CORINTH PIPEWORKS S.A.

PIPE INDUSTRY AND REAL ESTATE

Annual Report **2005**

Societe Anonyme Registration Number 1343/06/B/86/35
2-4 Messogion Ave. Athens

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a message from the Chief Executive Officer

Dear shareholders,

Last year, 2005, was a milestone in the history of CORINTH PIPEWORKS, with the company returning to profit after three years of negative financial results. This was the outcome of the successful restructuring programme that began in 2004, under which the company's operations were rationalised, the capital base strengthened and the bank loans restructured.

The management's efforts in the last financial year focused on expanding into new markets (Algeria), increasing our presence in existing markets (Spain, America and the Middle East), finding alternative suppliers of raw materials, and developing new products (in some cases on a global level) with high profit margins. The results of this increased effort can be seen in the contracts we were awarded to provide 100,000 and 70,000 tonnes of steel pipes to Algeria and Spain, respectively, and the signing of a strategic agreement with POSCO (the largest steel manufacturer in South Korea and one of the biggest and most technologically advanced in the world).

In 2005, the general meeting of the subsidiary company CORINTH METALWORKS decided to end production at the Corinth plant. The decision was necessitated by the dramatic intensification of international competition in the steel pipe market served by the plant.

Last year, the company achieved increased turnover of 26% at a company level and 15% consolidated, with figures of EUR226m and EUR261m respectively. Ninety percent of the company's sales were in foreign markets. EBITDA was EUR21,2m at a company level and EUR20,4m at a consolidated level. Pre-tax company profit was EUR1.4m, against losses of EUR29.9m in 2004. Consolidated losses were EUR2.2m, the result of the EUR2.1m spent on closing down CORINTH METALWORKS.

The outlook for 2006 is extremely positive. The increase in the price of oil favours large-scale investment in its extraction and transfer. A consequence of higher oil prices and of increased environmental awareness is the emergence of natural gas as an alternative form of energy. All the studies agree that gas consumption in Europe and America will increase rapidly for at least the next five years, and given the strategic choice of the European Union and the United States to secure alternative suppliers, there is clearly an urgent need for the swift construction of new pipelines.

In such an international energy environment, CORINTH PIPEWORKS boasts a series of strategic advantages over its competitors. Our proximity to the countries that will be most active in the construction of gas pipelines (Algeria, Southern Europe and the Middle East), our modern production facilities, in combination with exclusive use of a port, and our alliances with major suppliers of high quality steel, guarantee that we will be able to make the most of the opportunities that lie ahead. At the same time, the emphasis on research and development, with the resulting creation of technologically advanced products and services at competitive prices, give the company a further boost in more developed markets such as North America.

Sarados Milios

Chief Executive Officer

invitation

TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS
OF THE COMPANY WITH THE CORPORATE NAME

CORINTH PIPEWORKS

PIPE MANUFACTURERS & PROPERTY DEVELOPMENT CO. S.A.

Companies Reg. No. 1343/06/B/86/35

Pursuant to law and the Company's Articles of Association, the Board of Directors of the Company with the corporate name CORINTH PIPEWORKS Pipe Manufacturers & Property Development Co. S.A. invites shareholders to an Ordinary General Meeting on Tuesday 13 June 2006 at 11:00 hours at the PRESIDENT Hotel (43 Kifissias Ave., Athens), to discuss and take decisions on the following items:

ITEMS ON THE AGENDA:

1. Approval of financial statements for the 2005 accounting period as well as the relevant reports from the Board of Directors and auditors.
2. Release of members of the Board of Directors and auditors from all liability to pay compensation for management during the 2005 accounting period.
3. Auditors' Report for the 2005 accounting period and setting of their fee.
4. Election of new members to the Board of Directors.
5. Approval of fees for members of the Board of Directors in line with Article 24(2) of Codified Law 2190/1920.
6. Miscellaneous announcements.

Shareholders wishing to attend the General Meeting should, at least 5 days before the date of the Meeting, submit share transaction blockage certificates to the offices of the company at 16 Himaras St., Marousi (Tel. 210-6861349, fax 210-6861347) along with powers of attorney for their representatives in accordance with the provisions of Law and the Company's Articles of Association.

Athens, 19 May 2006

THE BOARD OF DIRECTORS

the board of directors

1) **Konstantinos Bakouris** - Chairman
2) **Meletios Fikioris** - Vice-Chairman
3) **Sarados Milios**
4) **John Stavropoulos**
5) **Efstathios Striber**
6) **Andreas Kyriazis**

board of director's report

CORINTH PIPEWORKS S.A.

TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS
CONCERNING THE 36th ACCOUNTING PERIOD (1.1.2005 - 31.12.2005)

Dear shareholders,

It is our honour to submit this Report which relates to the 36th accounting period from 1.1.2005 to 31.12.2005, along with the annual financial statements, the notes and explanations, for your approval.

During this accounting period the Company managed to increase its turnover by approximately 26%, and to achieve earnings before tax of € 1,413,678 compared to losses of € 29,893,555 in the 2004 accounting period.

This improvement in results was primarily the outcome of implementing the Company's action plan (to rationalise production, increase share capital, restructure bank loans, and so on) and of exploiting the opportunities which presented themselves on the international oil and natural gas markets as a corollary of the rapid price rises. The Company also managed to penetrate new markets (such as West Africa, Algeria) and to bolster its presence in existing markets (the Middle East, Western Europe, etc.) offering an extensive range of high quality solutions to energy and water resource management companies.

I. INCREASE IN BUSINESS

Turnover

Turnover rose by around 26% and stood at € 226,207,430. This figure is broken down in the table below which also sets out the corresponding figures for 2004.

SALES	**AMOUNTS**	
	2005 €	**2004 €**
INDUSTRIAL ACTIVITY IN GREECE	22,480,845	18,114,137.40
INDUSTRIAL ACTIVITY ABROAD	202,542,807	157,630,798.66
COMMERCIAL ACTIVITY IN GREECE	1,069,446	3,791,712.49
OTHER ACTIVITIES	114,332	98,662.45
TOTAL SALES	**226,207,430**	**179,635,311**

Exports

During 2005 Company's exports accounted for around 90% of the total value of sales, a fact which demonstrates its firm footing on the international market.

Results

The cost of goods sold amounted to € 174,516,257 and gross operating results € 51,691,173. Having deducted administrative expenses of € 6,098,862 and selling expenses of € 33,248,784, which primarily related to the freighting cost of products, agent commission, land transportation expenses and expenditure for the sales and shipping department, the operating results before financial transactions stood at € 12,171,201.

Also deductible from this figure was the credit and debit charges difference (€ 10,183,258), letters of guarantee commission (€ 378,892), and losses on the fair value of interest rate swaps (€ 195,373). Thus results net of tax stood at € 1,413,678. Taking into account the deferred tax for the period (€ 2,226,552) the balance carried forward was € 812,974.

II. COMPANY'S FINANCIAL POSITION

Investments in fixed assets made during the 2005 accounting period stood at € 2,289,256. Inventories on 31.12.2005 stood at € 58,252,992, receivables at € 95,567,549 and cash assets at € 1,359,613.

On 31.12.2005 company equity stood at € 54,994,335, loans at € 198,938,379 and other liabilities at € 92,029,640.

Detailed information on the company's financial position and asset structure on 31.12.2005 are pictured in the balance sheet which has been submitted for approval.

IV. FOREIGN EXCHANGE CASH ASSETS

FX deposits on 31.12.2005 stood at € 121,580 valued on the basis of the official exchange rate on 31.12.2005. This figure primarily related to U.S. Dollars.

V. COMPANY PROPERTIES

Lots – building facilities

1. The plant at Thisvi in the Prefecture of Viotia, is located on a plot covering a total area of 1,029,564.69 m^2. The areas under roof on this plot cover a total area of 82,867.88 m^2.
2. A plot was purchased in 2001 at Domvrena, Viotia covering 3,945.78 m^2.
3. Properties in Athens on the 3rd and 5th floors of the building at 18 Plutarchou St. The offices on the 3rd floor cover 160.5 m^2 and those on the 5th floor 301.50 m^2.
4. Two parking spaces at 18 Plutarchou St., Athens, covering a total area of 26.6m^2.

Mortgage liens and mortgages have been registered on these properties in favour of banks as follows:

Bank	€
2. B.N.P.	25,620,000.00
3. ALPHA BANK	25,620,000.00
4. BANK OF CYPRUS	21,960,000.00
Total	**73,200,000.00**

VI. BRANCHES

The company operates the following branches:

1. Storage facilities and branches at its facilities at the Thisvi plant in Viotia.
2. Storage facilities and a branch in Dubai (UAE) to develop sales of company products in the wider area of the Persian Gulf and the Middle East.
3. A branch in Cairo (Egypt) where there is market survey and research office in operation for the company's products for the North Africa and Middle Eastern markets.

Lastly, note that from the balance sheet date (31.12.2005) to the present day no major events have occurred which could affect company performance or its results.

report of the board of directors of

CORINTH PIPEWORKS S.A.

TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD (1.1.2005 - 31.12.2005)

Dear shareholders,

We are honoured to be in a position to submit this report and the consolidated financial statements for the accounting period 1.1.2005 to 31.12.2005.

General Comments

The consolidated balance sheet and income statement for the period were prepared following full consolidation of the particulars from the balance sheets and income statements of the parent company CORINTH PIPEWORKS S.A. and its subsidiaries:

1. CORINTH METALWORKS S.A. (ATHENS)
2. "CPW EUROPEAN TRADING GMBH" (DÜSSELDORF - GERMANY)
3. "CPW AMERICA C.O." (HOUSTON - USA)
4. "HUMBEL LTD (CYPRUS)
5. 'Thisvi Viotia Industrial Area Management Co. (DIA.VI.PE.THI.V) (ATHENS)

Results

Turnover in the consolidated income statement for the period of € 260,916,747 came about from full consolidation of the financial statements of the consolidated companies having deducted intra-group transactions.

The net result period before tax was € (2,163,766).

MAJOR EVENTS

By means of decision of the Extraordinary General Meeting of shareholders on 27.08.2005 it was decided to immediately terminate operation of the subsidiary company CORINTH METALWORK's plant in Corinth. The amount paid to staff as redundancy pay was € 2,112,230. The CORINTH PIPEWORKS S.A. plant at the Thisvi Industrial Area in Viotia has the capability and production capacity to manufacture pipes with similar specifications as the Corinth plant at internationally competitive prices. Consequently, the fact that operations at the Corinth plant were terminated is not expected to significantly affect company turnover on a consolidated basis.

Considering the above, we would ask that the shareholders also take into account the notes to the financial statements which were prepared in line with the International Financial Reporting Standards.

We would also ask shareholders to approve the Balance Sheet and Company Income Statement and the report relating to it for the accounting period 1.1.2005 to 31.12.2005 and decide on the other matters brought before the General Meeting.

Athens, 24 February 2006

THE BOARD OF DIRECTORS
CHAIRMAN OF THE BOARD OF DIRECTORS

Konstantinos Bakouris

I hereby confirm that this Board of Directors Report consisting of 5 pages is the one referred to in the Audit Report I issued on 27.02.06.

