29 Financial Reporting in Hyper-inflationary Economies in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency as if the economy had always been hyperinflationary. IFRIC 7 is not relevant to the Group's operations and did not have an effect on the financial statements.

-IFRIC 8 "Scope of IFRS 2"

This interpretation requires IFRS 2 Share-Based Payments to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. IFRIC 8 had no impact on its financial position or performance.

-IFRIC 9 "Reassessment of Embedded Derivatives"

IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivatives requiring separation from the host contract, the interpretation had no impact on the financial position or performance of the Group.

-IFRIC 10 "Interim Financial Reporting and Impairment"

This interpretation requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Group had no impairment losses previously reversed, the interpretation had no impact on the financial position or performance of the Group.

-IFRIC 11 IFRS 2- Transactions in participating titles of the same company or companies of the same group

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 1/1/2007 and is not expected to affect the Group's financial statements.

-IFRIC 12 Service Concession Agreements

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the Group's financial statements.

IFRIC 13 Customer Loyalty Programmes

The International Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue Recognition. IFRIC 13 "Customer Loyalty Programmes" clarifies that where entities grant award credits (e.g. loyalty points or reward miles) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are treated as a separate component of the sales transaction and an amount of the consideration received or receivable needs to be allocated to the award credits. The timing of the recognition of this element of revenue is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. IFRIC 13 needs to be applied for annual periods beginning on or after 1st January 2008.

3.3 Important accounting decisions, estimations and assumptions

The compilation of financial statements according to IFRS requires the management to make decisions, perform estimations and use assumptions that affect the amounts presented in the financial statements, the assets, liabilities, income and expenses. The actual results may differ due to such estimations. Estimations are continuously enhanced and are based on historical data and other factors, such as expectations for future events expected to realize under current conditions.

3.3.1 Accounting decisions

During the implementation procedure for accounting policies, decisions are made by the management, which relate to the following:

- Classification of investments
- Recoverability of receivables accounts
- Impairment of inventories
- Classification of a lease as operating or financial.

3.3.2 Assumptions and estimations

The presentation of the value of specific assets and liabilities in the financial statements requires the use of estimations that are based on assumptions relating to the values and conditions not known with certainty during the compilation date of the financial statements. The Group continuously evaluates the estimations it makes based on historical data, the research of specialized consultants, the trends and methods considered appropriate for the estimation of specific conditions as well as estimations regarding how the assumptions made may change in the future.

Assumptions and estimations are required for the presentation of:

- Possible reductions in goodwill
- Provisions for future payable income tax and deferred taxes.
- The fair value of derivatives and other financial instruments
- Provisions amounts
- Contingent receivables and liabilities

- **Possible reductions in Goodwill**

The Group test goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill s impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

- **Budget of construction contracts**

The treatment for income and expenses of a construction contract, depends on whether the final result of the contract can be reliably estimated. When the result of a construction contract can be estimated reliably then all income and expenses related to the contract are recognized as such during the time period of the contract. The Group uses the percentage of completion method to determine the appropriate amount of income and expense to be recognized in each period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project.

- **Income Tax**

Group and company is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Group and company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Provisions**

Doubtful accounts are reported at the amounts likely to be recoverable based on historical experience of customer default. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible.

Provisions for environmental rehabilitation are reported at the amounts that are likely to be claimed against the Group in order to settle the liability

- **Contingencies**

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2006. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company’s contingent liabilities in the future.

3.4 Segment reporting

A business segment is defined as a group of assets and operations engaged in providing goods and services which are subject to different risks and returns than those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's business is active in Metallurgy, Constructions and in the Generation and Trading of Energy. Geographically the Group is activated in the Greek market, the Euro zone and Other Countries.

3.5 Consolidation

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

MYTILINEOS S.A. exercises control over, the listed on the ATHENS STOCK EXCHANGE, METKA. Due to the large dissemination of these stocks, "control" over this Firm can be determined even in cases that the Group holds stakes lower than 50% of the total voting rights. In such cases, "control" is determined through the representation of the majority of the chairs of the BoD.

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

If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately transferred to the income statement.

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

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

For the accounting of transactions with minority, the Group applies the accounting principle based on which such transactions are handled as transactions with third parties beyond the Group. The sales towards the minority create profit and losses for the Group, which are booked in the results. The purchases by the minority create goodwill, which is the difference between the price paid and the percentage of the book value of the equity of the subsidiary acquired.

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

Any goodwill arising from acquiring associates is contained in the cost of acquisition. Whether any impairment of this goodwill occurs, this impairment decreases the cost of acquisition by equal charge in the income statement of the period.

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

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

3.6 Group Structure

Group companies, included in the consolidated financial statements are:

Company	Consolidation Method	% of Parent's Stake
MYTILINEOS S.A. Maroussi, Athens		Parent
METKA S.A., N. Heraklio, Athens	Line by line	52.47%
SERVISTEEL, Volos	Line by line	52.46%
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	Line by line	20.99%
RODAX A.T.E.E., N.Heraklio, Athens	Line by line	52.47%
ELEMKA S.A., N.Heraklio, Athens	Line by line	43.81%
DROSCO HOLDINGS LIMITED, Cyprus	Line by line	43.81%
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	Line by line	32.86%
ENERGY CONSTRUCTION DEVELOPMENT WESTERN GREECE S.A., Agrinio Aitoloakarnanias	Line by line	52.47%
DELFI DISTOMON A.M.E.	Line by line	100%
ALOUMINION S.A.	Line by line	100.00%
COGENERATION OF ELECTRICITY AND HEAT S.A.	Line by line	100.00%
ELVO, Thessaloniki	Line by line	43.00%
SOMETRA S.A., Sibiu Romania	Equity	92.79%
MYTILINEOS FINANCE S.A., Luxemburg	Line by line	99.97%
STANMED TRADING LTD, Cyprus	Line by line	99.97%
MYTILINEOS □ELGRADO D.O.O., Serbia	Line by line	99.97%
MYVEKT INTERNATIONAL SKOPJE	Line by line	99.97%
RDA TRADING, Guernsey Islands	Line by line	99.97%
DEFENSE MATERIAL INDUSTRY S.A.-MYTILINEOS AND Co, Maroussi, Athens	Line by line	100.00%
INDUSTRIAL RESEARCH PROGRAMS "BEAT", Halandri, Athens	Line by line	35.00%
GENIKI VIOMICHANIKI, Maroussi, Athens	Equity	Common Mng
THORIKI S.A.I.C., Maroussi, Athens	Line by line	100.00%
THERMOREMA S.A., Moshato, Athens	Line by line	84,10%
KASTANIOTIKO S.A., Moshato, Athens	Line by line	90,00%
POUGAKIA S.A., Moshato Athens	Line by line	95,10%
DELTA PROJECT CONSTRUCT SRL, Boucouresti, Romania	Line by line	95.01%
KALOMOIRA S.A., Moshato, Athens	Line by line	20.00%
DELTA ENERGY S.A., Moshato, Athens	Equity	90.00%
FOIVOS ENERGY S.A., Amfiklia Fthiotidas	Line by line	90.00%
YDROXOOS S.A., Moshato, Athens	Line by line	90.00%
PEPONIAS S.A., Moshato, Athens	Line by line	56.25%
FTHIOTIKI ENERGY S.A., Moshato, Athens	Line by line	31.50%
YDRIA ENERGY S.A., Moshato, Athens	Equity	90.00%
AIOLIKI MARTINOU S.A., Moshato, Athens	Line by line	90.00%
ARGIRI ENERGY S.A., Moshato, Athens	Line by line	90.00%

EN.DY. S.A., Moshato, Athens	Line by line	90.00%
FOTINOS TILEMAXOS S.A., Moshato, Athens	Line by line	90.00%
THESSALIKI ENERGY S.A., Moshato, Athens	Line by line	90.00%
IONIA ENERGY S.A., Moshato, Athens	Line by line	49.00%
ELECTRONWATT S.A., Moshato, Athens	Equity	10.00%
BUSINESS ENERGY S.A., Alimos, Athens	Equity	24.92%
DELTA RENEWABLE ENERGY SOURCES S.A. Ag. Paraskevi Attikis	Equity	100.00%
ENDESA Hellas S.A.	Line by line	49.99%
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	Equity	100.00%
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	Line by line until 30/07	100.00%
NORTH AEGEAN RENEWABLES, Maroussi, Athens	Line by line until 30/07	100.00%
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	Line by line until 30/07	80.00%
AIOLIKI ANDROU TSIROVLIDI S.A.,Maroussi,Athens	Line by line until 30/07	80.20%
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI PLATANOU S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	Line by line until 30/07	80.20%
AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	Line by line until 30/07	80.20%
HELLENIC SOLAR S.A., Maroussi Athens	Line by line until 30/07	100.00%
SPIDER S.A., Maroussi Athens	Line by line until 30/07	100.00%
GREENENERGY A.E.	Equity	39.99
BUSINESS ENERGY TPOIZINIA	Equity	49,00%

During the reporting period, the Group:

In addition, during the reporting period and in the framework of transformations and corporate restructuring, the Group proceed to the following:

METKA		Acquisition Cost (A)	Sale Value (B)	Fair Value of Net Assets	Share of Group in Fair Value of Net Assets (C)	No of Shares	% purchases/(sales)	Sale profit (parent level)	Goodwill on acquisition (A-C)	Sale profit (Group level) (B-C)	Negative Goodwill on acquisition (C-A)
Purchase	Through	24,606,849	0	127,066,577	4,133,943	1,222,654	3.25%	0	20,472,906	0	0
Sale	Through	0	(37,857,860)	127,066,577	(5,948,457)	(2,432,000)	-4.68%	25,578,424	(6,939,275)	24,970,128	0
		24,606,849	**(37,857,860)**			**(1,209,346)**	**-1.43%**	**25,578,424**	**20,472,906**	**24,970,128**	**0**

AOG		Acquisition Cost (A)	Sale Value (B)	Fair Value of Net Assets	Share of Group in Fair Value of Net Assets (C)	No of Shares	% purchases/(sales)	Sale profit (parent level)	Goodwill on acquisition (A-C)	Sale profit (Group level) (B-C)	Negative Goodwill on acquisition (C-A)
Purchase	Through	1,990,860	0	561,710,009	1,805,503	134,586	0.32%	0	185,357	0	0
		1,990,860	**0**			**134,586**	**0.32%**	**0**	**185,357**	**0**	**0**

DELTA PROJECT		Acquisition Cost (A)	Sale Value (B)	Fair Value of Net Assets	Share of Group in Fair Value of Net Assets (C)	No of Shares	% purchases/(sales)	Sale profit (parent level)	Goodwill on acquisition (A-C)	Sale profit (Group level) (B-C)	Negative Goodwill on acquisition (C-A)
Purchase	Through	1,384,828	0	(3,285,224)	(51,272)	195,084	1.56%	0	1,436,100	0	0
		1,384,828	**0**			**195,084**	**1.56%**	**0**	**1,436,100**	**0**	**0**

a) acquired an indirect 47,31% (1.200 shares) stake in the share capital of the company "ALUMINION S.A." former "IOANNOU & KONSTANTI S.A." for 15 k. € and through this acquisition, the Group indirectly acquired shares on the subsidiary company "PANEGYRIC LIMITED". The Group consolidated the above companies from 28/03/2007, as this was the date that control was deemed to be acquired. Acquisition cost was less than the share in the company's net assets, the Group recognized in the income statement a profit of € 36k. On 30/9/2007 the Group completed the procedures for the cease of operation of the company "PANEGYRIC LIMITED", recognizing in the income statement a loss of € 53.600.

b) acquired an indirect 47,31% (102.000 shares) stake in the share capital of the company "COGENERATION OF ELECTRICITY AND HEAT" former "AGRICULTURAL, CONSTRUCTIVE, DEVELOPMENTAL & TRADING S.A." for 53k. The Group consolidated the above company from 28/03/2007, as this was the date that control was deemed to be acquired. The effect from the above acquisition was a goodwill of 11k €, which was recognized directly in the income statement after the impairment test (IAS 36 "Impairment of assets").

c) acquired an indirect 63,14% stake in the share capital of the company "ENERTEC S.A." for 1m €. The Group consolidated the above company from 04/01/2007, as this was the date that control was deemed to be acquired. The effect from the above acquisition was a goodwill of approximately € 145k €. It is noted that consequently the above company was acquired (100% stake in the share capital) by "ENDESA Europa" and was renamed to "ENDESA Hellas S.A.". This is the company to which , "MYTILINEOS HOLDINGS SA" will contribute its entire thermal and renewable energy assets and licenses according to the Strategic Agreement signed between the two Groups. (For more detailed analysis see the next note 7.3)

d) acquired an indirect 100% (600 shares) stake in the share capital of the company "DELTA RENEWABLE ENERGY SOURCES" former "I. & E. Gratsias S.A." for 79.800 €. The Group consolidated the above company from 19/06/2007, as this was the date that control was deemed to be acquired. The effect from the above acquisition was a goodwill of 36.248,47 €, which was recognized directly in the income statement after the impairment test (IAS 36 "Impairment of assets").