Athens, 27 February 2006

THE CERTIFIED AUDITOR - ACCOUNTANT

KONSTANTINOS MICHALATOS
ICAA (GR) Reg. No. 17701

balance sheet

Amounts in Euros	Note	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
ASSETS					
Non-current assets					
Tangible fixed assets	7	195.378.045	204.768.776	176.589.577	184.924.358
Investments in consolidated companies	8	0	0	13.956.474	13.956.474
Other investments	12	0	7.337	0	7.337
Deferred tax claims	17	325.267	0	0	0
Other receivables	10	974.410	1.013.529	921.748	728.932
		196.677.722	**205.789.642**	**191.467.799**	**199.617.101**
Current assets					
Stocks	9	59.512.722	49.658.741	58.252.992	46.395.957
Clients and other receivables	10	85.445.205	64.116.550	94.645.801	54.994.106
Other investments	12	0	624.255	0	598.097
Derivatives	11	160.812	0	160.812	0
Financial assets at reasonable value through results	12	1.002.873	0	75.337	0
Cash on hand and equivalent cash accounts	13	4.909.847	5.103.281	1.359.613	2.838.096
		151.031.459	**119.502.827**	**154.494.555**	**104.826.256**
Total assets		**347.709.181**	**325.292.469**	**345.962.354**	**304.443.357**
OWNER'S EQUITY					
Owner's equity attributable to shareholders					
Share capital	14	124.280.607	91.996.355	124.280.607	91.996.355
Foreign exchange differences form the consolidation of foreign companies	15	124.287	-113.076	0	0
Other reserves	15	11.447.930	13.577.003	11.447.146	13.577.003
Profits/(losses) carried forward		-84.355.411	-78.477.875	-80.733.418	-79.920.544
Total		51.497.413	26.982.407	54.994.335	25.652.814
Minority rights		**1.513.743**	**1.337.995**	**0**	**0**
Total owner's equity		**53.011.156**	**28.320.402**	**54.994.335**	**25.652.814**
LIABILITIES					
Long-term liabilities					
Loans	16	118.383.664	129.798.681	118.383.664	129.798.681
Derivatives	11	320.713	0	320.713	0
Deferred tax liabilities	17	12.145.783	10.375.874	10.660.506	9.143.907
Liabilities for personnel compensation due to withdrawal from service	18	1.612.088	1.891.250	1.612.088	1.479.853
Subsidies	19	787.973	899.096	0	0
Provisions	20	3.393.111	2.919.444	3.393.111	2.919.444
		136.643.332	**145.884.345**	**134.370.082**	**143.341.885**
Short-term liabilities					
Suppliers and other liabilities	21	72.213.784	86.315.296	72.296.974	82.962.567
Income tax		885.401	0	0	0
Loans	16	80.566.859	55.347.726	80.554.715	43.076.091
Derivatives	11	2.679.909	0	2.679.909	0
Provisions	20	1.708.740	9.424.700	1.066.339	9.410.000
		158.054.693	**151.087.722**	**156.597.937**	**135.448.658**
Total liabilities		**294.698.025**	**296.972.067**	**290.968.019**	**278.790.543**
Total owner's equity and liabilities		**347.709.181**	**325.292.469**	**345.962.354**	**304.443.357**

The notes on pages 14 to 60 constitute an integral part of these financial statements.

income statement

Amounts in Euros	Note	CONSOLIDATED FIGURES 12 months to 31/12/2005	CONSOLIDATED FIGURES 12 months to 31/12/2004	COMPANY FIGURES 12 months to 31/12/2005	COMPANY FIGURES 12 months to 31/12/2004
Sales		**260.916.747**	**219.378.864**	**226.207.430**	**179.635.311**
Cost of sales	22	-205.336.194	-190.237.196	-174.516.257	-156.359.074
Gross profit		**55.580.553**	**29.141.668**	**51.691.173**	**23.276.237**
Selling expenses	22	-34.990.806	-42.361.393	-33.248.784	-40.277.235
Administrative expenses	22	-11.244.246	-11.384.236	-6.098.862	-8.425.848
Other operating income/(expenses) (net)	24	-505.123	7.678.073	-172.326	6.597.551
Operating results		**8.840.378**	**-16.925.888**	**12.171.201**	**-18.829.295**
Financial expenses - net	25	-11.004.144	-11.071.799	-10.757.523	-11.064.260
Profits/(losses) before taxes		**-2.163.766**	**-27.997.687**	**1.413.678**	**-29.893.555**
Income tax	26	-3.482.572	7.124.351	-2.226.552	6.743.349
Net profits/(losses) from ongoing activities		**-5.646.338**	**-20.873.336**	**-812.874**	**-23.150.206**
Distributed to:					
Shareholders of the parent company		-5.651.046	-20.912.338	-812.874	-23.150.206
Minority rights		4.708	39.002		
		-5.646.338	**-20.873.336**	**-812.874**	**-23.150.206**
Profits/(losses) per share that correspond to the parent company's shareholders for the year (expressed in € per share)					
Basic and reduced	28	(0,050)	(0,362)	(0,007)	(0,400)

The notes on pages 14 to 60 constitute an integral part of these financial statements.

owner's equity statement

Amounts in Euros	Note	Share capital	Reserves at reasonable value	Other reserves	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority rights	Total owner's equity
		Attributable to the shareholders of the parent company							
CONSOLIDATED FIGURES	**Note**								
Balance as of 1 January 2004		**56.081.619**	**0**	**13.577.003**	**–57.565.537**	**0**	**12.093.085**	**–152.257**	**11.940.828**
Foreign exchange differences	15	0	0	0	0	–113.076	–113.076	0	–113.076
Net profit/(loss) of the fiscal year		0	0	0	–20.912.338	0	–20.912.338	39.002	–20.873.336
Total recognized net profit/(loss) of the fiscal year		0	0	0	–20.912.338	–113.076	–21.025.414	39.002	–20.986.412
Issuance of share capital	14	35.914.736	0	0	0	0	35.914.736	0	35.914.736
Increase in the share capital of a subsidiary		0	0	0	0	0	0	1.451.250	1.451.250
		35.914.736	0	0	0	0	35.914.736	1.451.250	37.365.986
Balance as of 31 December 2004		**91.996.355**	**0**	**13.577.003**	**–78.477.875**	**–113.076**	**26.982.407**	**1.337.995**	**28.320.402**
Application of IAS 32 & 39		**0**	**–1.681.949**	**0**	**0**	**0**	**–1.681.949**	**0**	**–1.681.949**
Balance as of 1 January 2005		**91.996.355**	**–1.681.949**	**13.577.003**	**–78.477.875**	**–113.076**	**25.300.458**	**1.337.995**	**26.638.453**
Foreign exchange differences	15	0	0	0	0	237.363	237.363	0	237.363
Profit/(loss) recognized directly in owner's equity	15	0	–447.908	0	0	0	–447.908	0	–447.908
Net profit/(loss) of the fiscal year		0	0	0	–5.651.046	0	–5.651.046	4.708	–5.646.338
Total recognized net profit/(loss) of the fiscal year		0	–447.908	0	–5.651.046	237.363	–5.861.591	4.708	–5.856.883
Issuance of share capital	14	32.284.252	0	0	0	0	32.284.252	0	32.284.252
Increase in the holding of a subsidiary		0	0	0	–225.706	0	–225.706	173.207	–52.499
Transfer of reserves	15	0	0	784	–784	0	0	0	0
Dividends payable to a subsidiary		0	0	0	0	0	0	–2.167	–2.167
		32.284.252	0	784	–226.490	0	32.058.546	171.040	32.229.586
Balance as of 31 December 2005		**124.280.607**	**–2.129.857**	**13.577.787**	**–84.355.411**	**124.287**	**51.497.413**	**1.513.743**	**53.011.156**

Amounts in Euros	Note	Share capital	Reserves at reasonable value	Other reserves	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority rights	Total owner's equity
		Attributable to the shareholders of the parent company							
COMPANY FIGURES	**Note**								
Balance as of 1 January 2004		**56.081.619**	**0**	**13.577.003**	**–56.770.338**	**0**	**12.888.284**	**0**	**12.888.284**
Net profit/(loss) of the fiscal year		0	0	0	–23.150.206	0	–23.150.206	0	–23.150.206
Total recognized net profit/(loss) of the fiscal year		0	0	0	–23.150.206	0	–23.150.206	0	–23.150.206
Issuance of share capital	14	35.914.736	0	0	0	0	35.914.736		35.914.736
		35.914.736	0	0	0	0	35.914.736	0	35.914.736
Balance as of 31 December 2004		**91.996.355**	**0**	**13.577.003**	**–79.920.544**	**0**	**25.652.814**	**0**	**25.652.814**
Application of IAS 32 & 39			**–1.681.949**				**–1.681.949**		**–1.681.949**
Balance as of 1 January 2005		**91.996.355**	**–1.681.949**	**13.577.003**	**–79.920.544**	**0**	**23.970.865**	**0**	**23.970.865**
Profit/(loss) recognized directly in owner's equity	15	0	–447.908	0	0	0	–447.908	0	–447.908
Net profit/(loss) of the fiscal year		0	0	0	–812.874	0	–812.874	0	–812.874
Total recognized net profit/(loss) of the fiscal year		0	–447.908	0	–812.874	0	–1.260.782	0	–1.260.782
Issuance of share capital	14	32.284.252	0	0	0	0	32.284.252	0	32.284.252
		32.284.252	0	0	0	0	32.284.252	0	32.284.252
Balance as of 31 December 2005		**124.280.607**	**–2.129.857**	**13.577.003**	**–80.733.418**	**0**	**54.994.335**	**0**	**54.994.335**

The notes on pages 14 to 60 constitute an integral part of these financial statements.

cash flow statement

Amounts in Euros	Note	CONSOLIDATED FIGURES 1/1 to 31/12/2005	CONSOLIDATED FIGURES 1/1 to 31/12/2004	COMPANY FIGURES 1/1 to 31/12/2005	COMPANY FIGURES 1/1 to 31/12/2004
Cash flows from operating activities					
Cash flows from operating activities	29	-12.635.381	20.466.600	-28.358.977	18.855.279
Interest paid		-10.695.311	-11.927.482	-10.536.327	-11.825.717
Income tax paid		-493.755	-187.189	0	0
Net cash flows from operating activities		**-23.824.447**	**8.351.929**	**-38.895.304**	**7.029.562**
Cash flows from investment activities					
Purchase of tangible fixed assets	7	-2.490.273	-5.845.723	-2.289.256	-4.190.299
Sale of tangible fixed assets	29	321.277	1.413.850	288.000	1.719.801
Dividends received		0	0	571.999	0
Purchase of financial assets at reasonable value through results	12	-900.000	0	0	0
Sale of financial assets at reasonable value through results	12	523.500	0	523.500	0
Interest received		48.274	149.537	27.570	27.969
Capital increase of a subsidiary company	8	0	1.451.250	0	-1.548.600
Purchase of subsidiaries (less cash on hand thereof)	34,8	0	-5.697	0	-61.721
Increase in subsidiary holdings	8	-52.500	0	-52.500	0
Net cash flows from investment activities		**-2.549.722**	**-2.836.783**	**-930.687**	**-4.052.850**
Cash flows from financing activities					
Issuance of common shares	14	12.284.252	4.224.705	12.284.252	4.224.705
Contributions from shareholders that will be used for a future share capital increase	14	0	20.000.000	0	20.000.000
Dividends paid to the shareholders of the parent company		-351	-601	-351	-601
Loans received		21.817.044	78.000.000	34.076.535	78.000.000
Loan settlement		-6.429.275	-109.852.748	-6.429.275	-108.099.363
Payments of leasing principle		-1.583.653	-1.480.174	-1.583.653	-1.480.174
Net cash flows from financing activities		**26.088.017**	**-9.108.818**	**38.347.508**	**-7.355.433**
Net (decrease)/increase in cash on hand and equivalent cash accounts		**-286.152**	**-3.593.672**	**-1.478.483**	**-4.378.721**
Cash on hand at the beginning of the period		5.103.281	8.758.567	2.838.096	7.216.817
Foreign exchange differences in cash on hand		92.718	-61.614	0	0
Cash on hand at year-end	**13**	**4.909.847**	**5.103.281**	**1.359.613**	**2.838.096**

The notes on pages 14 to 60 constitute an integral part of these financial statements.

notes to the financial information

1. General information

The Annual financial statements presented herein include the annual corporate financial statements of CORINTH PIPEWORKS S.A. (the "Company") and the annual consolidated financial statements of the Company and its subsidiaries (together the "Group").

The Group is primarily active in the production of high-quality medium and large-diameter steel pipes that are used in the petrochemical industry (transfer of liquid and gas fuels), in water supply industry and in construction works.

The Group is active in Greece, the United States of America, Germany and Cyprus, while the Company's shares are listed on the Athens Stock Exchange.

The Company was established and is seated in Greece, 2-4 Messogion Ave., Athens. The Company's electronic address is **www.cpw.gr**.

The financial information contained herein has been approved for publication by the company's Board of Directors on 24 February 2006.

2. Overview of significant accounting policies

2.1. Framework in which the financial statements have been prepared

The financial statements have been prepared by the management according to the International Financial Reporting Standards ("IFRS"), including both the International Accounting Standards ("IAS") and interpretations that have been issued by the International Financial Reporting Interpretations Committee, as these have been adopted by the European Union, and the IFRS that have been issued by the International Accounting Standards Board (IASB).

All IFRS that have been issued by the IASB and that apply to the preparation of these financial statements have been adopted by the European Council through the procedure of their ratification by the European Union ("E.U."), with the exception of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement". Following the recommendation of the Accounting Standardisation Committee, the Council adopted Regulation 2086/2004 and 1864/2005 that require the use of IAS 39, with the exception of specific provisions that concern portfolio hedging, by all listed companies from 1 January 2005.

Whereas the Group is not affected by the provisions that concern portfolio hedging, and which are not required from the issuance of IAS 39, as this has been ratified by the European Union, the present financial statements have been prepared according to both the IFRS as these have been adopted by the E.U. and the IFRS that have been issued by the IASB.

The financial statements are subject to the provisions of IFRS 1 "First-time adoption of IFRS", whereas they constitute the first statements that are consistent with the IFRS, since, until 31 December 2004, all financial statements had been prepared according to the Greek Generally Accepted Accounting Principles ("GAAP"). The GAAP differ from the IFRS at certain points. During the preparation of the financial statements presented herein, the Management amended some of the accounting, valuation and consolidation methods that it applied in the past according to the Greek Generally Accepted Accounting Principles so that they may be consistent with the IFRS. The financial figures of 2004 have been adjusted based on these amendments.

Pursuant to the transitional provisions of IFRS 1 and of other relative standards, the group applied the standards that entered into effect on 31 December 2005 to its financial figures from 1 January 2004 with the exception IAS 32 and IAS 39. These standards were applied from 1 January 2005, using the exemption provided by IFRS 1 and as a result thereof they were not applied to the figures of 2004.

Note 5 provides the reconciliation and description of the effect of the transition from the GAAP to the IFRS in the Company's and Group's owner's equity and income statement.

The information contained herein has been prepared based on the principle of historic cost as this has been amended with the estimation of financial assets and liabilities at reasonable value.

Preparation of financial statements according to the IFRS requires the use of certain important accounting estimations and the exercise of judgment on behalf of the Management during the application of accounting policies. In addition, it requires the use of calculations and assumptions that affect the aforementioned asset and liability figures, the disclosure of potential receivables and liabilities on the day the financial statements are prepared and the aforementioned income and expense figures during the said year. In spite of the fact that these calculations are based on the Management's best possible knowledge of current conditions and actions, actual results may differ from these calculations. Areas that contain a great degree of subjectivity and are composite or the assumptions and estimations that are important for the financial statements are noted in Note 4.

The financial information contained herein has been prepared based on the going concern principle. This principle is based on the acknowledgment that the company will have the necessary financial resources in order to meet its short-term liabilities that arise either from loan contracts or suppliers so that it may continue its activities without any problems for at least the next 12 months.

According to the balance sheet of 31 December 2005 both the Group and the Company present a negative working capital (current assets < short-term liabilities) by 7,023,234 Euros and 2,103,382 Euros respectively.

The company's management, taking into consideration all the events that concern future profitability, loan liabilities and the commitments of its shareholders that are required for the company's support, deems that the said figure as it arises from the financial statements is temporary and, consequently, deems that the going concern principle is the proper basis on which the financial statements should be prepared.

It should be noted that the company's management has been applying a specific action plan since 2004 (rationalisation of the production process, restructuring loan liabilities, Share Capital increase), the results of which are fully depicted in both the company's and group's improved financial figures.

2.2. New standards, interpretations and amendment of existing standards

New IFRS, amendments and interpretations have been issued, which are mandatory for accounting years that begin from 1 January 2006 or thereafter. The estimation of the Group's and Company's Management regarding the effect of the application of these new standards and interpretations are presented below:

IAS 19 (amendment) Employee Benefits (in effect as of 1 January 2006)

This amendment provides companies with an alternative method for recognising actuarial profits and losses. It may impose new recognition conditions for cases in which multi-employer plans have been adopted for which companies do not have sufficient information to apply the pre-determined benefit accounting policy. In addition, it adds new disclosure requirements.

The specific amendment, to the extent that it affects the Group and the Company, shall be applied from 1 January 2006.

IAS 39 (amendment) Financial Instruments: Recognition and Measurement (Hedging cash flows for anticipated inter-group transactions) (in effect as of 1 January 2006)

The specific amendment allows the foreign exchange risk that may arise from a highly likely anticipated inter-group transaction to be characterised as an element to be hedged in the consolidated financial statements, under the condition that (a) the transaction is expressed in a currency other than the functional currency of the company that participates in the transaction and (b) the foreign exchange risk will affect the consolidated income statement. This amendment is not relative to the Group's operations, since the Group has not concluded any inter-group transaction that could be characterised as an element to be hedged.

IAS 39 (amendment) Financial Instruments: Recognition and Measurement (Selection of reasonable value) (in effect as of 1 January 2006)

This amendment changes the definition of financial tools that have been classified at reasonable value through results and restricts the capacity of classifying financial tools in this category. The Group deems that the specific amendment will not have a significant effect on the classification of financial tools, since both the Group and the Company will be in a position to harmonise with the amended criteria for determining financial tools at their current value through the income statement. Both the Group and the Company will apply this amendment from 1 January 2006.

IAS 39 and IFRS 4 (amendment) Financial Instruments: Recognition and Measurement and Insurance Contracts (Financial guarantee contracts) (in effect as of 1 January 2006)

This amendment requires that the financial guarantees that have been issued, with the exception of those that have been accepted by the Company as insurance contracts, be recognised initially at their reasonable value and subsequently be valuated at the greater value between (a) the unamortized balance of the relative fees that have been collected and postponed and (b) the expenditure that is required to regulate the commitment on the balance sheet date. The Management has reached the conclusion that this amendment does not apply to the Group and Company.

IFRS 1 (amendment) First-time adoption of the International Financial Reporting Standards and IFRS 6 Exploration for and Evaluation of Mineral Resources (in effect as of 1 January 2006)

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

IFRS 7 Financial instruments: Disclosures and supplementary adaptation to IAS 1 Presentation of Financial Statements (Capital disclosures) (in effect as of 1 January 2006)

IFRS 7 introduces additional disclosures with the purpose of improving the information that is provided with regard to financial tools. It requires the disclosure of qualitative and quantitative information regarding the exposure to the risk that arises from financial tools. Specifically, it predetermines minimum required disclosures that are relative to credit risk, liquid risk and market risk (it imposes a sensitivity analysis with regard to market risk). IFRS 7 replaces IAS 30 (Disclosures in the Financial Statements of Bank and Similar Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Disclosure and Presentation). It applies to all companies that prepare financial statements according to the IFRS. Adjustment to IAS 1 introduces disclosures relative to a company's capital and to the manner by which this capital is managed. The Group and the Company estimated the effect of IFRS 7 and the adjustment to IAS 1 and concluded that the additional disclosures that are required from their application is a sensitivity analysis regarding the market risk and capital disclosures. The Group will apply IFRS 7 and the amendment of IAS 1 from 1 January 2007.

Interpretation 4, Determining Whether an Arrangement Contains a Lease (in effect as of 1 January 2006)

Interpretation 4 requires companies to determine whether or not an arrangement is or contains a lease. Specifically, it requires companies to estimate the following information: (a) if fulfilment of the arrangement depends on the use of a specific fixed asset(s) and (b) if the arrangement gives the lessee only the right to use the fixed asset. The Management deems that Interpretation 4 is not expected to affect the accounting presentation of existing arrangements.

Interpretation 5, Decommissioning, Restoration and Environmental Rehabilitation Funds (in effect as of 1 December 2006)

Interpretation 5 does not apply to the Group and Company.

Interpretation 6, Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment (in effect as of 1 December 2005)

Interpretation 6 does not apply to the Group and Company.

2.3. Consolidated financial information

Subsidiary companies

Subsidiary companies are companies over which the Group, directly or indirectly, controls their financial policies.

Subsidiary companies are fully consolidated (integrated consolidation) from the day control over them is acquired and cease to be consolidated from the day this control is no longer exercised.

Buy-outs of subsidiary companies are accounted for based on the buy-out method. The acquisition cost of a subsidiary company is estimated at the reasonable value of the assets that were acquired, of the shares that were issued and of the liabilities that were undertaken on the day the buy-out was effected, plus any cost that is directly associated with the buy-out. Assets, liabilities and potential liabilities that are recognised in a business combination are estimated at the time of the buy-out at their reasonable values regardless of the holding percentage. The buy-out cost that exceeds the reasonable value of the recognisable net assets that were acquired is recorded as goodwill. If the total buy-out cost is less than the Group's share in the reasonable value of the net assets that were acquired, the difference is recorded directly in the Income Statement.

The effect on results carried forward and minority rights due to changes in holding percentages are deemed as transactions between the Group's shareholders and, consequently, are recognised directly in the Income Statement.

Transactions, balances and non-realised profits that arise between the Group's companies are deleted when the companies are consolidated. The same applies to non-realised losses, unless there are indications that the fixed asset that was transferred has been devaluated. The accounting principles that are applied by the Group's subsidiary companies have been readjusted so that they may be consistent with those that have been adopted by the Group.

The company records its investments in subsidiary companies, in its corporate financial statements, at cost less devaluation.

2.4. Reporting by sector

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

The Group presents the analysis of business sectors as primary type of reporting and geographic sectors as secondary reporting by sector.

2.5. Foreign exchange conversions

(a) Estimation currency and presentation currency

The figures recorded in the financial statements of the Group's companies are estimated by using the currency of the primary economic environment in which each company operates ("estimation currency").

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

(b) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the estimation currency based on the exchange rate that is applicable on the day each transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions and from the conversion of monetary assets and liabilities that are expressed in a foreign currency with the foreign exchange rates that apply on the balance sheet date are recorded in the Income Statement.

(c) The Group's Companies

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

i. Assets and liabilities are converted based on the exchange rates that are applicable on the balance sheet date,

ii. Income and expenses are converted based on the period's average exchange rates (unless the average exchange rate is not a reasonable estimation of the accumulated affect of the exchange rates that were applicable on the day the transactions were carried out, in which case income and expenses are converted based on the actual exchange rates that were applicable on the day the transactions were carried out), and

iii. Any foreign exchange difference that may arise is recorded in an owner's equity reserve account and transferred to the results when these companies are sold.

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

Goodwill and readjustments of reasonable values that arise from the buy-out of a foreign subsidiary company are recognised as the foreign company's assets and liabilities and are converted based on the exchange rate that applies on the day the buy-out is effected.

2.6. Tangible fixed assets

Tangible fixed assets are recorded at acquisition cost less accumulated depreciation and any devaluation. The acquisition cost also includes all expenditures that are directly associated with the asset's acquisition.

Expenditures that are incurred after the purchase of a tangible fixed asset are either incorporated in the asset's book value or, when it is deemed suitable, recognised as a separate fixed asset, only if it is deemed that the Group may obtain future financial gains from this asset greater than those expected according to the asset's initial performance and under the condition that its cost may be reliably estimated. Repair and maintenance costs are recorded in the Income Statement when these are incurred.

Lots are not depreciated. Other tangible fixed assets are depreciated based on the straight line method with equal annual burdens during the asset's expected service life, so that the cost may be deleted at its residual value. The expected service lives of assets are set as follows:

- Buildings	20-33	years
- Machinery – technical installations and other mechanical equipment	8-16	years
- Transportation equipment	7-10	years
- Furniture and other equipment	4-5	years

The residual values and service lives of tangible fixed assets are reviewed and adjusted on every balance sheet date, if this is deemed necessary.

When the book value of a tangible fixed asset exceeds its recoverable value, the difference (devaluation loss) is immediately recorded in the Income Statement as an expense (Note 2.7).

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

2.7. Devaluation of assets

Assets that have an indefinite service life are not depreciated but are subject to a devaluation control on an annual basis even when certain facts indicate that their book value may not be recoverable. Assets that are depreciated are subject to a devaluation control when there are indications that their book value will not be recovered. The recoverable value is the greater amount between an asset's net liquid value, decreased by the required cost of sale, and the value due to use. Devaluation losses are recorded as an expense in the Income Statement in the year in which they arise.

2.8. Financial assets

Accounting principles 1 January 2004 until 31 December 2004

Investments are recorded at cost, less any devaluation provision. Derivatives are not recorded in the Balance Sheet.

Accounting principles from 1 January 2005

The Group's investments are classified into the categories noted below based on the purpose for which they were acquired. The Management decides on an investment's proper classification at the time the investment is acquired and re-examines its classification on every presentation date.

(a) Loans and receivables

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

(b) Financial assets at reasonable value through the Income Statement

This category includes two sub-categories: financial assets that are held for commercial purposes (this category includes derivatives) and financial assets that were classified in this category upon commencement. Derivatives are classified as held for commercial purposes unless they are designated as a hedging means. Financial assets of this category are recorded in a current asset account if they are held for commercial purposes or if they are expected to be sold within 12 months of the balance sheet date.

(c) Investments held until maturity

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

(d) Financial assets available for sale

This category includes non-derivatives that are either classified in this category or are not classified in any of the aforementioned categories. These assets are recorded in non-current asset accounts provided the Management does not intend to liquidate them within 12 months of the Balance Sheet date.

The purchase and sale of an investment is recognised on the day the transaction is carried out, which is the day the Group is bound to purchase or sell the asset. Investments are derecognised when the right to collect the cash flows that arise therefrom expires or is transferred and the Group has substantially transferred all the risks and remunerations that ownership thereof entails.

Investments are initially recognised at their reasonable value plus the transaction's cost.

Subsequently, financial assets available for sale are estimated at their reasonable values and the relative profit or loss is recorded in an owner's equity reserve account until they are sold or characterised as devaluated. Upon the sale of these assets or their characterisation as devaluated the profit or loss is transferred to the results. Devaluation losses that have been recognised in the results may not be reversed.

Loans and receivables are recognised at their unamortized cost based on the true interest rate method.

Realised and non-realised profits or losses that arise from changes in the reasonable values of financial assets at reasonable value through the Income Statement are recognised in the Income Statement in the period in which they arise.