e) On 4/9/2007, METKA, on the grounds of MYTILINEOS Group restructuring and due to the relevant activities of the two companies, acquired from DELTA PROJECT S.A. the 100% of the shares of "Energy construction Development Western Greece S.A" for a total of 8m €.

f) Finally, Parent company, in the light of the strategic alliance with "ENDESA Europa", transferred the energy assets held by the 100% subsidiaries "MYTILINEOS POWER GENERATION AND SUPPLIES S.A" and "MYTILINEOS RENEWABLE ENERGY SOURCES SA" to "ENDESA Hellas". As a result of this transaction, Parent Company acquired a 49.99% stake on the share capital of "ENDESA Hellas" and recognized capital gains amounting € 144.992.899 in Parent level and € 144.383.583 in Group level. The capital gains mentioned are analyzed at the following table:

Transferred Assets	Book Value
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	2,256,306
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	94,855
Total Value (a)	**2,351,161**
Value of stake in ENDESA Hellas (b)	**162,493,658**
Capital Gains at Parent level (b-a)	**160,142,497**
Adjustments in Consolidated Financial statements	
(-) Minus	
Equity of transferred Subsidiaries	3,246,685
Recognised Value of Intangible assets	8,500,000
Recognised Goodwill	1,556,392
Adjustments (c)	**13,303,077**
(+) Plus	
Value of Investment in Transferred Assets at Group level	12,693,761
Adjustments (d)	**12,693,761**
Total Capital gains at Group level (b-a-c+d)	**159,533,181**

It is noted that the above mentioned amounts have resulted based on the final valuation of the contributed assets.

3.7 Significant information

During the reporting period, the Group proceed to the following:

Strategic Alliance with ENDESA

On 28/03/2007, "MYTILINEOS Holdings SA" and "ENDESA Europa" have announced a strategic alliance. In this joint venture, "ENDESA Europa" will have a stake of 50,01% and "MYTILINEOS HOLDINGS SA" the remaining 49.99%. According to the agreement, "MYTILINEOS HOLDINGS SA" will contribute its entire thermal and renewable energy assets and licenses and "ENDESA Europa" will contribute in cash the equivalent of the valuation of these assets. The amount initially agreed for the valuation was set to 600m €. The contribution of the assets is expected to start immediately and be completed in a 12 months period. The scope of the new company includes the construction and operation of thermal power stations (natural gas and coal), renewables (wind parks, hydro and photovoltaic) as well as electricity and CO2 emissions trading.

The asset base of the new venture will include:

- a CHP of 334MW which is expected to start trial operation
- a 430 MW natural gas fired power plant under construction, which will be completed in June 2009.
- a portfolio of more than 1000 MW of renewable projects.
- a new coal - fired power plant of 600MW
- additional opportunities for the new venture will include a 310MW trading license, additional natural gas fired power plants license and international coal fired power plants.

Within the above framework, the BoD of "MYTILINEOS HOLDINGS SA" agreed to proceed with the construction and operation of a new Merchant Independent Power Production Plant of 412 MW at Agios Nikolaos site in Viotia, for which MYTILINEOS has been granted all necessary Licenses and Permits to start construction. The plant is of combined cycle technology and shall operate with natural gas as prime fuel. The new merchant plant of Agios Nikolaos shall produce 2500 MWh annually to supply the wholesale market, companies and individual consumers. Total investment is expected to exceed the amount of € 215m. The interconnector pipeline to serve with gas both power stations is underway and expected to be in operation in August 2007. The above mentioned investment will eventually be as asset of ENDESA HELLAS, after the completion of the first phase of the agreement of MYTILINEOS HOLDINGS and ENDESA EUROPA.

In cooperation with, "ENDESA Europa", "MYTILINEOS HOLDINGS SA" has submitted a Power Generation License application for a 600MW coal plant. The plant construction investment stands at €720 million, while the overall investment including infrastructure projects is expected to reach €890 million.

On 10/7/2007 the General Assemblies of "ENDESA Hellas", "MYTILINEOS POWER GENERATION AND SUPPLIES S.A" and "MYTILINEOS RENWABLE ENERGY SOURCES SA" decided the merger by absorption of MYTILINEOS POWER GENERATION AND SUPPLIES S.A and MYTILINEOS RENWABLE ENERGY SOURCES SA from "ENDESA Hellas". The share exchange ratio for the merger was set according to the agreed valuation of the transferred assets of MYTILINEOS POWER GENERATION AND SUPPLIES S.A and MYTILINEOS RENWABLE ENERGY SOURCES SA. The above mentioned merger was approved by the Prefecture of Athens (No 10728/25-7-2007) on 25/7/2007.

Group's Transformations

In the context of the said agreement, the Company's management, announced on 28/03/2007 the decision to begin transformations and corporate restructurings in order to capitalize on the Group's energy assets in the most beneficial way trying to maximize benefits and profits for every one in the Group at the level of parent company, subsidiaries, associated companies and by extension for all its shareholders. In particular, the Board of Directors of "MYTILINEOS HOLDINGS SA", "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA" and "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." decide:

a) the merger by take-over of "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA" and "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." by "MYTILINEOS HOLDINGS SA",

b) the spin off of sectors (i) production, construction and trading of alumina, aluminium, mineral materials and ALUMINIUM metals (ii) Construction of machinery and metal constructions of DELTA PROJECT and (iii) Turn Key projects of the same company and their transfer to 100% subsidiaries - non listed companies.

On 22.6.2007 the Prefecture of Athens approved the spin off of (i) construction of machinery and metal constructions and (ii) turn Key projects sectors of DELTA PROJECT and their transfer to the 100% subsidiary, "Energy construction Development Western Greece S.A".

On 23-7-2007, the Prefecture of Athens approved the merger by absorption of the fully owned subsidiaries of MYTILINEOS HOLDINGS, "MYTILINEOS POWER GENERATION AND SUPPLIES S.A" and "MYTILINEOS RENWABLE ENERGY SOURCES SA" by "ENDESA HELLAS S.A.".

In addition, on 10/8/2007 the Prefecture of Athens approved the spin off of the production, construction and trading of alumina, aluminium, mineral materials and ALUMINIUM metals sector of "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA", and its transfer to the 100% subsidiary, "Aluminium S.A".

On 18/6/2007 the Board of Directors of "MYTILINEOS HOLDINGS SA", "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA" and "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." decided to approve the Draft Merger Agreement regarding the merger by take-over of "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA" and "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." from "MYTILINEOS HOLDINGS SA".

On 3/9/2007 the triple merger of MYTILINEOS, ALUMINIUM OF GREECE and DELTA PROJECT was approved by the respective General Assemblies of their Shareholders. On 28.9.2007 the decision of the Minister of Development, by means of which the merger by absorption of 'ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A' and 'DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A' by 'MYTILINEOS HOLDINGS SA' was approved, was registered in the Societe Anonyme Register.

The share exchange ratios, as confirmed by three financial institutions - ALPHA BANK, EUROBANK and NBGI – were as follows:

- "MYTILINEOS HOLDINGS S.A." shareholders', to exchange 1 old share for one new share, at the new nominal value of 2.55 €,
- "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA" shareholders', to exchange 2.529 old shares for one new share, at the new nominal value of 2.55 €, and

- "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." shareholders', to exchange 5.296 old shares for one new share, at the new nominal value of 2.55 €

For the completion of the merger procedure a share capital increase for a total amount of 99.891.977,10€ (8.187.172 new shares) has been approved by the General Assembly held at 3/9/2007. Therefore, the Company's new Share Capital shall stand at 124.204.181,10€ divided into 48.707.522 common shares with a new nominal value 2,55€.
The Shareholders' structure of MYTILINEOS HOLDINGS after the merger is as follows:

- MYTILINEOS former shareholders to hold 40.520.340 shares or 83.19% of the new Share Capital,
- ALUMINIUM former Shareholders' (apart from MYTILINEOS S.A.) to hold 7.326.542 shares or 15.04% of the new Share Capital
- DEPRO former Shareholders, (apart from MYTILINEOS S.A.) to hold 860.640 shares or 1.77% of the new Share Capital.

On 23/7/2007, Mytilineos Holdings SA, announced that following the completion of the financial, legal and technical due diligence, has decided not to proceed, with the acquisition of 80% stake in Evroenergiaki SA as per the provisions of the initial binding agreement announced at 16/5/2007. The Group and the shareholders of Evroenergiaki SA after taking into account the findings of the aforementioned due diligence process failed to reach an agreement regarding the final consideration to be paid and the other terms of the transaction.

Participations in Tenders and Projects

On 01/06/2007, Mytilineos Holdings SA, announced that has been nominated as one of the four companies which are going to participate in the next phase of the tender for the acquisition of "Aluminij d.d. Mostar". "Aluminij d.d. Mostar" is the second largest producer, after Aluminium of Greece, of aluminium in SE Europe. Aluminij d.d. Mostar employs 910 personnel, having a Turnover that reached approximately 256.4 m$ in 2006. Mytilineos Group in line with the implementation of its strategic development in the segment of basic metals is interested to acquire a 88% stake in Aluminij d.d. Mostar.
In relation to the process of the sale of the 88% of Aluminij d.d Mostar, Mytilineos Holdings SA submitted it's final offer on 24/9/2007. The tender commission of Bosnia & Herzegovina received in total three final bits.

Finally, the BOD of "Public Power Corporation" (PPC) with its 24/7/2007 decision confirmed the results of the tender for the execution of the "Aliveri" project regarding the Engineering Procurement and Construction of a 420 MW gas fired Combined Cycle Power Plant. The BOD sent to the technical preferred bidder a confirmation letter (dated 24/7/2007) awarding the said project to the Group's subsidiary METKA.
According to the contents of the confirmation letter the budget of the projects totals € 219.160.000 and the completion period is set to be 27 calendar months starting form signing of the contract. The contract signed on 17/10/2007.

Updates on Income Tax Reviews

For the company "MYTILINEOS HOLDINGS SA" the tax inspection of the fiscal years 2005 and 2006 was completed by 27/09/2007 and the amount of tax difference totals 7.323 k€., for the company "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." the tax inspection of the fiscal year 2006 was completed by 28/09/2007 and the amount of tax difference totals 35 k€. and for the company "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SA" the tax inspection of the fiscal year 2006 was completed by 31/7/2006 and the amount of tax difference totals 1.256 k€.

3.8 Foreign currency translation

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

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

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

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

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

3.9 Tangible assets

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

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

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

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

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

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

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

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

3.10 Intangible assets

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

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

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

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

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

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

Production, Installation and Operation Licenses of Renewable Energy Assets and Thermal Energy Assets: The different types of licenses entitles the group either with the right to construct an energy asset or the right to produce and sell energy. Current market conditions provide adequate evidence about the recoverable amount of such licenses. Therefore the Group has recognized licenses as intangible assets at fair value less depreciation and less any provision for impairment. The Group runs impairment tests on a yearly basis using the following methodology:

i) Attach possibility factors according to management estimation regarding the construction of assets under license

ii) Runs Discounted Cash Flows (DCF) methodology using assumptions prevailing at the energy market. The period regarded by the management for provisions exceeds the five years encouraged by IAS 36 as, especially for the renewable energy assets, there is satisfactory visibility for a substantially longer period.

iii) The final recoverable amount is calculated for a total portfolio of either renewable or thermal energy assets by multiplying the overall possibility factor with the outcome of the DCF valuation.

iv) Finally, the Group compares the recoverable value calculated to be the value-in-use of the assets with their carrying amounts. When the recoverable value is less than the carrying amount an equal impairment provision is charged to the income statement.

For the reported period, the recoverable value of the licenses acquired by the group exceeds their carrying amount.

3.11 Impairment of Assets

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

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

3.12 Financial instruments

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

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

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

These comprise assets that satisfy any of the following conditions:

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

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

ii) Loans and receivables

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

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

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

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

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

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.
The Group did not hold investments of this category.

iv) Financial assets available for sale

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

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

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results. The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus costs directly related to the transaction. Costs directly related to the transaction are not added for items valued at fair value through the income statement. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

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

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

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

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

3.13 Inventories

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

3.14 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their amortized cost using the method of the effective interest rate, less the provision for impairment. In the event that the amortized cost or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's profit and loss. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.15 Cash and cash equivalents

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

3.16 Non-current assets classified as Held for sale

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

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

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

3.17 Share capital

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

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

3.18 Income tax & deferred tax

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

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

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

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

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

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

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

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

3.19 Employee benefits

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

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

- **Defined contribution scheme**

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

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

- **Defined benefits scheme**

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

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

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

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

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

3.20 Grants

The Group recognizes Government Grants that cumulatively satisfy the following criteria:

a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and

b) it is probable that the amount of the grant will be received.