The reasonable values of financial assets that are traded in active markets are determined by their current bid price. If the market of a financial asset is also inactive for non-negotiable assets, the Group determines their reasonable values with the use of estimation methods. Estimation methods include the use of recent transactions, reference to comparable assets and cash flow discounting methods adjusted in order to reflect the issuer's specific conditions.

On every balance sheet date the Group determines whether there is any objective indication that a financial asset has been devaluated. With regard to shares that have been classified as financial assets available for sale, such an indication would be a significant or prolonged decrease in their reasonable value lower than their acquisition value. If the asset's value has indeed decreased, the accumulated loss, which is estimated as the difference between the acquisition cost and the current reasonable value less any devaluation loss that has been previously recognised in the Income Statement, is transferred from the investment revaluation reserve to the Income Statement. Devaluation losses of participating titles that are recorded in the Income Statement may not be reversed through the Income Statement.

2.9. Derivatives

Cash Flow Hedging

The effective part of the changes in the reasonable value of derivatives, which have been characterised and classified as a "cash flow hedging means", are recorded at net worth. The profit/loss of the non-effective part of above changes is recognised directly in the fiscal year's results.

Amounts that have been accumulated at net worth are rolled over through the income statement the moment a natural movement is effected. The profit/loss that is related to the effective part of financial assets that are used as risk hedging means is recognised in the fiscal year's results at financial cost.

When a derivative expires, is sold or is deemed non-effective any accumulated loss/profit is transferred from net worth to the fiscal year's results. If a future transaction is not expected to be realised, the progressive profit/loss is recorded directly in the fiscal year's results.

2.10. Stocks

Stocks are estimated at the lesser value between their acquisition cost and their net liquid value. The cost is determined based on the average weighted cost method. The cost of finished products and semi-finished stocks includes the cost of materials, the direct labour cost and a proportion of the general production expenses. Financial expenses are not included in the acquisition cost of stocks. The net liquid value is estimated based on the stock's current sales price within the framework of ordinary business activities less any possible selling expenses, wherever such a case concurs.

Deletions and devaluation losses are recognised in the results of the fiscal year in which they arise.

2.11. Commercial claims

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

2.12. Cash on hand and equivalent cash accounts

Cash on hand and equivalent cash accounts include cash, sight deposits, short-term (up to 3 months) high-liquid and low-risk investments and bank overdraft accounts.

2.13. Share capital

Share capital includes the company's common shares.

Direct expenses that are associated with the issuance of shares are recorded, after the relative income tax has been deducted, as a reduction to the issuance's product.

2.14. Loans

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

Loans are classified as short-term liabilities unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date.

2.15. Taxation

Income tax is estimated based on the tax legislation and the tax rates that apply in the countries where the Group's activities are carried out and is recorded as an expense in the period in which the relative income is earned.

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

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

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

2.16. Personnel benefits

(a) Short-term benefits

Short-term benefits to employees in the form of cash or in kind are recorded as an expense when they accrue.

(b) Benefits following withdrawal from service

Benefits following withdrawal from service include fixed benefit schemes.

The liability that is recorded in the balance sheet regarding fixed benefit schemes is the present value of the fixed benefit commitment less the changes that arise from non-recognised actuarial profits and losses and the cost of past service. The fixed benefit commitment is calculated annually by an independent actuary with the projected unit credit method. Personnel benefits are discounted based on the interest rate of long-term treasury bonds.

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

2.17. Subsidies

State subsidies are recognised at their reasonable value when it is certain that the subsidy will be received and that the Group will comply with all stipulated terms.

State subsidies that concern expenses are deferred and are recognised in the results so that these will match the expenses that they will cover.

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

2.18. Provisions

Provisions are recognised when:

i. There is a present legal or inferred commitment as a result of past events.

ii. Outflow of funds may be required for the commitment's settlement.

iii. The amount in question may be reliably estimated.

Whenever various similar liabilities arise, the possibility that an outflow of funds may be required during the settlement thereof is determined by examining the liability category overall. A provision is recognised even when the possibility of an outflow of funds regarding any element included in the same liability category may be negligible.

Provisions are estimated at the present value of the expenses that, based on the management's best possible estimation, are required to cover the present liability on the balance sheet date (Note 4.1).

2.19. Recognition of income

Income includes the reasonable value of goods that are sold and services that are rendered, net of Value Added Tax, discounts and returns. Inter-company income within the Group is fully deleted. The company recognises income when, substantially, all the risks have been assumed by the buyer and the gains that emanate from its transactions are certain. Income is recognised as follows:

(a) Sale of goods

Sales of goods are recognised when the goods are accepted by customers and when collection of the claim is reasonably guaranteed. In the case in which cash refunds regarding sales of goods is guaranteed, refunds are accounted for on each balance sheet date as a reduction to income, based on statistical data.

(b) Provision of services

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

(c) Income from interest

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

(d) Dividends

Dividends are accounted for as income when a right for their collection is established.

2.20. Leases

Leases of fixed assets, in which the Group substantially maintains all the risks and remunerations that ownership thereof entails, are classified as leasing. Leasing is capitalised from the moment the lease begins at the lesser amount between the fixed asset's reasonable value and the present value of the minimum rents. The corresponding liabilities that arise from the rents, net of financial expenses, are recorded in liability accounts. The part of the financial expense that concerns leasing is recorded in the fiscal year's results during the term of the lease. Fixed assets that have been acquired through leasing are depreciated over the longer period between their service lives and the term of their lease.

Leases, in which the lessor substantially maintains all the risks and remunerations, are classified as operating leases. Payments that are made with regard to operating leases are recognised in the fiscal year's results proportionately during the term of the lease.

3. Financial risk management

3.1. Financial risk factors

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

The company uses derivatives, such as futures/forwards and interest rate swaps, in order to hedge its exposure to specific risks.

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

(a) Market risk from foreign exchange rates

The Group is active in various parts of the world and consequently a large part of its transactions, apart from Euros, are carried out in USD while a small part thereof are carried out in GBP. The Group follows a full hedging policy, either with natural hedging (purchase of resources based on the sale currency) or with FX forwards.

(b) Credit risk

The Group has adopted and applies strict credit control procedures with the purpose of minimising doubtful claims and immediately covering claims with commercial paper. A large part of its sales are effected with LCs, while other sales are covered with credit insurance.

(c) Liquidity risk

Liquidity risk has been significantly reduced in comparison to previous periods, particularly after the company's second share capital increase and the improvement of its operating results. Moreover, the Group has sufficient open credit limits (Note 16).

(d) Interest rate fluctuation risk

The Group's loan liabilities are associated with both floating and fixed interest rates so that it may limit the relative risk. The Group uses derivatives in order to hedge the interest rate risk (swaps).

3.2. Determining reasonable values

The reasonable value of financial assets that are traded in organised markets (stock markets) (e.g. derivatives, shares, bonds, mutual funds) is determined based on the published prices that are valid on the balance sheet date. The reasonable value of financial assets is determined based on their offer price, while the reasonable value of financial liabilities is determined based on their demand price.

The reasonable value of financial assets that are not traded in active markets is determined with the use of estimation techniques and standards that are based on market data on the balance sheet date.

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

4. Significant accounting valuations and judgments of the Management

The Management's valuations and judgements are re-examined on a continuous basis and are based on historical data and expectations of future events, which are deemed reasonable pursuant to that which is in force.

4.1. Significant accounting valuations and acknowledgments

The Group proceeds in valuations and acknowledgements regarding the development of future events. The valuations and acknowledgements that entail a significant probability that they will affect the book value of assets and liabilities in the following 12 months are the following:

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

b) The Group forms a provision for cases that are under dispute based on evidence provided by the Group's Legal Department.

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

4.2. The Management's decisive judgments for the application of accounting principles

No case whatsoever required the use of the Management's judgements for the application of accounting principles.

4.3. Reclassifications of figures

Certain figures of fiscal year 2004 were reclassified so that they may be comparable with the corresponding figures of fiscal year 2005.

5. Transition to the IFRS

5.1 Application of IFRS 1

The Group's financial statements presented herein are the first annual financial statements that have been prepared according to the IFRS. The financial statements presented herein have been prepared as described in note 2. The Group's date of transition is 1 January 2004. The Group prepared the opening balance sheet according to the IFRS on this date.

During the preparation of these financial statements according to IFRS 1 the Group applied the mandatory exemptions and certain optional exemptions from the complete retroactive application of the IFRS.

5.1.1. Exemptions from the complete retroactive application that the Group decided

The Group has decided to apply the following optional exemptions from the complete retroactive application:

(a) Business Combinations (IFRS 3)

The company has decided not to proceed in reviewing the business combinations that were realised prior to 1 January 2004. As a result thereof, the consolidated figures of the opening Balance Sheet do not contain goodwill since the goodwill that had arisen from buy-outs/combinations had been deleted from owner's equity by 31 December 2003.

(b) Reasonable values or re-estimations as the deemed cost (IAS 16)

The Group has decided to re-estimate its lots, buildings and mechanical equipment at their reasonable values, as these have arisen from relative reports prepared by an independent firm and by the company's Technical Department, and to use these values as the deemed cost on 1 January 2004.

(c) Employee benefits (IAS 19)

The Group has decided not to retroactively revaluate the relative liability and to recognise all accumulated actuarial profits and losses in the results carried forward on 1 January 2004.

(d) The effects of changes in foreign exchange rates (IAS 21

The Group has decided to nullify all foreign exchange differences on the date of transition to the IFRS for all consolidated foreign companies. As a result, profits or losses from their future sale will not include foreign exchange differences after this date.

(e) Financial information (IAS 32 & 39)

The Group has decided to use the option provided by IFRS 1 and not present the comparative figures of 2004 that are affected by the application of IAS 32 and IAS 39 from 1 January 2005. As a result, financial assets in terms of their classification, recognition and estimation in the comparative figures of 2004 are based on the Greek GAAP.

Financial assets and liabilities shall be classified on 1 January 2005, the date of transition according to IAS 32 and IAS 39. On 31 December 2004, the company held derivatives that it shall recognise on 1 January 2005.

5.1.2. Exceptions from the complete retroactive application that the Group followed

The Group has applied the following mandatory exceptions from the retroactive application:

(a) Derecognition of financial assets and liabilities

Financial assets that were derecognised prior to 1 January 2004 are not recognised again according to the International Financial Reporting Standards. The application of the exclusion of the readjustment of comparative figures for IAS 32 and IAS 39 leads to the recognition, from 1 January 2005, of financial assets and liabilities that were derecognised after 1 January 2004 and did not fulfil the derecognition criteria of IAS 39

(b) Hedge accounting

The Management has been applying hedge accounting from 1 January 2005, only if the hedge relation fulfils all hedge accounting criteria pursuant to IAS 39.

(c) Estimations and assumptions

IFRS 1 prohibits the use of information that was published after 1 January 2004 for the correction of estimations that were effected according to the Greek GAAP, unless these corrections regard errors. The Company readjusted calculations and estimations wherever the basis of their calculation did not comply with the IFRS, using information that was available on the date of transition.

5.2. Agreements between the IFRS and the GAAP

The following agreements provide a quantitative affect of the transition to the IFRS. The first agreement provides a summary of the effect on owner's equity during the transition on 1 January 2004 and 31 December 2004. The following agreements present the transition's effect on:

(a) Owner's equity as of 1 January 2004 and 31 December 2004 (Note 5.2.1)

(b) The balance sheet as of 1 January 2004 (Note 5.2.2)

(c) The balance sheet as of 31 December 2004 (Note 5.2.3)

(d) Net profits for the 12 months until 31 December 2004 (Note 5.2.4)

(e) The income statement for the 12 months until 31 December 2004 (Note 5.2.5)

(f) Balance sheet as of 1 January 2005 after the application of IAS 32 and IAS 39 (Note 5.2.6).

5.2.1. Owner's equity agreement as of 1 January 2004 and 31 December 2004

COMPANY FIGURES (Amounts in Euros)	**31.12.2004**	**1.1.2004**
Total net worth according to the GAAP	**34.614.771**	**39.990.813**
Readjustments due to transition to the IFRS		
Adjustment of the value of tangible assets	60.912.478	68.809.568
Reclassification of subsidies as deferred income	0	-141.378
Deletion of intangible assets that do not fulfil the capitalisation criteria of the IFRS	-13.349.816	-15.341.045
Readjustment of the value of holdings	174.822	174.822
Reclassification of amounts that will be used for a share capital increase	-20.000.000	-31.690.032
Recognition of provisions	-10.913.351	-3.820.878
Recognition of deferred tax liabilities	-10.944.412	-17.788.303
Branch secession (Corinth Metalworks S.A.)	613.809	0
Recognition of employee benefits provisions	-1.816.773	-1.927.862
Transfer of the provision that was formed for the estimation of liabilities expressed in a foreign currency to the Central Securities Depository	1.407.755	237.515
Change in the accounting principle relating to the estimation of stocks	-2.764.785	0
Deletion of due capital	-12.284.252	-25.617.504
Estimation of securities	2.568	2.568
Total readjustments due to transition	-8.961.957	-27.102.529
Total net worth according to the IFRS	**25.652.814**	**12.888.284**

CONSOLIDATED FIGURES (Amounts in Euros)	**31.12.2004**	**1.1.2004**
Total net worth according to the GAAP	**38.813.254**	**40.079.798**
Readjustments due to transition to the IFRS		
Change of consolidation method	1.213.791	-242.094
Adjustment of the value of tangible assets	58.675.150	68.809.568
Reclassification of subsidies as deferred income	-899.096	-141.378
Deletion of intangible assets that do not fulfil the capitalisation criteria of the IFRS	-13.350.332	-15.393.017
Readjustment of the value of holdings	174.822	174.822
Reclassification of amounts that will be used for a share capital increase	-20.000.000	-31.690.032
Recognition of provisions	-11.485.461	-4.392.987
Recognition of deferred tax liabilities	-10.366.461	-17.788.303
Branch secession (Corinth Metalworks S.A.)	613.809	0
Recognition of employee benefits provisions	-1.891.250	-1.927.862
Transfer of the provision that was formed for the estimation of liabilities expressed in a foreign currency to the Central Securities Depository	1.407.755	237.515
Change in the accounting principle relating to the estimation of stocks	-2.103.632	0
Deletion of due capital	-12.284.252	-25.617.504
Estimation of securities	2.568	2.568
Foreign exchange differences form the consolidation of a foreign subsidiary company	-200.263	-170.266
Total readjustments due to transition	-10.492.852	-28.138.970
Total net worth according to the IFRS	**28.320.402**	**11.940.828**

5.2.2. Balance Sheet agreement as of 1 January 2004

COMPANY FIGURES (Amounts in Euro)	**GAAP**	**Readjustments due to transition to the IFRS**	**IFRS**
ASSETS			
Non-current assets			
Tangible fixed assets	135.575.318	75.431.579	211.006.897
Intangible assets	15.392.999	-15.392.999	-
Investments in consolidated companies	433.821	174.823	608.644
Other investments	7.337	0	7.337
Other receivables	1.031.188	0	1.031.188
	152.440.663	60.213.403	212.654.066
Current assets			
Stocks	57.317.490	-645.379	56.672.111
Clients and other receivables	63.868.072	-24.972.125	38.895.947
Other investments	718.009	2.568	720.577
Cash and cash equivalents	7.216.817	0	7.216.817
	129.120.388	-25.614.936	103.505.452
Total assets	**281.561.051**	**34.598.467**	**316.159.518**
OWNER'S EQUITY			
Owner's equity attributable to shareholders			
Share capital	81.699.122	-25.617.503	56.081.619
Other reserves	12.535.650	1.041.353	13.577.003
Losses carried forward	-85.933.991	29.163.653	-56.770.338
Amounts that will be used for a share capital increase	31.690.032	-31.690.032	-
Total owner's equity	**39.990.813**	**-27.102.529**	**12.888.284**
LIABILITIES			
Long-term liabilities			
Loans	55.626.705	5.113.316	60.740.021
Deferred tax liabilities	-	17.687.760	17.687.760
Liabilities for personnel compensation due to withdrawal form service	-	1.927.862	1.927.862
Subsidies	-	141.378	141.378
Provisions	-	3.820.879	3.820.879
	55.626.705	28.691.195	84.317.900
Short-term liabilities			
Suppliers and other liabilities	29.448.472	31.790.575	61.239.047
Loans	156.257.546	1.456.741	157.714.287
Provisions	237.515	-237.515	-
	185.943.533	33.009.801	218.953.334
Total liabilities	**241.570.238**	**61.700.996**	**303.271.234**
Total owner's equity and liabilities	**281.561.051**	**34.598.467**	**316.159.518**

CONSOLIDATED FIGURES (Amounts in Euros)	**GAAP**	**Readjustments due to transition to the IFRS**	**IFRS**
ASSETS			
Non-current assets			
Tangible fixed assets	135.658.727	76.042.010	211.700.737
Intangible assets	15.447.129	-15.447.129	0
Investments in consolidated companies	36.744	-36.744	0
Other investments	7.337	0	7.337
Other receivables	1.031.188	0	1.031.188
	152.181.125	60.558.137	212.739.262
Current assets			
Stocks	59.548.136	-916.714	58.631.422
Clients and other receivables	62.258.018	-26.567.058	35.690.960
Other investments	718.009	28.741	746.750
Cash on hand and equivalent cash accounts	8.695.381	63.186	8.758.567
	131.219.544	-27.391.845	103.827.699
Total assets	**283.400.669**	**33.166.292**	**316.566.961**
OWNER'S EQUITY			
Owner's equity attributable to shareholders			
Share capital	81.699.122	-25.617.503	56.081.619
Other reserves	12.535.650	1.041.353	13.577.003
Losses carried forward	-85.845.006	28.279.469	-57.565.537
Amounts that will be used for a share capital increase	31.690.032	-31.690.032	0
	40.079.798	-27.986.713	12.093.085
Minority rights		**-152.257**	**-152.257**
Total owner's equity	**40.079.798**	**-28.138.970**	**11.940.828**
LIABILITIES			
Long-term liabilities			
Loans	55.626.705	5.113.316	60.740.021
Deferred tax liabilities	0	17.687.414	17.687.414
Liabilities for personnel compensation due to withdrawal form service	0	1.927.862	1.927.862
Subsidies	0	141.378	141.378
Provisions	0	3.836.079	3.836.079
	55.626.705	28.706.049	84.332.754
Short-term liabilities			
Suppliers and other liabilities	31.158.884	31.395.187	62.554.071
Loans	156.282.567	1.456.741	157.739.308
Provisions	252.715	-252.715	0
	187.694.166	32.599.213	220.293.379
Total liabilities	**243.320.871**	**61.305.262**	**304.626.133**
Total owner's equity and liabilities	**283.400.669**	**33.166.292**	**316.566.961**

5.2.3. Balance Sheet agreement as of 31 December 2004

COMPANY FIGURES (Amounts in Euros)	**GAAP**	**Readjustments due to transition to the IFRS**	**IFRS**
ASSETS			
Non-current assets			
Tangible fixed assets	125.468.072	59.456.286	184.924.358
Intangible assets	13.390.628	-13.390.628	0
Investments in consolidated companies	8.691.215	5.265.259	13.956.474
Other investments	9.061	-1.724	7.337
Other receivables	728.932	0	728.932
	148.287.908	51.329.193	199.617.101
Current assets			
Stocks	49.273.264	-2.877.307	46.395.957
Clients and other receivables	67.165.836	-12.171.730	54.994.106
Other investments	595.529	2.568	598.097
Cash on hand and equivalent cash accounts	2.838.096	0	2.838.096
	119.872.725	-15.046.469	104.826.256
Total assets	**268.160.633**	**36.282.724**	**304.443.357**
OWNER'S EQUITY			
Owner's equity attributable to shareholders			
Share capital	104.280.607	-12.284.252	91.996.355
Other reserves	12.394.272	1.182.731	13.577.003
Losses carried forward	-102.060.108	22.139.564	-79.920.544
Amounts that will be used for a share capital increase	20.000.000	-20.000.000	0
Total owner's equity	**34.614.771**	**-8.961.957**	**25.652.814**
LIABILITIES			
Long-term liabilities			
Loans	126.283.889	3.514.792	129.798.681
Deferred tax liabilities	0	9.143.907	9.143.907
Liabilities for personnel compensation due to withdrawal form service	0	1.479.853	1.479.853
Provisions	0	2.919.444	2.919.444
	126.283.889	17.057.996	143.341.885
Short-term liabilities			
Suppliers and other liabilities	64.378.660	18.583.907	82.962.567
Loans	41.500.999	1.575.092	43.076.091
Provisions	1.382.314	8.027.686	9.410.000
	107.261.973	28.186.685	135.448.658
Total liabilities	**233.545.862**	**45.244.681**	**278.790.543**
Total owner's equity and liabilities	**268.160.633**	**36.282.724**	**304.443.357**

CONSOLIDATED FIGURES (Amounts in Euros)	**GAAP**	**Readjustments due to transition to the IFRS**	**IFRS**
ASSETS			
Non-current assets			
Tangible fixed assets	137.887.216	66.881.560	204.768.776
Intangible assets	13.391.144	-13.391.144	–
Investments in consolidated companies	1.589.897	-1.589.897	–
Other investments	7.324	13	7.337
Other receivables	1.013.529	0	1.013.529
	153.889.110	51.900.532	205.789.642
Current assets			
Stocks	52.088.036	-2.429.295	49.658.741
Clients and other receivables	77.304.662	-13.188.112	64.116.550
Other investments	595.529	28.726	624.255
Cash on hand and equivalent cash accounts	4.055.115	1.048.166	5.103.281
	134.043.342	-14.540.515	119.502.827
Total assets	**287.932.452**	**37.360.017**	**325.292.469**
OWNER'S EQUITY			
Owner's equity attributable to shareholders			
Share capital	104.280.607	-12.284.252	91.996.355
Foreign exchange differences from the consolidation of foreign subsidiary companies	-	-113.076	-113.076
Other reserves	15.822.975	-2.245.972	13.577.003
Losses carried forward	-101.290.328	22.812.453	-78.477.875
Amounts that will be used for a share capital increase	20.000.000	-20.000.000	–
	38.813.254	-11.830.847	26.982.407
Minority rights	**–**	**1.337.995**	**1.337.995**
Total owner's equity	**38.813.254**	**-10.492.852**	**28.320.402**
LIABILITIES			
Long-term liabilities			
Loans	126.283.889	3.514.792	129.798.681
Deferred tax liabilities	-	10.375.874	10.375.874
Liabilities for personnel compensation due to withdrawal form service	-	1.891.250	1.891.250
Subsidies	-	899.096	899.096
Provisions	-	2.919.444	2.919.444
	126.283.889	19.600.456	145.884.345
Short-term liabilities			
Suppliers and other liabilities	67.665.660	18.649.636	86.315.296
Loans	53.772.635	1.575.091	55.347.726
Provisions	1.397.014	8.027.686	9.424.700
	122.835.309	28.252.413	151.087.722
Total liabilities	**249.119.198**	**47.852.869**	**296.972.067**
Total owner's equity and liabilities	**287.932.452**	**37.360.017**	**325.292.469**

5.2.4. Net profit agreement for the 12 months until 31 December 2004

(Amounts in Euros)	31.12.2004 CONSOLIDATED FIGURES	 COMPANY FIGURES
Total losses according to the GAAP	-27.669.169	-28.227.425
Readjustments due to transition to the IFRS		
Change in the consolidation method	14.402	0
Adjustment of the value of tangible assets	4.649.464	4.353.373
Deletion of intangible assets that do not fulfil the capitalisation criteria of the IFRS	2.042.685	1.991.229
Recognition of provisions	-7.092.472	-7.092.472
Recognition of deferred tax liabilities	7.311.540	6.743.349
Branch secession (Corinth Metalworks S.A.)	613.809	613.809
Recognition of employee benefits provisions	36.612	111.089
Transfer of the provision that was formed for the estimation of liabilities expressed in a foreign currency to the Central Securities Depository	1.222.883	1.170.240
Change in the accounting principle relating to the estimation of stocks	-2.103.632	-2.764.785
Other	100.542	-48.613
Total readjustments due to transition	**6.795.833**	**5.077.219**
Total losses according to the IFRS	**-20.873.336**	**-23.150.206**

5.2.5. Income Statement agreement for the 12 months until 31 December 2004

COMPANY FIGURES (Amounts in Euros)	**12 months until 31 December 2004** GAAP	**Readjustments due to transition to the IFRS**	**IFRS**
Sales	180.447.740	–812.429	179.635.311
Cost of sales	–158.975.572	2.616.498	–156.359.074
Gross profit	**21.472.168**	**1.804.069**	**23.276.237**
Selling expenses	–33.292.879	–6.984.356	–40.277.235
Administrative expenses	–3.531.810	–4.894.038	–8.425.848
Other operating income (net)	863.820	5.733.731	6.597.551
Operating results	**–14.488.701**	**–4.340.594**	**–18.829.295**
Financing expenses (net)	–13.230.986	2.166.726	–11.064.260
Extraordinary results	–852.881	852.881	0
Previous years' income and expenses	345.143	–345.143	0
Loss before taxes	**–28.227.425**	**–1.666.130**	**–29.893.555**
Taxation	0	6.743.349	6.743.349
Net losses of the fiscal year after taxes	**–28.227.425**	**5.077.219**	**–23.150.206**