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

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

3.21 Provisions

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

3.22 Recognition of income and expenses

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

- **Construction Projects Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods**: Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Provision of services**: Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.
- **Income from assigned rights for use of tangible assets (Compensative benefits):** The fair value of the assigned rights is recognized as deferred income and are amortized through the income statement according to the completion of the contracts for which these rights have been assigned.

- **Income Interest**: Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends**: Dividends are accounted for as revenue when the right to receive payment is established.

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

3.23 Leases

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

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

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

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

3.24 Construction contracts

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

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

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

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

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

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

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

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

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

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

3.25 Dividend distribution

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

4. Business Risk Management

4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of commodity and financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge the exposure to certain financial risks.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group.

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, FX spot and forwards, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

4.2 Market Risk

(i) Foreign Exchange Risk

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

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

The Group's sensitivity analysis on USD/Euro exchange parity indicates that an increase/decrease of the parity by 5 pips, without the hedging effect, causes a decrease/increase in net profit and equity by 7,5m€, while when taking into consideration the hedging effect then the change causes to an increase/decrease of 0,6m€ in net profit and a decrease/increase of 0,4m€ in equity.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

(ii) Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply.

The Group is price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.). The Group's activities expose it to the fluctuations of the prices of Aluminium (AL), Zinc (Zn), Lead (Pb) as well as to Fuel Oil as a production cost.

Commodity price risk can be reduced through the negotiation of long term contracts or through the use of financial derivatives.

The Group, through the appropriate sensitivity analysis has determined that, excluding the hedging effect, an increase/decrease by 100$/ton in the Aluminum price will cause an increase/decrease by 8,9m € in the Group's net profit and equity, while considering the hedging effect of 2007 the effect equals to a decrease/increase in net profit by 1,4m € and a decrease/increase by 21,7m € in equity respectively. It is noted that the amount above represents the difference from the valuation of the open positions, the result of which will be settled with revenue from normal sales of metal.

Concerning Zinc and Lead an increase/decrease by 100$/ton causes an increase/decrease by 1m € for Zinc and 0,5m € for Lead in the Group's net profit and equity.

Finally, concerning oil, an increase/decrease by 50$/ton causes accordingly a decrease/increase by 5,2m € in the Group's net profit and equity.

Exposures to commodities price risks vary during the year depending on the volume of overseas transactions and the level of prices. Nonetheless, the analysis above is considered to be representative of Group's exposure price risk.

(iii) Interest rate risk.

Group's interest bearing assets comprises only of cash and cash equivalents. Additionally, the Group maintains its total bank debt in products of floating interest rate. In respect of its exposure to floating interest payments, the Group evaluates the respective risks and where deemed necessary considers the use of appropriate interest rate derivatives. The policy of the Group is to minimise interest rate cash flow risk exposures on long-term financing.

The sensitivity analysis indicates that an interest rate increase by 50 base units causes equally a decrease in net profit and equity by € 1,3m.

4.3 Credit Risk

The Group has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. Concerning trade accounts receivables, the Group is not exposed to significant credit risks as they mainly consist of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis.

The Group also has potential credit risk exposure arising from cash and cash equivalents, investments and derivative contracts. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

4.4 Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The policy of the Group is to minimize interest rate cash flow risk exposures on long-term financing. Liquidity risk is managed by retaining sufficient cash and immediately liquidated financial assets as well as sufficient credit lines with Banks and Suppliers in relation to the required financing of operations and investments.

The tables below summarize the maturity profile of the Group's financial assets and liabilities as at 31.12.2007 and 31.12.2006 respectively:

	2007							
	GROUP				COMPANY			
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	up to 6 months	6 to 12 months	1 to 5 years	after 5 years
Liquidity Risk Analysis - Receivables								
Customers	16,178,503	68,000	52,332	0	0	0	0	0
Checks receivable	148,609,111	67,399,362	556,311	0	7,823,595	0	0	0
Total	**164,787,614**	**67,467,362**	**608,643**	**0**	**7,823,595**	**0**	**0**	**0**
Liquidity Risk Analysis - Liabilities								
Short Term Liabilities	287,645,070	7,911,291	56,348,725	0	228,646,004	0	12,550,000	0
Leasing liabilities	536,230	30,166	20,779	0	0	0	0	0
Trade and other payables	122,251,241	34,052,458	19,905,277	0	0	0	0	0
Other payables	32,453,987	15,448,017	0	0	46,082,429	0	0	0
Derivatives	0	0	0	0	0	0	0	0
Total	**442,886,528**	**57,441,933**	**76,274,781**	**0**	**274,728,433**	**0**	**12,550,000**	**0**

	2006							
	GROUP				COMPANY			
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	up to 6 months	6 to 12 months	1 to 5 years	after 5 years
Liquidity Risk Analysis - Receivables								
Customers	23,520,648	0	0	0	0	0	0	0
Checks receivable	99,986,082	45,686,799	1,819,689	0	11,238,869	0	0	0
Total	**123,506,730**	**45,686,799**	**1,819,689**	**0**	**11,238,869**	**0**	**0**	**0**
Liquidity Risk Analysis - Liabilities								
Short Term Liabilities	155,993,054	17,564,120	37,282,603		108,920,240	8,778,695	12,550,000	0
Leasing liabilities	11,431	0	138,403	0	0	0	0	0
Trade and other payables	71,763,992	19,989,493	11,684,807	0	65,752	0	0	0
Other payables	19,262,106	9,168,715	0	0	40,710,353	0	0	0
Derivatives	27,162,057	14,136,817	3,555,701	0	0	0	0	0
Total	**247,030,583**	**46,722,328**	**49,105,813**	**0**	**149,696,345**	**8,778,695**	**12,550,000**	**0**

4.5 Hedging Accounting

The Group uses Derivative financial instruments such as Commodity Futures and Currency Forwards in order to mitigate the risk related to its business activities along with the risk related to the funding of such activities.

At inception of the hedging transaction, the Group validates the hedging relationship between the underlying and the hedging instrument as far as its risk management strategy is concerned. The Group also verifies the hedging efficiency from the beginning of the hedging relationship and on a continuing basis.

All derivative financial instruments are initially recognized at fair value as at the date of settlement and are valued on a mark - to - market basis on each balance sheet date. The result of this valuation is recognized as an asset when positive and as a liability when negative.

When a derivative financial instrument is no longer regarded as hedging instrument any difference in its fair value is recognized in profit and loss.

There are three kinds of hedges.

Fair Value Hedging

Fair value hedging is regarded when hedging the exposure in the fluctuations of the fair value of a recognized asset, liability, contingent liability or part of them that could have a negative impact on results.

When hedging accounting, concerning fair value hedge, is followed then any profit or loss from revaluation is recognized in profit and loss.

Cash Flow Hedging

The Group enters into Cash Flow Hedging transactions in order to cover the risks that cause fluctuations in its cash flows and arise either from an asset or a liability or a forecasted transaction.

On revaluation of open positions, the effective part of the hedging instrument is recognized directly in Equity as "Hedging Reserve" while the ineffective part is recognized in Profit & Loss. The amounts recognized in Equity are transferred in profit and loss at the same time as the underlying.

When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all accumulated profit or loss recognized in Equity, stays in Equity until the final settlement of the underlying. If the underlying is not expected to be settled then any profit or loss recognized in Equity is transferred to profit and loss account.

Hedging of a Net Investment

Hedging of a foreign investment is regarded for accounting purposes in a way similar to cash flow hedging.

The effective part of the hedging result is recognized directly in Equity while any ineffective part is recognized in profit and loss. Accumulated profit or loss recognized in Equity is transferred in profit and loss account at the time of disposal of the investment.

Determination of Fair Value

The fair value of financial instruments trading in an active market is defined by the published prices as of the date of the financial statements.

The fair value of financial instruments not traded in active market is defined through the use of valuation techniques and assumptions based on relevant market information as of the date of the financial statements.

5. Segment reporting

5.1 Primary reporting format – business segments

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

It is noted that, in the context of the agreement between the Group and "ENDESA Europa", the Group will contribute its entire thermal and renewable energy assets and licenses to the new company. The Group applied IFRS 5 "Non Current Assets Available for Sale & Discontinued Operations" and present separately the assets, liabilities and results which are going to be transferred to the new company for the reporting period and for the respective period of the previous year (Note 6.32).

The above mentioned assets, liabilities and results are those which are presented in the following tables under the Energy segment and transferred to column E "Discontinued Operations".

Segment's results are as follows:

01/01-31/12/07	Metallurgy	Constructions	Energy	Other	Discontiniuing operations	Total
Total gross segment sales	**1,134,395,542**	**284,249,204**	**6,095,293**	**3,540,618**	**(6,961,368)**	**1,421,319,289**
Intercompany sales	(452,620,991)	0	0	(1,019,009)	0	(453,640,000)
Inter-segment sales	0	(55,081,962)	0	0	0	(55,081,962)
Sales	**681,774,551**	**229,167,242**	**6,095,293**	**2,521,609**	**(6,961,368)**	**912,597,327**
Operating profit	95,702,411	47,327,358	(841,648)	(13,176,529)	2,052,170	131,063,762
Financial results	(5,562,377)	(37,556,159)	(2,089,555)	186,897,260	1,828,896	143,518,065
Share of profit/(loss) of associates	(53,460)	0	(127,184)	(140,331)	127,184	(193,791)
Profit from company acquisition	0	0	0	0		0
Profit before income tax	**90,086,575**	**9,771,199**	**(3,058,386)**	**173,580,400**	**4,008,249**	**274,388,036**
Income tax	(18,208,112)	(11,433,838)	(558,435)	(29,507,413)	537,990	(59,169,808)
Profit for the period	**71,878,463**	**(1,662,639)**	**(3,616,820)**	**144,072,987**	**4,546,239**	**215,218,229**
Result from discontinuing operations					(4,546,239)	**(4,546,239)**
Segment Depreciation	16,820,885	4,980,950	345,708	887,119	(391,765)	**22,642,897**
Segment EBITDA	112,523,296	52,308,308	(495,940)	(12,289,410)	1,660,405	**153,706,659**

01/01-31/12/06	Metallurgy	Constructions	Energy	Other	Discontiniuing operations	Total
Total gross segment sales	**986,499,072**	**291,911,827**	**6,309,150**	**2,695,586**	**(6,769,866)**	**1,280,645,770**
Intercompany sales	(295,093,518)	0	(100,000)	0	0	(295,193,518)
Inter-segment sales	0	(148,413,332)	0	0	0	(148,413,332)
Sales	**691,405,554**	**143,498,495**	**6,209,150**	**2,695,586**	**(6,769,866)**	**837,038,920**
Operating profit	155,636,157	7,191,097	1,013,678	(11,083)	(1,041,713)	162,788,136
Financial results	28,169,076	(1,977,494)	0	(146,520)	(341,936)	25,703,126
Share of profit/(loss) of associates			0	(4,419,693)		(4,419,693)
Profit from company acquisition				19,242,077		19,242,077
Profit before income tax	**183,805,233**	**5,213,603**	**1,013,678**	**14,664,781**	**(1,383,649)**	**203,313,646**
Income tax	(33,413,700)	(14,461,892)	518,738	(6,822)	13,546	(47,350,130)
Profit for the period	**150,391,533**	**(9,248,289)**	**1,532,416**	**14,657,959**	**(1,370,104)**	**155,963,516**
Result from discontinuing operations					**1,370,104**	**1,370,104**
Segment Depreciation	18,484,403	4,950,951	1,020,511	0	(17,315)	**24,438,550**
Segment EBITDA	174,120,560	12,142,048	2,034,189	(11,083)	(1,059,028)	**187,226,686**

Segment's assets and liabilities are as follows:

31/12/2007

	Metallurgy	Constructions	Energy	Other	Total
Assets	876,333,962	317,748,213	385,475,662	70,160,414	**1,649,718,251**
Unallocated assets	0	0	0	0	**0**
Consolidated assets	**876,333,962**	**317,748,213**	**385,475,662**	**70,160,414**	**1,649,718,251**
Liabilities	594,241,954	191,581,701	60,148,779	3,893,931	**849,866,365**
Unallocated liabilities	0	0	0	0	**0**
Consolidated liabilities	**594,241,954**	**191,581,701**	**60,148,779**	**3,893,931**	**849,866,365**