CONSOLIDATED FIGURES (Amounts in Euros)	**12 months until 31 December 2004** GAAP	**Readjustments due to transition to the IFRS**	**IFRS**
Sales	214.600.579	4.778.285	219.378.864
Cost of sales	–188.663.450	–1.573.746	–190.237.196
Gross profit	**25.937.129**	**3.204.539**	**29.141.668**
Selling expenses	–35.818.734	–6.542.659	–42.361.393
Administrative expenses	–6.881.213	–4.503.023	–11.384.236
Other operating income (net)	3.307.810	4.370.263	7.678.073
Operating results	**–13.455.008**	**–3.470.880**	**–16.925.888**
Financing expenses (net)	–13.244.333	2.172.534	–11.071.799
Extraordinary results	–999.814	999.814	0
Previous years' income and expenses	345.828	–345.828	0
Loss before taxes	**–27.353.327**	**–644.360**	**–27.997.687**
Taxation	–315.842	7.440.193	7.124.351
Net losses of the fiscal year after taxes	**–27.669.169**	**6.795.833**	**–20.873.336**

5.2.6. Balance Sheet agreement as of 1 January 2005 after the application of IAS 32 and IAS 39

COMPANY FIGURES (Amounts in Euros)	**IFRS 31.12.2004**	**Effect of the application of IAS 32 & 39**	**IFRS 01.01.2005**
ASSETS			
Non-current assets			
Tangible fixed assets	184.924.358	–	184.924.358
Investments in consolidated companies	13.956.474	–	13.956.474
Other investments	7.337	-7.337	–
Other receivables	728.932	–	728.932
	199.617.101	**-7.337**	**199.609.764**
Current assets			
Stocks	46.395.957	–	46.395.957
Clients and other receivables	54.994.106	–	54.994.106
Derivatives	–	1.839.959	1.839.959
Financial assets at reasonable value through results	–	605.434	605.434
Securities	598.097	-598.097	–
Cash on hand and equivalent cash accounts	2.838.096	–	2.838.096
	104.826.256	1.847.296	106.673.552
Total assets	**304.443.357**	**1.839.959**	**306.283.316**
OWNER'S EQUITY			
Owner's equity attributable to shareholders			
Share capital	91.996.355	–	91.996.355
Other reserves	13.577.003	-1.681.949	11.895.054
Profits/(losses) carried forward	-79.920.544	–	-79.920.544
Total owner's equity	**25.652.814**	**-1.681.949**	**23.970.865**
LIABILITIES			
Long-term liabilities			
Loans	129.798.681	–	129.798.681
Deferred tax liabilities	9.143.907	-560.650	8.583.257
Liabilities for personnel compensation due to withdrawal from service	1.479.853	–	1.479.853
Provisions	2.919.444	–	2.919.444
	143.341.885	-560.650	142.781.235
Short-term liabilities			
Suppliers and other liabilities	82.962.567	–	82.962.567
Loans	43.076.091	–	43.076.091
Derivatives	–	4.082.558	4.082.558
Provisions	9.410.000	–	9.410.000
	135.448.658	**4.082.558**	**139.531.216**
Total liabilities	**278.790.543**	**3.521.908**	**282.312.451**
Total owner's equity and liabilities	**304.443.357**	**1.839.959**	**306.283.316**

CONSOLIDATED FIGURES (Amounts in Euros)	**IFRS 31.12.2004**	**Effect of the application of IAS 32 & 39**	**IFRS 01.01.2005**
ASSETS			
Non-current assets			
Tangible fixed assets	204.768.776	–	204.768.776
Investments in consolidated companies	–	–	–
Other investments	7.337	-7.337	–
Other receivables	1.013.529	–	1.013.529
	205.789.642	**-7.337**	**205.782.305**
Current assets			
Stocks	49.658.741	–	49.658.741
Clients and other receivables	64.116.550	–	64.116.550
Derivatives	–	1.839.959	1.839.959
Financial assets at reasonable value through results	–	631.592	631.592
Securities	624.255	-624.255	–
Cash on hand and equivalent cash accounts	5.103.281	–	5.103.281
	119.502.827	**1.847.296**	**121.350.123**
Total assets	**325.292.469**	**1.839.959**	**327.132.428**
OWNER'S EQUITY			
Owner's equity attributable to shareholders			
Share capital	91.996.355	–	91.996.355
Foreign exchange differences from the consolidation of foreign subsidiary companies	-113.076	–	-113.076
Other reserves	13.577.003	-1.681.949	11.895.054
Profits/(losses) carried forward	-78.477.875	–	-78.477.875
	26.982.407	-1.681.949	25.300.458
Minority rights	1.337.995	–	1.337.995
Total owner's equity	**28.320.402**	**-1.681.949**	**26.638.453**
LIABILITIES			
Long-term liabilities			
Loans	129.798.681	–	129.798.681
Deferred tax liabilities	10.375.874	-560.650	9.815.224
Liabilities for personnel compensation due to withdrawal from service	1.891.250	–	1.891.250
Subsidies	899.096	–	899.096
Provisions	2.919.444	–	2.919.444
	145.884.345	**-560.650**	**145.323.695**
Short-term liabilities			
Suppliers and other liabilities	86.315.296	–	86.315.296
Loans	55.347.726	–	55.347.726
Derivatives	–	4.082.558	4.082.558
Provisions	9.424.700	–	9.424.700
	151.087.722	**4.082.558**	**155.170.280**
Total liabilities	**296.972.067**	**3.521.908**	**300.493.975**
Total owner's equity and liabilities	**325.292.469**	**1.839.959**	**327.132.428**

6. Reporting by sector

Primary type of reporting – business sectors

As of 31/12/2005 the Group is divided into two business sectors:

(a) Medium-diameter steel pipes

(b) Large diameter steel pipes

Results per sector for the fiscal year until 31 December 2004 were as follows:

12 months until 31 December 2004 (Amounts in Euros)	**Production and trade of large-diameter steel pipes**	**Production and trade of medium-diameter steel pipes**	**Total**
Total gross sales per sector	**295.242.617**	**20.801.751**	**316.044.368**
Domestic sales	-91.270.197	-5.395.307	**-96.665.504**
Net sales	**203.972.420**	**15.406.444**	**219.378.864**
Operating profits/(losses)	-17.716.100	790.212	**-16.925.888**
Financial income-expenses (note 25)			**-11.071.799**
Profits/(losses) before taxes			**-27.997.687**
Income tax			**7.124.351**
Net profit/(loss)			**-20.873.336**

Results per sector for the fiscal year until 31 December 2005 were as follows:

12 months until 31 December 2004 (Amounts in Euros)	**Production and trade of large-diameter steel pipes**	**Production and trade of medium-diameter steel pipes**	**Total**
Total gross sales per sector	**369.708.788**	**5.283.083**	**374.991.871**
Domestic sales	-109.292.867	-4.782.257	**-114.075.124**
Net sales	**260.415.921**	**500.826**	**260.916.747**
Operating profits/(losses)	17.062.765	-8.222.387	**8.840.378**
Financial income-expenses (note 25)			**-11.004.144**
Profits/(losses) before taxes			**-2.163.766**
Income tax			**-3.482.572**
Net profit/(loss)			**-5.646.338**

Other information contained in the income statement of 31 December 2004 are as follows:

12 months until 31 December 2004 (Amounts in Euros)	**Production and trade of large-diameter steel pipes**	**Production and trade of medium-diameter steel pipes**	**Total**
Depreciation of tangible fixed assets (note 7)	11.155.525	310.493	11.466.018
Devaluation of stocks (note 9)	1.760.183	373.336	2.133.519
Provisions (note 20)	6.428.565	2.080.000	8.508.565

Other information contained in the income statement of 31 December 2005 are as follows:

12 months until 31 December 2005 (Amounts in Euros)	**Production and trade of large-diameter steel pipes**	**Production and trade of medium-diameter steel pipes**	**Total**
Depreciation of tangible fixed assets (note 7)	10.523.542	1.047.524	11.571.066
Devaluation of stocks (note 10)	1.215.234	0	1.215.234
Devaluation of stocks (note 9)	1.306.121	38.539	1.344.660
Provisions (note 20)	1.388.976	882.731	2.271.707

The results of the sectors include profits and losses from forward contracts that arise from hedging cash flows that concern purchases and sales.

The financial cost includes results from hedging cash flows of interest-bearing loans that have been recorded in the income statement during the year.

Transfers and transactions between sectors are carried out under actual commercial terms and conditions, pursuant to the terms and conditions that apply to transactions with third parties.

The sectors' assets and liabilities as of 31 December 2004 are as follows:

31/12/2004	**Production and trade of large-diameter steel pipes**	**Production and trade of medium-diameter steel pipes**	**Non-allocated**	**Total**
Assets	327.475.816	19.908.098	325.267	**347.709.181**
Total liabilities	280.532.864	1.133.976	13.031.184	**294.698.024**
Investments in tangible fixed assets (note 7)	2.438.052	52.221	0	**2.490.273**

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Assets	327.475.816	19.908.098	325.267	**347.709.181**
Total liabilities	280.532.864	1.133.976	13.031.184	**294.698.024**
Investments in tangible fixed assets (note 7)	2.438.052	52.221	0	**2.490.273**

The sectors' assets mainly include tangible fixed assets, stocks, receivables, investments, derivatives that have been defined as means of hedging future commercial transactions and cash on hand. They do not include deferred taxes.

The sectors' liabilities include operating liabilities (including derivatives that have been defined as means of hedging future commercial transactions and loans, as well as corporate loans). They do not include taxes. Capital expenditures include expenditures for the acquisition of tangible assets (note 7).

On 27 August 2005 the Corinth factory stopped its production procedure and the production of medium-diameter pipes is covered by the Thisvis factory.

Secondary type of reporting – geographic sectors

The Company is seated in Greece where it is also mainly active. The Company's main activity is the production and sale of pipes. Most of the company's sales are effected in Greece, in other countries of the Eurozone, the United States of America, Asia and Africa.

Amounts in Euros	CONSOLIDATED FIGURES	
Sales	**31/12/2005**	**31/12/2004**
Greece	23.531.720	17.606.074
Eurozone	74.823.848	90.048.708
Other European countries	289.956	0
Asia	27.307.793	18.116.775
America	47.350.819	45.345.413
Africa	87.478.524	48.261.894
Oceania	134.087	0
Total	**260.916.747**	**219.378.864**

Sales refer to the country where clients are established.

Total assets	**31/12/2005**	**31/12/2004**
Greece	321.818.539	294.343.563
Eurozone	3.137.347	7.158.290
America	22.428.028	23.790.616
Non-allocated	325.267	0
Total	**347.709.181**	**325.292.469**

Assets refer to the country where they are located.

Investments in fixed assets	**31/12/2005**	**31/12/2004**
Greece	2.459.150	5.817.820
Eurozone	4.627	14.818
America	26.496	13.085
Total	**2.490.273**	**5.845.723**

Capital expenditures refer to the country where the assets are located.

Analysis of sales per category

Amounts in Euros	**31/12/2005**	**31/12/2004**
Sale of merchandise and products	260.701.579	216.706.808
Income form services	215.168	2.672.056
Total	**260.916.747**	**219.378.864**

7. Tangible fixed assets

CONSOLIDATED FIGURES

Amounts in Euros	Lots	Buildings	Mechanical equipment	Transportation equipment	Furniture and fixtures	Fixed assets under constructions	Total
Cost							
Balance as of 1 January 2004	**33.099.000**	**48.524.994**	**127.988.865**	**4.627.975**	**2.195.537**	**0**	**216.436.371**
Foreign exchange differences	0	0	-7.362	0	-2.665	0	**-10.027**
Additions	0	731.667	4.593.738	165.959	171.217	183.142	**5.845.723**
Sales (note 29)	0	-10.537	0	-2.299.031	0	0	**-2.309.568**
Reclassifications	0	0	3.063	-3.063	0	0	**0**
Balance as of 31 December 2004	**33.099.000**	**49.246.124**	**132.578.304**	**2.491.840**	**2.364.089**	**183.142**	**219.962.499**
Accumulated depreciation							
Balance as of 1 January 2004	**0**	**-1.671**	**-1.213.535**	**-1.997.754**	**-1.522.674**	**0**	**-4.735.634**
Foreign exchange differences	0	0	0	5.576	1.974	0	**7.550**
Depreciation of the period (note 22)	0	-2.406.781	-8.438.206	-376.907	-244.124	0	**-11.466.018**
Sales (note 29)	0	0	0	1.000.379	0	0	**1.000.379**
Balance as of 31 December 2004	**0**	**-2.408.452**	**-9.651.741**	**-1.368.706**	**-1.764.824**	**0**	**-15.193.723**
Undepreciated value as of 31 December 2004	**33.099.000**	**46.837.672**	**122.926.563**	**1.123.134**	**599.265**	**183.142**	**204.768.776**