31/12/2006

	Metallurgy	Constructions	Energy	Other	Total
Assets	1,049,167,490	186,476,832	97,556,248	13,693,838	**1,346,894,408**
Unallocated assets	0	0	0	0	**19,290,414**
Consolidated assets	**1,049,167,490**	**186,476,832**	**97,556,248**	**13,693,838**	**1,366,184,822**
Liabilities	413,476,481	86,597,795	73,005,756	-16,946,252	**556,133,780**
Unallocated liabilities	0	0	0	0	**30,913,330**
Consolidated liabilities	**1,049,167,490**	**186,476,832**	**97,556,248**	**13,693,838**	**587,047,110**

5.2 Secondary reporting format – geographical segments

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

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

	01/01-31/12/07	**01/01-31/12/06**
Greece	409,663,645	380,427,056
Eurozone	385,798,738	178,294,905
Other countries	117,134,945	278,316,959
Sales from Continued Operations	912,597,327	837,038,920
Sales from Discontinued Operations	6,961,371	6,309,150
Eurozone	0	0
Total	**912,597,327**	**837,038,920**

Following there is an analysis of sales per type:

	01/01-31/12/07	01/01-31/12/06
Sale of commodities	292,806,483	173,872,135
Sales of goods produced	394,792,233	396,317,716
Sales of other inventory	2,406,964	3,343,403
Services	11,164,558	15,379,253
Subcontracts	0	0
Sale of Property	1,518,483	851,028
Constructions	209,908,606	247,130,451
Other	0	144,934
Total	**912,597,327**	**837,038,920**

6. Notes on the Financial Statements

6.1 Tangible assets

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

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

	GROUP				
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	260,832,361	556,552,816	19,834,887	66,774,591	903,994,655
Accumulated depreciation and/or impairment	(39,471,939)	(416,694,055)	(16,673,077)	0	(472,839,071)
Net Book value as at **01/01/2006**	**221,360,422**	**139,858,761**	**3,161,810**	**66,774,591**	**431,155,584**
Gross Book value	268,440,292	608,001,598	21,326,968	136,524,921	1,034,293,779
Accumulated depreciation and/or impairment	(42,533,052)	(433,347,537)	(17,452,894)	0	(493,333,483)
Net Book value as at **31/12/2006**	**225,907,239**	**174,654,061**	**3,874,074**	**136,524,921**	**540,960,296**
Gross Book value	265,361,347	571,536,814	21,816,774	42,294,281	901,009,217
Accumulated depreciation and/or impairment	(46,158,439)	(448,560,388)	(18,636,387)	0	(513,355,213)
Net Book value as at **31/12/2007**	**219,202,909**	**122,976,427**	**3,180,387**	**42,294,281**	**387,654,004**

MYTILINEOS® HOLDINGS S.A.

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at 01/01/2006	**221,360,422**	**139,858,761**	**3,161,810**	**66,774,591**	**431,155,584**
Additions	741,319	42,320,366	1,409,699	86,820,151	131,291,535
Additions from acquisition/consolidation of subsidiaries	6,027,994	11,610,343	401,064	14,845,330	32,884,731
Sales-Reductions	(11,278,268)	(1,955,021)	(283,388)	0	(13,516,677)
Depreciation	(3,081,187)	(17,072,148)	(819,646)	0	(20,972,982)
Reclassifications	269,090	115,365	1,071	(31,915,151)	(31,529,625)
Net foreign exchange differences	11,867,926	(223,661)	3,464	0	11,647,729
Net Book value as at 31/12/2006	**225,907,296**	**174,654,004**	**3,874,074**	**136,524,921**	**540,960,295**
Additions from acquisition/consolidation of subsidiaries	2,399,258	3,336,967	666,342	252,905	6,655,472
Additions	13,612,752	12,552,043	817,807	51,632,164	78,614,765
Sales-Reductions	(6,154,063)	(56,862,730)	(988,554)	(139,722,840)	(203,728,187)
Depreciation	(3,629,405)	(15,801,332)	(1,189,247)	0	(20,619,984)
Reclassifications	1	5,930,776	0	(5,930,776)	1
Net foreign exchange differences	(12,932,872)	(833,358)	(35)	(462,093)	(14,228,357)
Net Book value as at 31/12/2007	**219,202,966**	**122,976,369**	**3,180,387**	**42,294,281**	**387,654,004**

COMPANY

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	13,240,590	634,064	1,114,408	0	14,989,061
Accumulated depreciation and/or impairment	(1,852,074)	(504,610)	(799,541)	0	(3,156,225)
Net Book value as at 01/01/2006	**11,388,516**	**129,454**	**314,866**	**0**	**11,832,836**
Gross Book value	13,263,321	168,477	1,248,652	0	14,680,449
Accumulated depreciation and/or impairment	(2,089,844)	(104,339)	(883,183)	0	(3,077,366)
Net Book value as at 31/12/2006	**11,173,477**	**64,137**	**365,469**	**0**	**11,603,083**
Gross Book value	13,192,907	179,171	1,321,076	0	14,693,155
Accumulated depreciation and/or impairment	(2,388,095)	(122,175)	(1,047,047)	0	(3,557,317)
Net Book value as at 31/12/2007	**10,804,812**	**56,996**	**274,029**	**0**	**11,135,837**

Book value as at 01/01/2006	**11,388,516**	**129,454**	**314,866**	**0**	**11,832,836**
Additions	22,731	240,981	260,634	0	524,346
Additions from acquisition/consolidation of subsidiaries	0	0	0	0	0
Sales-Reductions	0	(386,412)	(87,632)	0	(474,044)
Depreciation	(237,771)	(22,411)	(123,471)	0	(383,653)
Reclassifications	(1)	102,526	1,071	0	103,596
Net foreign exchange differences	0	0	0	0	0
Net Book value as at 31/12/2006	**11,173,476**	**64,137**	**365,469**	**0**	**11,603,082**
Additions from acquisition/consolidation of subsidiaries					0
Additions	16,627	11,713	226,462	700	255,502
Sales-Reductions	(87,041)	(1,018)	(154,037)	(700)	(242,797)
Depreciation	(298,251)	(17,836)	(163,864)	0	(479,951)
Reclassifications	1	0	0	0	1
Net foreign exchange differences	0	0	0	0	0
Net Book value as at 31/12/2007	**10,804,812**	**56,996**	**274,029**	**0**	**11,135,837**

6.2 Goodwill

	Goodwill
Gross Book value	102,273,669
Accumulated depreciation and/or impairment	0
Net Book Value as at January 1st 2006	**102,273,669**
Gross Book value	128,257,178
Accumulated depreciation and/or impairment	0
Net Book Value as at December 31th 2006	**128,257,178**
Gross Book value	141,359,317
Accumulated depreciation and/or impairment	0
Net Book Value as at December 31th 2007	**141,359,317**

	Goodwill
Book value as at **01.01.2006**	**102,273,669**
Additions	27,481,381
Sales-Reductions	-1,497,873
Impairment	0
Net Book value as at **31.12.2006**	**128,257,178**
Additions	33,991,680
Sales-Reductions	-20,889,541
Impairment	0
Net Book value as at **31.12.2007**	**141,359,317**

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

	Recognized Goodwill as at 31/12/2007
ELEMKA S.A.	634,515
DROSCO HOLDINGS LTD	1,776
ALUMINIUM SA	12,891,167
GENIKH VIOMICHANIKI	4,734
METKA	123,514,020
SOMETRA	4,313,104
Total	***141,359,317***

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

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

For the other companies, the recoverable amount of the recognized goodwill, was assessed using their value in use.

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

When the calculated recoverable value is less than the acquisition cost, the difference is recognized as a loss in the result of the year and more specifically in the line of the income statement "Other Financial Results" which is analyzed in note 6.27 of the Financial Statements and is presented in the Statement of Cash Flows as Impairment.

MYTILINEOS HOLDINGS S.A.

6.3 Intangible Assets

	GROUP				
	Software	Internaly generated assets	Licenses	Other intangible	Total
Gross Book value	6,398,445	0	0	63,803,841	70,202,286
Accumulated depreciation and/or impairment	(5,385,382)	0	0	(50,286,282)	(55,671,664)
Net Book value as at **01/01/2006**	**1,013,063**	**0**	**0**	**13,517,559**	**14,530,622**
Gross Book value	6,997,752	0	44,298,049	66,514,654	117,810,455
Accumulated depreciation and/or impairment	(5,688,493)	0	0	(54,335,484)	(60,023,977)
Net Book value as at **31/12/2006**	**1,309,259**	**0**	**44,298,049**	**12,179,170**	**57,786,478**
Gross Book value	7,115,417	0	0	68,002,688	75,118,105
Accumulated depreciation and/or impairment	(6,237,659)	0	0	(59,725,895)	(65,963,554)
Net Book value as at **31/12/2007**	**877,758**	**0**	**0**	**8,276,793**	**9,154,551**

	GROUP				
	Software	Internaly generated assets	Licenses	Other intangible	Total
Book value as at **01/01/2006**	**1,013,063**	**0**	**0**	**13,517,559**	**14,530,622**
Additions	566,111	0	0	1,773,348	2,339,458
Additions from acquisition/consolidation of subsidiaries	37,060	0	44,298,049	975,951	45,311,060
Sales-Reductions	(3,864)	0	0	0	(3,864)
Depreciation	(303,111)	0	0	(4,049,202)	(4,352,313)
Reclassifications	0	0	0	(38,486)	(38,486)
Net foreign exchange differences	0	0	0	0	0
Net Book value as at **31/12/2006**	**1,309,259**	**0**	**44,298,049**	**12,179,170**	**57,786,478**
Additions from acquisition/consolidation of subsidiaries	38,438	0	0	0	38,438
Additions	106,087	0	0	2,568,464	2,674,550
Sales-Reductions	(26,860)	0	(44,298,049)	(1,080,430)	(45,405,339)
Depreciation	(549,166)	0	0	(5,390,411)	(5,939,576)
Reclassifications	0	0	0	0	0
Net foreign exchange differences	0	0	0	0	0
Net Book value as at **31/12/2007**	**877,758**	**0**	**0**	**8,276,793**	**9,154,551**

	COMPANY				
	Software	Internaly generated assets	Licenses	Other intangible assets	Total
Gross Book value	69,073	0	0	0	69,073
Accumulated depreciation and/or impairment	(15,733)	0	0	0	(15,733)
Net Book value as at **01/01/2006**	**53,340**	**0**	**0**	**0**	**53,340**
Gross Book value	319,781	0	0	0	319,781
Accumulated depreciation and/or impairment	(52,379)	0	0	0	(52,379)
Net Book value as at **31/12/2006**	**267,402**	**0**	**0**	**0**	**267,402**
Gross Book value	331,554	0	0	0	331,554
Accumulated depreciation and/or impairment	(270,187)	0	0	0	(270,187)
Net Book value as at **31/12/2007**	**61,367**	**0**	**0**	**0**	**61,367**

	COMPANY				
	Software	Internaly generated assets	Licenses	Other intangible assets	Total
Book value as at **01/01/2006**	**53,340**	**0**	**0**	**0**	**53,340**
Additions	200,283	0	0	0	200,283
Additions from acquisition/consolidation of subsidiaries		0	0	0	0
Sales-Reductions	0	0	0	0	0
Depreciation	(33,602)	0	0	0	(33,602)
Reclassifications	0	0	0	0	0
Net foreign exchange differences	0	0	0	0	0
Net Book value as at **31/12/2006**	**220,021**	**0**	**0**	**0**	**220,021**
Additions from acquisition/consolidation of subsidiaries		0	0	0	0
Additions	62,198	0	0	0	62,198
Sales-Reductions	0	0	0	0	0
Depreciation	(220,852)	0	0	0	(220,852)
Reclassifications	0	0	0	0	0
Net foreign exchange differences	0	0	0	0	0
Net Book value as at **31/12/2007**	**61,367**	**0**	**0**	**0**	**61,367**

The company MYTILINEOS S.A. at 31/12/2007 holds Intangible Assets amount to € 61.367 regarding software.

6.4 Investments in affiliated companies

	GROUP	
	31/12/2007	**31/12/2006**
Opening Balance (01/01/2007)	**30,247,173**	**31,861,403**
Aquisition	0	
Share of profit/loss (after taxation and minority interest)	(193,791)	(1,020,508)
Foreign exchange differences	0	
Additions	161,887,585	
Reversal of received dividends	(1,781,572)	(593,722)
Other Changes in Equity	0	
Balance at end of period	**190,159,396**	**30,247,173**

6.5 Deferred tax

	GROUP				COMPANY			
	31/12/2007		**31/12/2006**		**31/12/2007**		**31/12/2006**	
	Asset	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**
Non Current Assets								
Intangible Assets	337,965	(152,329)	989,259	11,554,605	122,853	0	281,867	76,201
Tangible Assets	1,542,010	26,492,592	13,593,003	27,147,346	0	1,171,516	117,676	1,406,731
Financial assets available to sale	0	0	0	257,322	0	0	0	257,322
Long Term Receivables	0	0	840	840	0	0	328	328
Current Assets	0	0					0	0
Stocks	0	0	413,363	205,836	0	0	161,501	80,420
Construction Contracts	8,426,832	9,252,857	7,891,431	11,645,536	0	0	0	0
Receivables	5,573,837	897,874	4,395,555	1,606,979	408,683	0	3,327,825	558,027
Financial assets available to sale	0	51,911	0	70,077	0	51,911	0	70,077
Financial assets at fair value	0	0	0	0	0	0	0	0
Reserves	0	0					0	0
Reserves' defer tax liability	0	10,207,509	309,025	16,048,861	0	8,896,080	120,736	9,045,420
Long-term Liabilities	0	0					0	0
Employee Benefits	7,495,023	11,518	6,987,291	0	56,851	0	(6,527)	0
Subsidies	112,583	0	108,351	0	0	0	0	0
Other Long-term Liabilities	3,731,283	734,000	4,814,074	920,800	0	0	803,498	23,800
Short-term Liabilities	0	0					0	0
Provisions	1,473	1,872,304	499	3,529,176	0	1,818,109	0	2,189,816
Contingent Liabilities	0	0	18,161	2,947	0	0	7,096	1,151
Employee Benefits	1,366,244	0	1,707,547	0	0	0	15,186	0
Liabilities from derivatives	3,678,186	0	9,740,533	0	0	0	0	0
Liabilities from financing leases	0	(20,278)	66,443	669,747	0	0	0	0
Other Short-term Liabilities	26,080	1,769,170	1,574,276	36,017	0	0	1,497,307	11,965
Other contingent defer taxes	0	36,418,870	0	1,339,250	0	36,418,870	0	1,339,250
Offsetting	**(8,615,167)**	**(8,615,167)**	**(26,540,451)**	**(26,540,451)**	**0**	**0**	**(927,813)**	**(927,813)**
Total	**23,676,349**	**78,920,832**	**26,069,200**	**48,494,888**	**588,386**	**48,356,487**	**5,398,678**	**14,132,695**

6.6 Financial assets available for sale

	GROUP	
	31/12/2007	31/12/2006
Balance at beginning of the period	**70,317,907**	**42,118,108**
Exchange rate differences	0	0
Additions	0	5,797,286
-From acquisition of subsidiary	0	75,000
-Other Changes	0	0
Sales/write-offs	0	0
-Sale of Investment	0	(17,385,028)
-Aluminum of Greece - Treasury Shares	(47,837,928)	39,358,573
-Valuation of Treasury Shares at fair value	(22,003,197)	353,968
-Other Changes	0	
Balance at end of the period	**476,783**	**70,317,907**
Non-current assets	476,783	70,317,907
Current assets	0	
	476,783	**70,317,907**

6.7 Other long-term receivables

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers - Withholding quarantees falling due afet one year (from note 6.9)	534,707	2,354,396	0	0
Given Guarantees	385,566	746,580	110,239	120,241
Other long term receivables	431,949		0	0
Total other long-term liabilities	**1,352,222**	**3,100,976**	**110,239**	**120,241**

These receivables fall due after one year.

6.8 Inventories

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Raw materials	45,529,001	78,684,075	0	0
Semi-finished products	51,495,157	46,053,293	0	0
Finished products	30,805,198	26,266,008	0	0
Work in Progress	12,201,351	11,941,474	0	0
Merchandise	1,368,958	1,048,340	0	0
Others	42,273,741	41,484,556	0	0
Total	**183,673,407**	**205,477,746**	**0**	**0**
(Less)Provisions for scrap,slow moving and/or destroyed inventories:				
Raw materials	0	0	0	0
Semi-finished products	0	0	0	0
Finished products	0	0	0	0
Merchandise	(1,488,294)	(1,128,294)	0	0
Others	(1,301,931)	(1,291,565)	0	0
	(2,790,226)	**(2,419,859)**	**0**	**0**
Total Net Realizable Value	**180,883,181**	**203,057,887**	**0**	**0**

6.9 Customers and other trade receivables

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers	218,049,354	149,935,233	7,823,595	11,238,869
Notes receivable	3,815	3,815	0	0
Checks receivable	16,298,834	23,520,648	0	0
Less:Impairment Provisions	(1,563,376)	(2,411,842)	0	0
Net trade Receivables	**232,788,627**	**171,047,854**	**7,823,595**	**11,238,869**
Advances for inventory purchases	1,038,121	6,347,304	0	0
Advances to trade creditors	65,158,032	0	0	0
Total	**298,984,780**	**177,395,158**	**7,823,595**	**11,238,869**
Non-current assets	0	0	0	0
Current assets	298,984,780	177,395,158	7,823,595	11,238,869
	298,984,780	**177,395,158**	**7,823,595**	**11,238,869**

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers	161,226,010	101,934,455	(40,177,184)	(36,761,911)
Receivable from customers for constructional contracts	56,823,344	48,000,778	48,000,779	48,000,780
Notes receivable	3,815	3,815	0	0
Checks receivable	16,298,834	23,520,648	0	0
Less:Impairment Provisions	(1,563,376)	(2,411,842)	0	0
Advances for inventory purchases	1,038,121	6,347,304	0	0
Advances to trade creditors	65,158,032			
Total	**298,984,780**	**177,395,158**	**7,823,595**	**11,238,869**

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

Constructional Contracts	**GROUP**	
	31/12/2007	**31/12/2006**
Realised Contractual Revenues	264,988,054	281,485,284
Realised Contractual Cost & Profits (minus realised losses)	928,397,915	474,604,412
Total realised revenus from Construction Contracts	**1,193,385,969**	**756,089,696**
Advances received	(71,700,795)	0
Clients holdings for good performance	6,431,269	278,948,199
Receivables for construction contracts according to the percentage of completion	65,789,157	467,487,196
Liabilities related to construction contracts according to the percentage of completion	(26,477,433)	(173,327)
Total	**(25,957,802)**	**746,262,068**

6.10 Other receivables

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other Debtors	4,431,338	21,955,315	1,841,613	16,538,032
Receivables from the State	40,063,153	68,313,723	15,271,924	50,704,491
Others Receivables	15,676,615	5,131,797	35,990	492
Receivables from Subsidiaries	0	0	42,844,565	35,567,188
Loans given to Subsidiaries	0	0	0	0
Less:Provision for Bad Debts	(558,544)	(21,494)	0	0
Net Receivables	**59,612,562**	**95,379,341**	**59,994,092**	**102,810,203**
Total	**59,612,562**	**95,379,341**	**59,994,092**	**102,810,203**
Non-current assets	0	0	0	0
Current assets	59,612,562	95,379,341	59,994,092	102,810,203
	59,612,562	**95,379,341**	**59,994,092**	**102,810,203**

6.11 Other current Assets

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Prepaid expenses for construction contracts	1,961,504		0	0
Accrued income - Prepaid expenses	3,578,379	10,502,793	1,750,514	85,019
	5,539,884	**10,502,793**	**1,750,514**	**85,019**

6.12 Derivatives financial instruments

	31/12/2007		31/12/2006	
	Assets	Liabilities	Assets	Liabilities
Commoditiy derivatives				
Futures/Forwards	35,028,014	0	0	44,307,846
Currency & interest rates derivatives:				
Foreign exchange forward	0	0	0	0
Currency / interest rate swaps	1,564,228	0	0	546,731
Options	0	0	0	0
Other	0	0	0	0
Total	**36,592,242**	**0**	**0**	**44,854,577**

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

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

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

Interest rate and cross currency swaps: The Group has entered into "interest rate and cross currency swaps" with financial institutions that as at 31st December 2007 were settled. The settlement resulted to a gain of approximately € 5 mil..

Cash Flow Hedging

During the reported period the Group had entered in derivatives transactions regarding Commodity Futures and Currency Forwards. These transactions are considered by the Group as hedging instruments that mitigate the risk of fluctuations in cash flows from the volatility in aluminum prices along with the risk of devaluation of receivables due to volatility in euro/dollar exchange rate.

- **Commodity Futures**

The Group has decided to enter into Cash flow hedging through Commodity Futures and foresees that to be perfectly effective during 2007 and 2008. The net after taxes revaluation of open positions resulted to € 35.028.014.

- **Currency Forwards**

The Group has also decided to enter into Cash flow hedging through Currency Forwards and foresees that to be perfectly effective during 2007 and 2008. The revaluation of open positions resulted in a profit of 6.3m €. This amount after the deferred tax deductions amounted to 4.8m € and was recognized directly in Equity.

The Group uses Currency Forwards as hedging instruments for mitigating the risk of devaluations in its trade receivables due to fluctuations in the euro/dollar exchange rate and not the fair value risk of the sold commodity.

6.13 Financial assets at fair value through the income statement

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

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Opening Balance	**7,736,578**	**6,519,348**	**3,024,669**	**3,598,807**
Additions	931,234	6,488,145	(68,923)	2,785,144
Sales	(2,002,577)	(5,353,672)	(52,738)	(3,359,282)
Fair value adjustments	36,925	82,757	0	
Exchange rate differences	0		0	
Balance at end of the period	**6,702,159**	**7,736,578**	**2,903,008**	**3,024,669**

6.14 Cash and cash equivalents

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash	20,875,952	5,484,633	13,250	7,771
Bank deposits	64,056,879	9,889,227	4,090,476	3,046,375
Repos	0		0	
Total	**84,932,830**	**15,373,860**	**4,103,726**	**3,054,147**

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

	31/12/2007	31/12/2006
Deposits EUR	4.00%	2.06%
Deposits USD	5.60%	2.69%

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

6.15 Total Equity

i) Share capital

The parent company's shares as well as the shares of the subsidiariy "METKA S.A." are listed on the Athens Stock Exchange (ASE).

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

As of January 1, 2006, the share capital of the parent company amounted to Euro 24.312.204 consisted of 40.520.340 common shares with a nominal value of Euro 0,60 each.

The 1st Repeat Extraordinary General Assembly of Shareholders of 3.9.2007 approved the merger by absorption of the anonymous companies ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A. by the Company and decided the concurrent and parallel:

a) Share capital increase of the Company,
(aa) (i) by the amount of the share capital contributed by ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME amounting 206,565,872.90 Euro less the amount of 108,359,199.60 Euro corresponding to the nominal value of the invalidated shares of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME held by the Company, ii) by the amount of the share capital contributed by DELTA MECHANICAL EQUIPMENT & INTEGRATED PROJECTS S.A. amounting to 4,250,000 Euro less the amount 2,700,180.04 Euro, corresponding to the nominal value of the invalidated shares of DELTA MECHANICAL EQUIPMENT &
INTEGRATED PROJECTS S.A. held by the Company, i.e. in total, by the amount of 99,756,493.26 Euro
(bb) by the amount of 135,483.84 Euro resulting from capitalization of part of the Company's share premium account, for the purpose of maintaining the share exchange ratio.

b) change of the nominal value of each Company share from 0.60 Euro 2.55 Euro,

c) the issuance of 8.187.182 registered shares of a nominal value of 2.55 Euro, which shall be distributed to the shareholders of the merged companies, as per the exchange ratios set forth in the Draft Merger Contract of 18.8.2007, which was approved by the Company's 1st Repeat Extraordinary General Assembly of Shareholders of 3.9.2007.

Subsequently, the total amount of the share capital increase amounts to 99,891,977.10 Euro and the Company's share capital amounts to 124.204.181,10 Euro divided into 48,707,522 intangible, common, registered voting shares of a new nominal value 2.55 Euro each.

The 2nd Re-iterative General Meeting of the Company's shareholders of 26.11.2007 resolved on the following:

(a) decrease of the nominal value of the Company's shares € 2.55 to € 1.07 with the issuance of 68,190,531 new common registered shares, and the pro bono distribution of 24 new shares of the new par value of 1.07€ each for each 10 old shares of the previous par value of 2.55€ each, to the existing shareholders and

(b) increase of the Company's share capital through capitalization of share premium reserve amounting to 876,735.61€ for rounding purposes of the new par value of the shares.

Following the above, the share capital of the Company amounts to €125,080,916.71, divided into one 116,898,053 incorporeal common registered shares of a par value of € 1,07 each.