Amounts in Euros	Lots	Buildings	Mechanical equipment	Transportation equipment	Furniture and fixtures	Fixed assets under constructions	Total
Balance as of 1 January 2005	**33.099.000**	**49.246.124**	**132.578.304**	**2.491.840**	**2.364.089**	**183.142**	**219.962.499**
Foreign exchange differences	0	0	0	6.191	11.549	0	**17.740**
Additions	0	296.689	1.238.767	29.605	120.577	804.635	**2.490.273**
Sales (note 29)	0	-292.000	-39.066	-60.986	-65.484	0	**-457.536**
Reclassifications	0	0	-48.643	-526	49.169	0	**0**
Balance as of 31 December 2005	**33.099.000**	**49.250.813**	**133.729.362**	**2.466.124**	**2.479.900**	**987.777**	**222.012.976**
Accumulated depreciation							
Balance as of 1 January 2005	**0**	**-2.408.452**	**-9.651.741**	**-1.368.706**	**-1.764.824**	**0**	**-15.193.723**
Foreign exchange differences	0	0	0	-4.954	-9.439	0	**-14.393**
Depreciation of the period (note 22)	0	-2.437.248	-8.655.033	-222.846	-255.939	0	**-11.571.066**
Sales (note 29)	0	15.330	8.375	55.580	64.965	0	**144.250**
Reclassifications	0	0	32.300	28	-32.328	0	**0**
Balance as of 31 December 2005	**0**	**-4.830.370**	**-18.266.099**	**-1.540.898**	**-1.997.565**	**0**	**-26.634.932**
Undepreciated value as of 31 December 2005	**33.099.000**	**44.420.443**	**115.463.263**	**925.226**	**482.335**	**987.777**	**195.378.045**

COMPANY FIGURES

Amounts in Euros	Lots	Buildings	Mechanical equipment	Transportation equipment	Furniture and fixtures	Fixed assets under constructions	Total
Cost							
Balance as of 1 January 2004	**33.099.000**	**47.915.050**	**127.945.590**	**4.577.862**	**2.110.893**	**0**	**215.648.395**
Additions	0	298.950	3.509.127	45.955	153.843	182.424	**4.190.299**
Sales (note 29)	0	-10.537	0	-2.281.174	0	0	**-2.291.711**
Branch contribution of a seceded subsidiary company (note 33)	-7.420.000	-5.347.000	-5.557.916	-303.052	-1.190.326	-37.600	**-19.855.894**
Reclassifications	0	0	-5.209	5.209	0	0	**0**
Balance as of 31 December 2004	**25.679.000**	**42.856.463**	**125.891.592**	**2.044.800**	**1.074.410**	**144.824**	**197.691.089**
Accumulated depreciation							
Balance as of 1 January 2004	**0**	**0**	**-1.191.032**	**-1.976.032**	**-1.474.434**	**0**	**-4.641.498**
Depreciation of the period (note 22)	0	-2.278.433	-8.155.792	-343.352	-179.443	0	**-10.957.020**
Sales (note 29)	0	0	0	996.812	0	0	**996.812**
Branch contribution of a seceded subsidiary company (note 33)	0	178.234	463.160	239.173	954.408	0	**1.834.975**
Balance as of 31 December 2004	**0**	**-2.100.199**	**-8.883.664**	**-1.083.399**	**-699.469**	**0**	**-12.766.731**
Undepreciated value as of 31 December 2004	**25.679.000**	**40.756.264**	**117.007.928**	**961.401**	**374.941**	**144.824**	**184.924.358**

Amounts in Euros	Lots	Buildings	Mechanical equipment	Transportation equipment	Furniture and fixtures	Fixed assets under constructions	Total
Balance as of 1 January 2005	**25.679.000**	**42.856.463**	**125.891.592**	**2.044.800**	**1.074.410**	**144.824**	**197.691.089**
Additions	0	170.968	1.195.794	29.605	88.254	804.635	**2.289.256**
Sales (note 29)	0	-292.000	0	-11.256	0	0	**-303.256**
Balance as of 31 December 2005	**25.679.000**	**42.735.431**	**127.087.386**	**2.063.149**	**1.162.664**	**949.459**	**199.677.089**
Accumulated depreciation							
Balance as of 1 January 2005	**0**	**-2.100.199**	**-8.883.664**	**-1.083.399**	**-699.469**	**0**	**-12.766.731**
Depreciation of the period (note 22)	0	-2.116.375	-7.872.505	-191.011	-162.071	0	**-10.341.962**
Sales (note 29)	0	15.330	0	5.851	0	0	**21.181**
Balance as of 31 December 2005	**0**	**-4.201.244**	**-16.756.169**	**-1.268.559**	**-861.540**	**0**	**-23.087.512**
Undepreciated value as of 31 December 2005	**25.679.000**	**38.534.187**	**110.331.217**	**794.590**	**301.124**	**949.459**	**176.589.577**

The expenditure with regard to depreciation has been recorded in the Income Statement as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Cost of sales	10.423.767	10.776.345	9.912.885	10.619.374
Administrative expenses	1.000.695	248.625	294.321	244.275
Selling expenses	146.604	441.048	134.756	93.371
Total	**11.571.066**	**11.466.018**	**10.341.962**	**10.957.020**

Leased mechanical equipment and transportation equipment that are included above based on leasing is analysed below (note 16):

Mechanical equipment

Amounts in Euros	**31/12/2005**	**31/12/2004**
Cost – capitalized leasing	8.795.304	8.795.304
Accumulated depreciation	-2.290.444	-1.740.737
Net undepreciated value	**6.504.860**	**7.054.567**

Transportation equipment

Amounts in Euros	**31/12/2005**	**31/12/2004**
Cost – capitalized leasing	377.318	377.318
Accumulated depreciation	-105.622	-67.890
Net undepreciated value	**271.696**	**309.428**

Mortgages and statutory notices of mortgage in the amount of 73,203,762 Euros (2004: 73,203,762 Euros) have been filed against the Group's real estate (note 16).

8. Investments in consolidated companies

	COMPANY FIGURES	
Amounts in Euros	**31/12/2005**	**31/12/2004**
Opening balance	**13.956.474**	**608.644**
Additions	52.500	1.610.321
Devaluations	-52.500	0
Branch secession and contribution	0	11.737.509
Closing balance	**13.956.474**	**13.956.474**

The company's subsidiaries that are not listed on the stock exchange are as follows:

Corporate Name	Country	Acquisition value at the beginning of the year	Additions	Devaluations	Acquisition value at year-end	Direct holding percentage
2004						
CORINTH METALWORKS S.A.	Greece	0	11.797.506	0	11.797.506	99,99%
DIA.VI.PE.THI.V. S.A.	Greece	41.300	1.548.600	0	1.589.900	51,62%
CPW EUROPEAN TRADING Gmbh	Germany	0	0	0	0	79,00%
CPW AMERICA CO.	America	567.344	0	0	567.344	100,00%
HUMBEL Ltd	Cyprus	0	1.724	0	1.724	100,00%
		608.644	**13.347.830**	**0**	**13.956.474**	

Corporate Name	Country	Acquisition value at the beginning of the year	Additions	Devaluations	Acquisition value at year-end	Direct holding percentage
2005						
CORINTH METALWORKS S.A.	Greece	11.797.506	0	0	11.797.506	99,99%
DIA.VI.PE.THI.V. S.A.	Greece	1.589.900	0	0	1.589.900	51,62%
CPW EUROPEAN TRADING Gmbh	Germany	0	52.500	-52.500	0	100,00%
CPW AMERICA CO.	America	567.344	0	0	567.344	100,00%
HUMBEL Ltd	Cyprus	1.724	0	0	1.724	100,00%
		13.956.474	**52.500**	**-52.500**	**13.956.474**	

On 1 July 2005 the company's Board of Directors decided on the purchase of the remaining corporate shares of the subsidiary company with the corporate name "CPW European Trading GmbH" at their nominal value, in other words a total price of fifty two thousand five hundred (52,500) Euros. This amount was paid on 8 September 2005. Following the purchase of the aforementioned corporate shares, the company's holding in its subsidiary company amounted to 100%.

9. Stocks

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	31/12/2004	COMPANY FIGURES 31/12/2005	31/12/2004
Finished products	36.345.024	21.723.854	35.675.882	19.437.013
Semi-finished products	11.906.840	11.060.629	11.906.840	11.060.629
Raw and indirect materials	8.870.522	15.588.300	8.449.959	14.421.714
Spare parts of fixed assets	3.734.996	3.419.477	3.526.432	3.236.784
Total	**60.857.382**	**51.792.260**	**59.559.113**	**48.156.140**
Finished products	-1.344.660	-2.133.519	-1.306.121	-1.760.183
	-1.344.660	**-2.133.519**	**-1.306.121**	**-1.760.183**
Total net liquid value	**59.512.722**	**49.658.741**	**58.252.992**	**46.395.957**

The cost of stocks that was recorded as an expense in the cost of sales amounts to 164,814,350 Euros (2004: 151,164,692 Euros) and 137,313,571 Euros (2004: 120,032,595 Euros) for the Group and Company respectively.

During the fiscal year stocks were estimated at the lower value between their cost and their net liquid value. The net liquid value was estimated based on the sales price of finished products in an active market. The net liquid value of certain finished products was lower, and as a result thereof a devaluation loss in the amount of 1,344, 660 Euros (2004: 2,133,519 Euros) and 1,306,121 (2004: 1,760,183 Euros) for the Group and Company, respectively, was recognised. The devaluation loss is included in the cost of sales (note 22).

10. Clients and other receivables

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	31/12/2004	COMPANY FIGURES 31/12/2005	31/12/2004
Clients	65.979.036	53.617.473	41.791.102	16.578.427
Less: Devaluation provisions	-2.216.030	-954.956	-687.763	-382.847
Net receivables from clients	**63.763.006**	**52.662.517**	**41.103.339**	**16.195.580**
Down payments for the purchase of stocks	1.108.415	112.522	1.105.762	112.522
Other down payments	1.629.106	1.381.737	1.528.618	1.058.901
Notes-cheques receivable & sealed	183.022	385.646	183.022	385.646
Less: Devaluation provisions	-37.000	-37.000	-37.000	-37.000
Receivables from affiliated entities (note 32)	1.376.883	1.657.621	35.180.034	32.056.355
Hellenic State	3.685.737	1.530.226	1.904.079	1.021.817
Other debtors	975.259	1.280.155	864.508	22.317
Purchases not yet received	13.735.187	6.156.655	13.735.187	4.906.900
Total	**86.419.615**	**65.130.079**	**95.567.549**	**55.723.038**
Current assets	85.445.205	64.116.550	94.645.801	54.994.106
Non-current assets	974.410	1.013.529	921.748	728.932
Total	**86.419.615**	**65.130.079**	**95.567.549**	**55.723.038**

Long-term receivables included in non-current assets concern guarantees to third parties within the framework of the company's activities and do not have a specific maturity date. The reasonable values of clients and other receivables are approximately equal to their book values.

The credit risk regarding receivables from clients has not been gathered since the Group has a large number of clients that are internationally dispersed.

The Group has recognised a loss in the amount of 1,215,234 Euros (2004: 0 Euros) for the devaluation of receivables during 2005. The loss has been included in the income statement as follows: Selling expenses 1,077,234 Euros and Administrative expenses 138,000 Euros (note 22).

11. Derivatives

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Current assets				
Forward contracts for hedging cash flows	160.812	–	160.812	–
Total	**160.812**	**–**	**160.812**	**–**
Long-term liabilities				
Interest rate swaps	320.713	–	320.713	–
Total	**320.713**	**–**	**320.713**	**–**
Short-term liabilities				
Interest rate swaps	124.400	–	124.400	–
Forward contracts for hedging cash flows	2.555.509	–	2.555.509	–
Total	**2.679.909**	**–**	**2.679.909**	**–**

a) Forward contracts

The nominal value of pending forward contracts as of 31 December 2005 amounted to 40,476,914 USD. Profits and losses recognised in Owner's Equity (reserves at reasonable value) (note 15) from forward contracts as of 31 December 2005 will be transferred to the income statement on various dates between one to four months from the Balance Sheet date.

b) Interest rate swaps

The nominal value of pending interest rate swaps as of 31 December 2005 amounted to 57,000,000 Euros. Profits and losses recognised in Owner's Equity (reserves at reasonable value) (note 15) from interest rate swaps as of 31 December 2005 will be transferred to the income statement until the settlement of the relative loan liabilities.

As of 31 December 2005 fixed interest rates fluctuated between 3.2% and 5.8% (31/12/2004: 3.2% to 5.8%) and the main floating interest rates are Euribor.