In accordance with the Board of Directors resolution of 5.12.2007, following the exercise by senior executives of the Company and of companies of Mytilineos group of stock option rights granted to them on the basis of the Stock Option Plans that have been approved by resolutions dated 14.6.2006 and 3.9.2007 of the General Meeting of Shareholders, the share capital was increased by €92.324,95 with cash payments and issuance of 86.285 new registered voting shares, nominal value of €1.07 each. Share price was 12,70€ according to the relevant stock option plan. The resulted par value difference of 1.003.495€ was transferred to share premium.

Following the exercise of the call options, the Company's share Capital amounts to Euro 125.173.241,66, divided into 116.984.338 ordinary shares of nominal value Euro 1,07.

ii) Share Based Payments to Members of the Board of Directors and Executives

By the General Meetings resolutions of 14.6.2006 and 14.9.2007, the Shareholders of the Company approved a stock option plan for the members of the Board of Directors and certain executives of the Mytilineos Group. The main provisions of the stock option plan are as follows:

- The Board of Directors issues stock option certificates within the period of the next 3 to five years.
- The maximum strike price is equal to the 80% of the average share price of six trading months preceding the relevant Shareholders' Annual General Meeting.
- Eligible individuals are members of the Board of Directors, certain executives and other employees that have a minimum of service in the Company.
- The maximum number of stocks issued by options vested is 3% of the total number of stocks.
- Options vest at 20% in 2007, 30% in 2008 and 50% in 2009.
- Options are not tradable or transferable.
- Options vested can be exercised within the first twenty days of December of the year they vest.

The stock option plan is realized by cash payments from the beneficiaries.

The following table illustrates the stock options vested in 2007:

	31 December 2007
Stock options vested - outstanding at the beginning of the year	**0,00**
Stock options vested in the year	103.200,00
Stock options exercised in the year	(86.285,00)
Stock options vested - outstanding at the end of the year	16.915,00
Stock options to be vested in forthcoming years	412.800,20
Total stock options outstanding at the end of the year	**429.715,20**

The amount of stock options that will vest within the forthcoming years per year of vesting and per exercise price has as follows:

		Number of Share Options		
Year of vesting	**Exercise Price**	**Group**	**Mytilineos S.A.**	**Subsidiaries**
2007	12,70	16.915,04	9.258,64	7.656,40
2008	12,70	154.800,06	83.763,06	71.037,00
2009	12,70	258.000,10	139.605,10	118.395,00
		429.715,20	**232.626,80**	**197.088,40**

The fair value of the stock options is estimated at the award date using the Black-Scholes option pricing model. The inputs to the model used for the valuation of stock options awarded in 2007 are as follows:

a) Share Price at award date Euro 13,92
b) Risk-free interest rate 4,48%
c) Dividend yield 1,97%
d) Stock Volatility 28%
e) Expected life of option 3 years

Based on these inputs the model produced a value of Euro 1,29 per each stock option awarded in 2007.

6.16 Loan liabilities

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Long Term Liabilities				
Bank loans	43,798,725	14,256,964	0	8,778,695
Loans from Parent Company (Note 32)	0	0	0	0
Leasing liabilities	506,064	898,233	0	0
Bonds	12,550,000	22,265,809	12,550,000	12,550,000
Other	0	0	0	0
Total Long-Term Loans	**56,854,789**	**37,421,006**	**12,550,000**	**21,328,695**
Short Term Liabilities				
Overdraft	237,042,985	118,536,995	227,923,054	98,331,867
Bank loans	58,513,376	36,310,770	722,951	10,588,373
Bonds	0	0	0	0
Leasing liabilities	81,112	1,156,720	0	0
Loans with quarantee (Note 10)	0	0	0	0
Long term Bank Loan falling due within one year	0	17,564,120	0	17,564,120
Total Short Term Loans	**295,637,473**	**173,568,605**	**228,646,004**	**126,484,360**
Total Loans	**352,492,261**	**210,989,611**	**241,196,004**	**147,813,055**

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

	31/12/2007	**31/12/2006**
EUR	5.6%	4.0%
USD	6.8%	6.1%

6.17 Employee benefit liabilities

The amounts recognized on the Consolidated Balance Sheet and Consolidated Profit and Loss Account are:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Balance Sheet liabilities for:				
Pension benefits	40,596,831	34,647,563	598,188	671,279
Medical benefits after retirement	0	0	0	0
Total	**40,596,831**	**34,647,563**	**598,188**	**671,279**
Charges in the results:				
Pension benefits (provisions and payments)	9,433,405	10,045,846	4,514	(2,625)
Medical benefits after retirement	0	0	0	0
Total	**9,433,405**	**10,045,846**	**4,514**	**(2,625)**

The changes on present value of benefit scheme contribution are:

	31/12/2007	31/12/2006
Present value of financed liabilities	19,215,529	16,756,889
Fair value of the plan's assets	(5,179,926)	(5,596,183)
	14,035,603	11,160,706
Present value of non-financed liabilities	26,650,447	23,486,857
Non registered actuarial gain/(losses)	(89,218)	0
Non registered previous employment cost	0	0
	26,561,229	23,486,857
Balance Sheet Liability	**40,596,832**	**34,647,563**

The changes on fair value of benefit scheme assets are:

	31/12/2007	31/12/2006
Current employment cost	5,520,873	5,566,465
Financial cost	2,030,174	2,026,306
Anticipated return on assets	(207,521)	(268,968)
Net actuarialy (profits)/ losses realised for the period	(101,635)	0
Past employment cost	2,180,479	2,342,985
Losses from abridgement	11,035	379,058
Amount included in employees' benefits	**9,433,406**	**10,045,846**

The assumptions used, are presented in the following table:

	31/12/2007	31/12/2006
Discount rate	4.5%	4.5%
Future wage and salary increase	4.0%	4.0%
Future pension increase	0.5%	0.5%
Inflation	2.5%	2.5%

6.18 Other long-term liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Received guarantees - Grants-Leasing				
Opening balance	28,504,336	6,528,893	0	0
Received guarantees - Grants-Leasing from Subsidiaries' aquisition	109,021	4,333,796	0	80,283
Additions	184,514	17,994,174	0	0
Returns	0	0	0	0
Transfer at profits/loss	(417,084)	(352,527)	0	(21,159)
Transfer to Short term	25,647	0	0	0
Balance at end of period	**28,406,434.9**	**28,504,336**	**0**	**59,124**
Other				
Opening balance	469,335	12,969	0	0
Additions	0	873,721	0	0
Returns	0	(416,003)	0	0
Transfer at profits/loss	(1,224)	0	0	0
Exchange differences:	0	(1,352)	0	0
Transfer to Short term	(34,365)	0	0	0
Balance at end of period	**433,746**	**469,335**	**0**	**0**
Rights for using Assets acquired through compensative				
Opening balance	3,754,220	9,291,770	0	0
Additions	0	0	0	0
Depreciation for the pariod	(3,047,739)	(2,202,985)	0	0
Transfer to Short term	234,734	(3,334,565)	0	0
Balance at end of period	**941,216**	**3,754,220**	**0**	**0**
Advances of customers				
Opening balance	8,838,537	15,725,237	0	0
Additions	94,260,825	0	0	0
Depreciation for the pariod	(39,229,400)	(6,886,700)	0	0
Transfer to Short term	(57,345,094)		0	0
Balance at end of period	**6,524,867**	**8,838,537**	**0**	**0**
Total	**36,306,264**	**41,566,428**	**0**	**59,124**
Long Term Liabilities	24,093,345	38,231,865	0	0
Short Term Liabilities (see note 6.22)	0	3,334,565	0	59,124
	24,093,345	**41,566,430**	**0**	**59,124**

6.19 Provisions

	GROUP			
	Environmental Restoration	Tax liabilities	Other	Total
01/01/2006	**7,480,511**	**1,200,000**	**3,443,503**	**12,124,014**
Additional provisions for the period	0	0	4,440	**4,440**
Additional provisions for the period	(24,045)	2,150,000	7,922,681	**10,048,636**
Unrealised reversed provisions	0	0	(1,512,938)	**(1,512,938)**
Exchange rate differences	0	0	0	**0**
Realised provisions for the period	(423,316)	(200,000)	(16,346)	**(639,662)**
31/12/2006	**7,033,150**	**3,150,000**	**9,841,340**	**20,024,490**
-Long Term				19,771,825
-Short Term (see note 6.19)				**252,665**
Additional provisions for the period	0	0	0	**0**
Additional provisions for the period	0	720,000	3,243,668	**3,963,668**
Unrealised reversed provisions	(1,260,000)	0	50,599	**(1,209,401)**
Exchange rate differences	0	0	0	**0**
Realised provisions for the period	(343,693)	(1,861,657)	(26,500)	**(2,231,850)**
31/12/2007	**5,429,457**	**2,008,343**	**13,109,107**	**20,546,907**
-Long Term				18,156,475
-Short Term (see note 6.19)				2,390,431

	COMPANY			
	Environmental Restoration	Tax liabilities	Other	Total
01/01/2006	**0**	**0**	**0**	**0**
Additional provisions for the period		3,100,000		**3,100,000**
Additional provisions for the period				**0**
Unrealised reversed provisions				**0**
Exchange rate differences				**0**
Realised provisions for the period				**0**
31/12/2006	**0**	**3,100,000**	**0**	**3,100,000**
-Long Term				3,100,000
-Short Term (see note 6.19)				
Additional provisions for the period				**0**
Additional provisions for the period				**0**
Unrealised reversed provisions			292,593	**292,593**
Exchange rate differences				**0**
Realised provisions for the period		(1,831,657)		**(1,831,657)**
31/12/2007	**0**	**1,268,343**	**292,593**	**1,560,936**
-Long Term				1,268,343
-Short Term (see note 6.19)				292,593

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

6.20 Suppliers and other liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Suppliers	88,752,246	87,972,084	0	65,752
Notes Payable	0	0	0	0
Cheques Payable	738	838,918	0	0
Customers' Advances	71,842,291	13,926,532	0	0
Liabilities to customers for project implementation	22,185,857	700,758	0	0
Total	**182,781,132**	**103,438,292**	**0**	**65,752**

6.21 Current tax liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Tax expense for the pariod	51,924,964	46,950,189	14,099,301	40,776,249
Tax audit differences	8,689,550	4,957,601	8,630,656	4,691,778
Tax liabilities	(653,727)	6,027,213	(9,662,697)	4,411,448
Total	**59,960,787**	**57,935,003**	**13,067,260**	**49,879,474**

6.22 Other short-term liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Liabilities to Related Parties	1,410,521	0	34,864,564	39,138,463
Accrued expense	6,477,659	6,910,826	0	307,254
Social security insurance	4,319,811	3,855,345	137,848	127,012
Dividends payable	1,698,614	1,139,680	1,135,946	518,984
Deferred income-Grants (from note 6.18)	3,074,183	3,334,565	0	10,861
Others Liabilities	13,344,703	13,190,405	9,944,071	607,779
Total	**30,325,492**	**28,430,821**	**46,082,429**	**40,710,353**

6.23 Cost of goods sold

COST OF GOOD SOLD	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Retirement benefits	6,509,661	3,014,089	0	0
Other employee benefits	82,268,517	80,964,268	138,904	420,330
Cost of materials & inventories	436,061,285	277,827,303	0	115,102,912
Third party expenses	40,217,925	77,388,681	265,336	1,405,154
Third party benefits	142,534,623	140,055,074	611	29,221
Assets repair and maintenance cost	399,407	837,945	2,522	31,953
Operating leases rent	509,720	641,946	898	14,047
Taxes & Duties	147,972	257,429	142	3,496
Advertisement	25,251	37,068	0	727
Other expenses	19,904,304	23,968,793	415,751	339,358
Assets depreciation	20,414,952	23,302,139	1,453	79,845
Total	**748,993,617**	**628,294,737**	**825,618**	**117,427,044**

6.24 Administrative / Distribution / R&D expenses

DISTRIBUTION EXPENSES	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Retirement benefits	15,472	82,227	0	0
Other emploee benefits	2,234,337	3,550,429	36,466	1,724,942
Inventory cost	1,120	674	0	0
Third party expenses	4,164,390	4,599,304	80,594	2,043,215
Third party benefits	629,797	1,193,689	22,428	226,371
Assets repair and maintenance cost	15,947	143,138	1,832	43,731
Operating leases rent	159,365	339,323	4,192	196,608
Taxes & Duties	7,636	40,307	1,342	4,898
Advertisement	51,441	49,233	840	30,949
Other expenses	2,853,571	2,536,896	7,216	960,078
Assets depreciation	155,007	351,401	9,617	228,506
Total	**10,288,082**	**12,886,622**	**164,527**	**5,459,295**

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Retirement benefits	58,683	370,925	0	0
Other emploee benefits	14,599,921	9,573,092	7,058,633	3,379,248
Inventory cost	445	111,967	0	0
Third party expenses	18,838,601	9,281,058	9,306,806	3,004,304
Third party benefits	2,619,857	2,410,536	665,560	290,408
Assets repair and maintenance cost	504,104	517,605	158,217	67,074
Operating leases rent	1,238,775	860,582	543,084	234,828
Taxes & Duties	343,806	314,154	4,731	3,288
Advertisement	999,770	367,280	825,151	46,803
Other expenses	9,743,819	5,483,799	1,873,076	883,033
Assets depreciation	1,581,451	1,001,085	941,413	199,059
Total	**50,529,232**	**30,292,082**	**21,376,671**	**8,108,046**

RESEARCH EXPENSES	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Retirement benefits	0	0	0	0
Other emploee benefits	0	0	0	81,693
Inventory cost	0	0	0	0
Third party expenses	0	0	0	1,505
Third party benefits	0	0	0	0
Assets repair and maintenance cost	0	0	0	0
Operating leases rent	0	0	0	0
Taxes & Duties	0	0	0	13
Advertisement	0	0	0	0
Other expenses	0	0	0	345
Assets depreciation	0	0	691	34
Total	**0**	**0**	**691**	**83,591**

6.25 Other operating income / expenses

	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Other operating income				
Grants amortization	33,445	38,576	0	0
Income from Subsidies	363,269	579,366	22,540	9,404
Compensations	0	0	0	0
Profit from foreign exchange differences	32,852,099	6,146,536	0	3,514,976
Rent income	666,697	1,499,858	234,414	87,609
Sales commission income	0	0	0	0
Other	14,719,880	3,629,319	25,362,833	1,173,358
Income from reversal of unrealized provisions	1,621,945	284,700	0	0
Profit from sale of fixed assets	197,243	1,738,945	0	0
Total	**50,454,577**	**13,917,301**	**25,619,786**	**4,785,348**
Other operating expenses				
Losses from foreign exchange differences	15,115,616	8,899,347	0	6,440,133
Provision for Bad Debts	202,994	786,926	4,240	240,965
Loss from sale of fixed assets	94,526	211,130	0	0
Other	6,556,145	6,111,757	2,891,569	479,567
Real estate tax and other taxes	181,432	666,985	127,106	612,067
Compensations	26,500	18,500	0	0
Total	**22,177,212**	**16,694,645**	**3,022,914**	**7,772,731**

6.26 Financial income / expenses

	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Interest income from:				
- Banks	10,958,540	1,666,621	10,489,595	102,687
- Revaluation of currency derivatives	0	0	0	0
- Customers	9,280	91,691	0	0
- Available for sale Investments	0	0	0	0
- Interest rate swaps	1,150,939	1,733,732	1,150,939	1,733,732
- Grants Loans	0	1,538	0	0
-Other	5,023,065	3,980	4,172,253	0
Total	**17,141,825**	**3,497,562**	**15,812,787**	**1,836,419**
Interest expenses from:				
- Discounts of Employees' benefits liability due to service termination	65,598	1,610,777	0	17,522
- Bank Loans	21,583,096	7,785,295	13,966,465	6,149,046
- Bank overdraft accounts	0	154,114	0	0
- Letter of Credit commissions	808,604	103,705	4,672	29,804
- Interest rate swaps	1,097,790	1,663,318	1,097,790	1,663,318
-Factoring	7,982	55,134	7,982	55,134
- Financial Leases	6,093	8,308	0	0
- Other Banking Expenses	2,322,261	452,203	1,833,802	138,105
Total	**25,891,422**	**11,832,854**	**16,910,710**	**8,052,930**

6.27 Other financial results

	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Derivatives:				
Cash Flow Hedging (transfer from Equity	(1,076,360)	5,038,262	(1,076,360)	5,038,262
- Non-hedging derivatives	0	(490,736)	0	0
- Profit / (loss) from fair value of other financial instrument through profit/loss	(699,959)	0	2,462,458	0
- Fair value profit	123,186,092	285,699	123,186,092	285,699
- Profit / (loss) from the sale of financial instruments	27,755,245	29,183,801	27,778,100	45,648,425
- Income from dividends	3,102,644	21,390	35,839,503	20,298,792
Total	**152,267,663**	**34,038,417**	**188,189,793**	**71,271,178**

6.28 Consolidations of companies

During the reporting period, the Group did not acquire any entities.

6.29 Income tax

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

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income Tax	58,990,517	49,593,685	14,952,072	10,299,321
Tax Audit differences	9,484,435	5,811,809	10,219,704	6,648,763
Deferred taxation	(9,305,144)	(8,055,364)	4,331,833	(1,541,271)
Total	**(59,169,808)**	**(47,350,130)**	**(29,503,609)**	**(15,406,812)**

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Earnings before tax	297,805,494	137,695,628	187,378,484	45,700,376
Nominal Tax rate	25%	29%	25%	29%
Presumed Tax on Income	**74,451,374**	**39,931,732**	**46,844,621**	**13,253,109**
Adjustments for Nominal Tax Rate changes	0	0	0	0
Adjustments for non taxable income	0	0	0	0
- Non taxable income	0	0	0	0
Tax on Non taxable reserves	(49,048,138)	(18,133,555)	(43,795,736)	(8,273,743)
Elimination on Stocks Intercompany Profit	0	0	0	0
- Profit on acquisitions	0	0	0	0
- Other	0	0	0	0
Adjustments for non deductible expenses for tax purposes	35,923,922	23,794,898	18,424,457	5,952,244
- Goodwill Impairment	0	0	0	0
- Non tax deductible expenses	282,890	0	0	0
- Other	(2,440,240)	1,757,055	8,030,266	4,475,203
Realized Tax on Income	**59,169,807**	**47,350,130**	**(29,503,609)**	**15,406,813**

6.30 Earnings per share

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Profit attributable to Shareholders of the parent	193,601,160	152,381,406	161,073,243	52,632,308
Weighted average number of shares	113,084,743	97,211,748	113,084,743	97,211,748
Basic earnings per share	1.71	1.57	1.42	0.54

Continuing Operations	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Profit attributable to Shareholders of the parent	198,147,399	151,011,302	161,073,243	52,632,308
Weighted average number of shares	113,084,743	97,211,748	113,084,743	97,211,748
Basic earnings per share	1.75	1.55	1.42	0.54

Discontinuing Operations	31/12/2007	31/12/2006
Profit attributable to Shareholders of the parent	(4,546,239)	1,370,104
Weighted average number of shares	113,084,743	97,211,748
Basic earnings per share	(0.04)	0.01

6.31 Cash flows from operating activities

	Notes	GROUP 2007	GROUP 2006	COMPANY 2007	COMPANY 2006
Cash flows from operating activities					
Profit for the period		215,218,229	155,963,516	161,073,243	52,632,308
Adjustments for:					0
Tax		59,169,808	47,350,130	29,503,609	15,406,812
Depreciation of property,plant and equipment		20,191,232	22,742,659	658,963	383,653
Depreciation of intangible assets		2,868,749	2,125,472	227,284	33,602
Impairments		35,201,165	394,000	35,201,165	0
Provisions		6,759,412	2,662,098	9,211	260,750
Income from reversal of prior year's provisions		(1,053,513)	(70,173)	0	0
Profit / Loss from sale of tangible assets		(282,267)	(1,849,131)	(179,549)	2,787
Profit/Loss from fair value valuation of investment property		(30,854,475)	(41,157,463)	(30,910,816)	(35,958,262)
Profit / Loss from fair value valuation of derivatives		(7,964,972)	920,448	(7,964,972)	(545,043)
Proft / Loss from fair value valuation of financial assets at fair value through profit and loss		(157,696,459)	(7,506)	(160,079,235)	(580,809)
Profit / Loss from sale of held-for-sale financial assets		0	(10,838,897)	0	0
Profit / Loss from sale of financial assets at fair value through profit an loss		(6,697)	(224,386)	0	(10,506,083)
Interest income		(18,018,149)	(3,829,261)	(15,811,448)	(1,836,419)
Interest expenses		25,832,525	11,917,893	16,995,049	8,052,930
Dividends		(681,455)	(21,390)	(35,839,503)	(20,298,792)
Grants amortization		(417,084)	(429,581)	0	0
Profit from company acquisition	6.28	0	(72,891)	0	0
Parent company's portion to the profit of associates		193,791	4,419,693	0	0
Loans Exchange differences		(18,913,610)	(9,660,133)	(743,158)	(2,135,505)
Other Exchange differences		240,066	7	233,639	0
		129,786,297	**180,335,105**	**(7,626,518)**	**4,911,928**
Changes in Working Capital					
(Increase)/Decrease in stocks		(24,219,804)	(92,425,060)	(0)	666,445
(Increase)/Decrease in trade receivables		(58,115,676)	7,926,857	61,119,038	53,482,272
(Increase)/Decrease in other receivables		5,617,503	(6,137,404)	1,649	0
Increase / (Decrease) in liabilities		74,530,273	20,588,554	(17,232,447)	45,488,446
Provisions		(17)	5,371,908	0	0
Pension plans		24,353	0	(18,422)	0
Other		0	0	0	0
		(2,163,369)	**(64,675,145)**	**43,869,818**	**99,637,163**
Net Cash flows operating activities		**127,622,928**	**115,659,960**	**36,243,300**	**104,549,092**

6.32 Discontinued Operations

In the context of the agreement between the Group and "ENDESA Europa", the Group will contribute its entire thermal and renewable energy assets and licenses to the new company. The Group applied IFRS 5 "Non Current Assets Available for Sale & Discontinued Operations" and present separately the assets, liabilities and results which are going to be transferred to the new company. Following is presented the analysis of the relevant assets and liabilities as well as the profit and loss and the cash flows of the discontinued operations.

ASSETS	**31/12/2007**
Non Current Assets	
Tangible Assets	161,577,587
Goodwill	6,348,477
Intangible Assets	36,694,902
Investments in Associate Companies	1,345,279
Deferred Tax Receivables	11,768,166
Other Long-term Receivables	1,576
	217,735,987
Current Assets	
Inventories	
Trade and other receivables	31,762
Other receivables	3,768,958
Other current assets	233,929
Cash and cash equivalents	867,356
	4,902,006
Non Current Assets Available for Sale	
Total Assets	**222,637,992**
LIABILITIES	
Non-Current Liabilities	
Long-term debt	4,986,423
Deferred tax liability	9,414,713
Other long-term liabilities	18,794,381
Total Non-Current Liabilities	**33,195,517**
Current Liabilities	
Trade and other payables	12,023,225
Tax payable	215,935
Short-term debt	13,924,999
Current portion of non-current liabilities	329,412
Other payables	459,692
Total current liabilities	**26,953,263**
Total liabilities	**60,148,779**

	01/01-31/12/07	01/01-31/12/06
Sales	**6,961,368**	**6,769,866**
Cost of sales	(4,946,104)	(3,388,372)
Gross profit	**2,015,263**	**3,381,494**
Other operating income	178,600	924,558
Distribution expenses	(339,871)	(352,435)
Administrative expenses	(3,528,901)	(2,486,660)
Research & Development expenses	(691)	(152,944)
Other operating expenses	(376,570)	(272,300)
Earnings before interest and income tax	**(2,052,170)**	**1,041,713**
Financial income	20,013	15,031
Financial expenses	(1,657,243)	(5,909)
Other financial results	(191,665)	332,814
Negative goodwill	0	0
Share of profit of associates	(127,184)	0
Profit before income tax	**(4,008,249)**	**1,383,649**
Income tax expense	(537,990)	(13,546)
Profit for the period	**(4,546,239)**	**1,370,103**
Basic earnings per share		
	Σύνοψη αποτελεσμάτων περιόδου	
Earnings before income tax,financial results,depreciation and amortization	(1,660,405)	1,059,028
Earnings before income tax and financial results	(2,052,170)	1,041,713
Earnings before income tax	(4,008,249)	1,383,649
Earnings for the period	(4,546,239)	1,370,103

It is noted that in the following table, for comparison reasons between Profit & Loss Account for 01/01 – 30/09/2007 with 01/01 – 30/09/2006, it is presented Profit & Loss Account without the span off commercial sector.

	01/01-31/12/2006 (with sector)	Span Off Sector	01/01-31/12/2006 (without sector)
Sales	187,025,852	185,094,332	1,931,520
Cost of sales	168,712,586	168,712,586	0
Gross profit	**18,313,266**	**16,381,746**	**1,931,520**
Distribution expenses	-5,794,563	-3,537,716	-2,256,847
Administrative expenses	-7,633,892	-1,909,484	-5,724,408
Other operating expenses	-8,933,986	-8,044,032	-889,954
Other operating income	4,214,271	267,088	3,947,183
Financial income	1,745,651	0	1,745,651
Financial expenses	-7,701,851	-8,329	-7,693,522
Other financial results	53,879,433	-6,885,662	60,765,095
Profit before income tax	**48,088,328**	**-3,736,389**	**51,824,718**
Income tax expense	-10,827,679	-2,299,250	-8,528,429
Profit for the period	**37,260,649**	**-6,035,639**	**43,296,289**

6.33 Sale of Treasury Shares

The company on 6/6/2007 completed the 3rd phase of its Share Buyback Program through the acquisition of 1.096.293 treasury shares at an average price of 35,27euro on the context of the 16/2/2007 decision of the Board of Directors. During the reported period the company has acquired a total of 2.098.171 treasury shares at an average price of 34,18euro. At the same time the company has already completed its 12 month Share Buyback Program for the purchase of treasury shares decided in the Special General Assembly of 14.6.2006.

On 7.12.2007, the Board of Directors of the Company resolved on the commencement of the plan regarding the acquisition of owned shares, in implementation of the decision of the Extraordinary General Meeting of the Company's shareholders of 7.12.2007. In the period from 13.12.2007 until 6.12.2009, the Company will acquire up to 2.522.461 owned shares, at a minimum acquisition price of 5 €/share and a maximum acquisition price of 60 €/share.

As at 31.12.2007, the company has overall acquired 5.695.898 (adjusted after split) treasury shares, which corresponds to 4,82% of its new share capital.

6.34 Encumbrances

There are no encumbrances to the company's assets but there are encumbrances to the Group's assets amounting to € 2,3 m.

6.35 Commitments

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

Commitments from construction contracts	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Value of pending construction contracts	621,737,322	223,710,867	0	0
Granted guarantees of good performance	162,752,992	111,744,450	0	0
Total	**784,490,314**	**335,455,317**	**0**	**0**

Commitments from finance lease	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Amounts in €				
Until 1 year	566,397	11,431	0	0
1 to 5 years	20,779	138,403	0	0
Total	**587,176**	**149,834**	**0**	**0**

6.36 Contingent Assets & Contingent Liabilities

Disclosures related to contingent assets

According to the Court of Appeal of Athens irreversible decision, ECIO is obliged to pay to MYTILINEOS S.A. compensation which amounts to 30.5m € and includes, capital, interests, court and other expenses. Up to 31/12/2007 the full amount has been received.

Disclosures related to contingent liabilities

In 1998 the company proceed to an agreement with the Romanian governmental service ARSA for the acquisition of a controlling stake in the former governmental entity SOMETRA. The agreement had provisions regarding the obligation of the acquirer to make investments in the field of technology and environment for the years 1999-2003. The agreement had also the provision for arbitration in case of differences upon performance. ARSA, on the back of its claim for violation of the agreement provisions regarding investment obligations, has appealed in the arbitration court asserting payments for non performance related to the investments of the years 2001-2003. The arbitration court has already proceed to the substance of the difference and the Group management believes that there will be no material liability beyond the amount of 1.6m $ that is considered as a realistic provision. The above mentioned amount has already been included to the results of 2006

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

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

Company	**Years not inspected by Tax Authorities**
MYTILINEOS S.A. Maroussi, Athens	2007
METKA S.A., N. Heraklio, Athens	2005-2007
SERVISTEEL, Volos	2003-2007
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	2005-2007
RODAX A.T.E.E., N.Heraklio, Athens	2005-2007
ELEMKA S.A., N.Heraklio, Athens	2005-2007
DROSCO HOLDINGS LIMITED, Cyprus	2003-2007
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	2006 (ext. fiscal yea)-2007
ENERGY CONSTRUCTION DEVELOPMENT WESTERN GREECE S.A., Agrinio Aitoloakarnanias	2004-2007
DELFI DISTOMON A.M.E.	2005-2007
ALOUMINION S.A.	2006 (ext. fiscal yea)-2007
COGENERATION OF ELECTRICITY AND HEAT S.A.	2005-2007
ELVO, Thessaloniki	2006-1007
SOMETRA S.A., Sibiu Romania	2003-2007
MYTILINEOS FINANCE S.A., Luxemburg	2007
STANMED TRADING LTD, Cyprus	2004-2007
MYTILINEOS □ELGRADO D.O.O., Serbia	1999-2007
MYVEKT INTERNATIONAL SKOPJE	1999-2007
RDA TRADING, Guernsey Islands	2007
DEFENSE MATERIAL INDUSTRY S.A.-MYTILINEOS AND Co, Maroussi, Athens	2003-2007
INDUSTRIAL RESEARCH PROGRAMS ''BEAT", Halandri, Athens	2003-2007
GENIKI VIOMICHANIKI, Maroussi, Athens	2003-2007
THORIKI S.A.I.C., Maroussi, Athens	2003-2007
THERMOREMA S.A., Moshato, Athens	2003-2007
KASTANIOTIKO S.A., Moshato, Athens	2003-2007
POUGAKIA S.A., Moshato Athens	2003-2007
DELTA PROJECT CONSTRUCT SRL, Boucouresti, Romania	2005-2007
KALOMOIRA S.A., Moshato, Athens	2003-2007
DELTA ENERGY S.A., Moshato, Athens	2003-2007
FOIVOS ENERGY S.A., Amfiklia Fthiotidas	2002-2007

YDROXOOS S.A., Moshato, Athens	2004-2007
PEPONIAS S.A., Moshato, Athens	2004-2007
FTHIOTIKI ENERGY S.A., Moshato, Athens	2003-2007
YDRIA ENERGY S.A., Moshato, Athens	2005-2007
AIOLIKI MARTINOU S.A., Moshato, Athens	2005-2007
ARGIRI ENERGY S.A., Moshato, Athens	2003-2007
EN.DY. S.A., Moshato, Athens	2003-2007
FOTINOS TILEMAXOS S.A., Moshato, Athens	2003-2007
THESSALIKI ENERGY S.A., Moshato, Athens	2002-2007
IONIA ENERGY S.A., Moshato, Athens	2006-2007
ELECTRONWATT S.A., Moshato, Athens	2006-2007
BUSINESS ENERGY S.A., Alimos, Athens	2006-2007
DELTA RENEWABLE ENERGY SOURCES S.A. Ag. Paraskevi Attikis	2004-2007
ENDESA Hellas S.A.	2007
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	2001-2007
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	2003-2007
NORTH AEGEAN RENEWABLES, Maroussi, Athens	2006-2007
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	2001-2007
AIOLIKI ANDROU TSIROVLIDI S.A.,Maroussi,Athens	2003-2007
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	2003-2007
AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	2003-2007
AIOLIKI PLATANOU S.A., Maroussi, Athens	2003-2007
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	2003-2007
AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	2003-2007
HELLENIC SOLAR S.A., Maroussi Athens	2006-2007
SPIDER S.A., Maroussi Athens	2002-2007
GREENENERGY A.E.	2007
BUSINESS ENERGY TPOIZINIA	2007

During the reporting period, tax authorities' inspection assessed tax differences, amounting to € 8.884 thousand.

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

Other Contingent Assets & Liabilities

The Group has new accumulated claims amounting to € 1,4m. The outcome of the above mentioned claims is in the stage of finalization by the insurance companies.

In addition, the Group has submitted demands to its construction customers, amounting to € 0,8m for executed work that is not related to Contractual Obligations.

6.37 Changes in Accounting Estimations

No change in accounting estimates was effected in 2007.

6.38 Dividends Payable

In the reporting period the Group paid a total amount of € 55.168.796 for Dividends to the Group Companies Shareholders, out of which an amount of € 22.975.769 regards mother company shareholders and the rest regards minority shareholders.

6.39 Number of employees

	GROUP		COMPANY	
	2007	**2006**	**2007**	**2006**
Full time employees	1,778	2,360	78	60
Part time employees	1,109	1,154	0	3
Total	**2,887**	**3,514**	**78**	**63**

6.40 Related Party transactions

Stock Sales	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries				83,963,046
Associates	426,886			
Other Related Parties				
Total	**426,886**	**0**	**0**	**83,963,046**

Stock Purchases	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries				50,228,724
Associates				
Other Related Parties				
Total	**0**	**0**	**0**	**50,228,724**

Services Sales	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			16,862,520	7,323,819
Associates	403,177	170,520	251,377	170,520
Other Related Parties				
Total	**403,177**	**170,520**	**17,113,897**	**7,494,339**

Services Purchases	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			876,325	1,014,756
Associates	201,516			
Other Related Parties	14,145,224		6,020,378	
Total	**14,346,739**	**0**	**6,896,702**	**1,014,756**

Sales of non-current assets	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			15,712,045	
Associates				
Other Related Parties				
Total	**0**	**0**	**15,712,045**	**0**

Purchases of non-current assets	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries				
Associates				
Other Related Parties				
Total	**0**	**0**	**0**	**0**

Loans given to Related Parties	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			26,860,142	
Associates				
Other Related Parties				
Total	**0**	**0**	**26,860,142**	**0**

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Loans received from Related Parties	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			34,864,564	39,138,463
Associates	400,021			
Other Related Parties				
Total	**400,021**	**0**	**34,864,564**	**39,138,463**

Balance from sales/purchases of stock/services Receivables	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			7,823,918	12,066,269
Associates	123,047	225,551	0	16,911
Other Related Parties		1,933,899		
Total	**123,047**	**2,159,450**	**7,823,918**	**12,083,180**

Guarantees granted to related parties	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			47,290,704	26,962,048
Associates				
Other Related Parties		22,040,549		
Total	**0**	**22,040,549**	**47,290,704**	**26,962,048**

Guarantees received from related parties	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			0	26,284,999
Associates				
Other Related Parties		9,750,000		
Total	**0**	**9,750,000**	**0**	**26,284,999**

Balance from sales/purchases of stock/services Payable	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries				4,109
Associates	31,608	75,483		
Other Related Parties	97,316	3,642	28,289	
Total	**128,924**	**79,125**	**28,289**	**4,109**

Balance from sales/purchases of non-current assets Payable	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries				
Associates				
Other Related Parties				
Total	**0**	**0**	**0**	**0**

Balance from sales/purchases of non-current assets Receivable	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Parent company				
Subsidiaries			15,712,045	
Associates				
Other Related Parties				
Total	**0**	**0**	**15,712,045**	**0**

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction fro the above mentioned had any special terms and there were no guarantees given or received.

Transactions with Directors and Board Members

	THE GROUP	THE COMPANY
	31/12/2007	**31/12/2007**
Short term benefits to Key Management & BOD Members		
- wages and Salaries	8,913,165.01	5,512,757.16
- Insurance servise cost	174,753.33	94,483.21
- Bonus	378,909.00	378,909.00
- Other remunerations	4,678,396.23	34,228.48
	14,145,223.57	**6,020,377.85**
Pension Benefits:	**31/12/2007**	**31/12/2007**
- Defined benefits scheme	348,330.85	
- Defined contribution scheme	1,618,410.37	358,912.52
- Other Benefits scheme	563,700.00	
Payments through Equity	160,776.65	160,776.65
Total	**16,836,441.44**	**6,379,290.37**

No loans have been given to members of the Board of Directors or other management members of the Group (and their families).

6.41 Proposed dividend

The Board of Directors of the parent company will propose to the general Assembly the distribution of dividends from 2007 profit amounting €0,51/per share as opposed to €0,25/per share for 2006 ((recalculated for comparability purposes upon the adjusted number of stocks after the split of the stocks).

6.42 Post Balance Sheet events

The joint venture between METKA-GENERAL ELECTRIC was announced preferred bidder in the international tender conducted by PETROM S.A., subsidiary of the multi-national colossus OMV-Austria, for the announcing of a contractor in respect of the construction of a 850Mw power plant in Petrobrazi of Romania.

On 1.1.2008 ENDESA Hellas announced that has applied for the renewal of the Installation License for the natural gas-fired power plant in Volos. The 440MW CCGT power plant will be constructed on a green field in the industrial zone of Volos region. ENDESA Hellas, which has also decided to build two additional CCGTs of a similar capacity within the next five years, is investigating appropriate sites and is preparing relevant proposals for that purpose.

On 1.1.2008 ENDESA Hellas announced that is in the process of completing the preparations for the commencing of the construction of the new electricity production unit in Volos.

MYTILINEOS Group has proceeded during the period 1.1.2008 to 26.3.2008 to the purchase of 871.170 common shares with an average purchase price of € 9.94.

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