12. Other investments and financial assets at reasonable value through results

Amounts in Euros	CONSOLIDATED FIGURES	COMPANY FIGURES
Balance as of 1 January 2004	**754.087**	**727.914**
Adjustment to reasonable value	-122.495	-122.480
Balance as of 31 December 2004	**631.592**	**605.434**
Effect form the application of IAS 32 & 39	-631.592	-605.434
Balance as of 31 December 2005	0	0
Current assets	7.337	7.337
Non-current assets	624.255	598.097
	631.592	**605.434**

Other investments include the following:

	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2004
Listed titles		
- Domestic participating titles	598.097	598.097
Unlisted titles		
- Domestic participating titles	7.337	7.337
- Mutual funds	26.158	0
	631.592	**605.434**

Financial assets at reasonable value through results

Amounts in Euros	CONSOLIDATED FIGURES	COMPANY FIGURES
Balance as of 31 December 2004	**0**	**0**
Effect from the application of IAS 32 & 39	631.592	605.434
Balance as of 1 January 2005	**631.592**	**605.434**
Additions	900.000	0
Sales	(530.520)	(530.520)
Changes in reasonable value	1.801	423
Balance as of 31 December 2005	**1.002.873**	**75.337**
Current assets	0	0
Non-current assets	1.002.873	75.337
	1.002.873	**75.337**

Financial assets at reasonable value through results include the following:

	CONSOLIDATED FIGURES 31/12/2005	COMPANY FIGURES 31/12/2005
Listed titles		
- Domestic participating titles	68.000	68.000 0
Unlisted titles		
- Domestic participating titles	7.337	7.337
- Debentures	900.000	0
- Mutual funds	27.536	0
	1.002.873	**75.337**

Reasonable value profits/(losses) [including profits/(losses) form sales] of financial assets at reasonable value through results are recorded in the income statement under other operating income (net) (note 24).

13. Cash on hand equivalent cash accounts

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash on hand and in banks	4.909.847	5.103.281	1.359.613	2.838.096
Total	**4.909.847**	**5.103.281**	**1.359.613**	**2.838.096**

14. Share capital

Amounts in Euros	Number of shares	Common shares	Above par	Total
1 January 2004	36.735.600	28.653.768	27.427.850	56.081.618
Issuance of share capital	46.044.534	35.914.737	0	35.914.737
31 December 2004	**82.780.134**	**64.568.505**	**27.427.850**	**91.996.355**
Issuance of share capital	41.390.067	32.284.252	0	32.284.252
31 December 2005	**124.170.201**	**96.852.757**	**27.427.850**	**124.280.607**

The total number of approved common shares amounts to 124,170,201 shares (2004: 82,780,134 shares) of a nominal value of 0.78 Euros each (2004: 0.78 Euros each). All issued shares have been paid up in full.

The Extraordinary General Meeting of the shareholders of the parent company that convened on 15 December 2003 decided to increase the company's share capital, with a pre-emption right to shareholders. From this increase, which was completed in 2004, capital in the amount of 35,914,736 Euros was drawn with the issuance of 46,044,534 new common registered shares. The period during which the pre-emption right could have been exercised was between 28 April 2004 and 12 May 2004. The payment of capital was certified by the parent company's Board of Directors during its meeting on 18 May 2004 and the new shares were listed for trading on 15 July 2004. From the total amount of the aforementioned increase 31,690,031 Euros and 4,224,705 Euros were paid by the shareholders during the previous and current fiscal years respectively.

Moreover, the Extraordinary General Meeting of the shareholders of the parent company that convened on 28 September 2004 decided to increase the company's share capital, which was effected in 2005, by 32,284,252 Euros with the payment of cash and the issuance of 41,390,067 new common registered shares of a nominal value and issue price of 0.78 Euros each. From the total amount of this increase 20,000,000 Euros was paid by the shareholders in 2004.

15. Other reserves

CONSOLIDATED FIGURES

Amounts in Euros	Statutory reserve	Reserves at reasonable value	Extraordinary reserves	Untaxed reserves	Other reserves	Total	Foreign exchange differences from the consolidation of foreign subsidiaries	Total
Balance as of 1 January 2004	**1.461.080**	**–**	**2.640.148**	**9.385.491**	**90.284**	**13.577.003**	**–**	**13.577.003**
Foreign exchange differences	-	-	-	-	-	-	-113.076	**-113.076**
Balance as of 31 December 2004	**1.461.080**	**0**	**2.640.148**	**9.385.491**	**90.284**	**13.577.003**	**-113.076**	**13.463.927**
Application of IAS 32 & 39	**–**	**-1.681.949**	**–**	**–**	**–**	**-1.681.949**	**–**	**-1.681.949**
Balance as of 1 January 2005	**1.461.080**	**-1.681.949**	**2.640.148**	**9.385.491**	**90.284**	**11.895.054**	**-113.076**	**11.781.978**
Foreign exchange differences	-	-	-	-	-	-	237.363	**237.363**
Transfer of reserves	784	-	-	-	-	**784**	-	**784**
Profit/(loss) after taxes from a change in the reasonable value of cash flow hedging	-	-447.908	-	-	-	**-447.908**	-	**-447.908**
Balance as of 31 December 2005	**1.461.864**	**-2.129.857**	**2.640.148**	**9.385.491**	**90.284**	**11.447.930**	**124.287**	**11.572.217**

COMPANY FIGURES

Amounts in Euros	Statutory reserve	Reserves at reasonable value	Extraordinary reserves	Untaxed reserves	Other reserves	Total	Total
Balance as of 1 January 2004	**1.461.080**	**0**	**2.640.148**	**9.385.491**	**90.284**	**13.577.003**	**13.577.003**
Balance as of 31 December 2004	**1.461.080**	**0**	**2.640.148**	**9.385.491**	**90.284**	**13.577.003**	**13.577.003**
Application of IAS 32 & 39		**-1.681.949**				**-1.681.949**	**-1.681.949**
Balance as of 1 January 2005	**1.461.080**	**-1.681.949**	**2.640.148**	**9.385.491**	**90.284**	**11.895.054**	**11.895.054**
Profit/(loss) after taxes from a change in the reasonable value of cash flow hedging		-447.908				**-447.908**	**-447.908**
Balance as of 31 December 2005	**1.461.080**	**-2.129.857**	**2.640.148**	**9.385.491**	**90.284**	**11.447.146**	**11.447.146**

(a) Statutory reserve

Pursuant to the provisions of articles 44 and 45 of Codified Law 2190/1920 the statutory reserve is formed and used as follows: At least 5% of the true (accounting) net profits of each fiscal year is mandatorily withheld in order to form the statutory reserve until the accumulated amount thereof amounts to at least 1/3 of the registered share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of the shareholders and may not be used for any other reason.

(b) Extraordinary reserves

This reserve has been formed following a decision of the Ordinary General Meeting that convened in previous fiscal years. It does not have a specific use and may be used for any purpose following a decision of the Ordinary General Meeting.

(c) Untaxed reserves

Special law untaxed reserves

The company monitors the reserves that are formed from net profits, which, pursuant to special provisions of incentive laws that are in force each time, are not taxed whereas they were used for the acquisition of new production equipment. In other words, these reserves are formed from net profits for which a tax is not estimated or paid.

Reserves from income exempted from taxation and from income taxed by special laws

These reserves include part of the non-distributed net profits of each fiscal year that emanates from income exempted from taxation and income taxed by special laws with the exhaustion of the tax liability.

The aforementioned reserves may be capitalised and distributed (after the restrictions that may apply each time are taken into consideration) following a decision of the Ordinary General Meeting of the shareholders.

16. Loans

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Long-term loans				
Bank loans	41.574.014	48.283.889	41.574.014	48.283.889
Liabilities form leasing activities	1.809.650	3.514.792	1.809.650	3.514.792
Bond loans	75.000.000	78.000.000	75.000.000	78.000.000
Total long-term loans	**118.383.664**	**129.798.681**	**118.383.664**	**129.798.681**
Short-term loans				
Bank loans	78.870.279	53.772.635	78.858.135	41.501.000
Liabilities form leasing activities	1.696.580	1.575.091	1.696.580	1.575.091
Total short-term loans	**80.566.859**	**55.347.726**	**80.554.715**	**43.076.091**
Total loans	**198.950.523**	**185.146.407**	**198.938.379**	**172.874.772**

Loan liabilities are guaranteed with statutory notices of mortgage against the Group's lots and buildings (Note 7).

The Group's exposure to the risk of changes in loan interest rates and the contractual dates resetting interest rates are as follows:

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Up to 1 year	101.636.926	80.241.746	101.624.782	67.970.111
1-5 years	50.506.230	52.089.883	50.506.230	52.089.883
More than 5 years	46.807.367	52.814.778	46.807.367	52.814.778
Total	**198.950.523**	**185.146.407**	**198.938.379**	**172.874.772**

The maturity dates of long-term loans, not including leasing, are as follows:

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Between 1 and 2 years	29.340.106	39.049.981	29.340.106	39.049.981
Between 2 and 5 years	75.015.397	75.015.397	75.015.397	75.015.397
More than 5 years	12.218.511	12.218.511	12.218.511	12.218.511
Total	**116.574.014**	**126.283.889**	**116.574.014**	**126.283.889**

All of the Group's loans are expressed in Euros.

The true weighted average interest rates that were applicable on the balance sheet date were as follows:

	31 December 2005		31 December 2004	
	CONSOLIDATED FIGURES	COMPANY FIGURES	CONSOLIDATED FIGURES	COMPANY FIGURES
Bank loans (short-term)	4,03%	4,03%	3,79%	3,70%
Bank loans (long-term)	5,16%	5,16%	5,10%	5,10%
Bond loans	3,47%	3,47%	3,10%	3,10%
Liabilities from leasing activities	2,00%	2,00%	2,00%	2,00%

The reasonable values of long-term loans are approximately equal to their book values.

The reasonable values of short-term loans are equal to their book values.

The group has un-drawn approved borrowing limits in the amount of 42,195,027 Euros (39,501,482 Euros) in order to cover future company needs. These are noted in fluctuating interest rate contracts and do not have a fixed maturity date.

Leasing

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Liabilities from leasing activities — minimum rents				
Up to 1 year	1.914.892	1.921.430	1.914.892	1.921.430
From 1 to 5 years	1.896.131	3.819.585	1.896.131	3.819.585
More than 5 years	–	–	–	–
Total	3.811.023	5.741.015	3.811.023	5.741.015
Less: Future leasing financial charges	-304.793	-651.132	-304.793	-651.132
Current value of lliabilities from leasing activities	**3.506.230**	**5.089.883**	**3.506.230**	**5.089.883**

The current value of liabilities from leasing activities is analysed below:

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Up to 1 year	1.696.580	1.575.091	1.696.580	1.575.091
From 1 to 5 years	1.809.650	3.514.792	1.809.650	3.514.792
More than 5 years	–	–	–	–
Current value of lliabilities from leasing activities	**3.506.230**	**5.089.883**	**3.506.230**	**5.089.883**

17. Deferred taxation

Deferred tax claims and liabilities are offset when there is an applicable legal right to offset current tax claims with current tax liabilities and when deferred income taxes concern the same tax principle. The amounts that are offset are the following:

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Deferred tax claims	**-325.267**	**0**	**0**	**0**
Deferred tax liabilities	**12.145.783**	**10.375.874**	**10.660.506**	**9.143.907**
Total	**11.820.516**	**10.375.874**	**10.660.506**	**9.143.907**

Most of the deferred tax claims are recoverable after 12 months.

Most of the tax liabilities are payable after 12 months.

The total change in deferred income tax is as follows:

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Balance at the beginning of the year	**10.375.874**	**17.687.414**	**9.143.907**	**17.687.760**
Foreign exchange differences	-16.787	0	0	0
Debit/(credit) recorded in the income statements (note 26)	2.171.382	-7.311.540	2.226.552	-6.743.349
Branch secession and contribution (note 33)	0	0	0	-1.800.504
Tax that was debited/(credited) in Owner's Equity	-709.953	0	-709.953	0
Balance at year-end	**11.820.516**	**10.375.874**	**10.660.506**	**9.143.907**

Changes in deferred tax claims and liabilities during the fiscal year, without taking into consideration the offset of balances within the same tax principle, are as follows:

Deferred tax liabilities:

CONSOLIDATED FIGURES	Difference in depreciation	Recognition of income	Readjustment of fixed assets	Other	Total
Amounts in Euros					
Balance as of 1/1/2004	**274**	**83.130**	**23.599.867**	**584.380**	**24.267.651**
Debit/(credit) recorded in the income statement	951.017	262.448	-10.438.789	84.790	-9.140.534
Balance as of 31/12/2004	**951.291**	**345.578**	**13.161.078**	**669.170**	**15.127.117**
Balance as of 1/1/2005	**951.291**	**345.578**	**13.161.078**	**669.170**	**15.127.117**
Debit/(credit) recorded in the income statement	947.839	-345.578	-51.210	177.266	728.317
Balance as of 31/12/2005	**1.899.130**	**0**	**13.109.868**	**846.436**	**15.855.434**

Deferred tax claims:

CONSOLIDATED FIGURES	Difference in amortization	Non-recognized intangible assets	Profits at reasonable value	Total
Amounts in Euros				
BBalance as of 1/1/2004	**-1.210.251**	**-5.369.986**	**0**	**-6.580.237**
Debit/(credit) recorded in the income statement	-200.843	2.029.837	0	1.828.994
Balance as of 31/12/2004	**-1.411.094**	**-3.340.149**	**0**	**-4.751.243**
Balance as of 1/1/2005	**-1.411.094**	**-3.340.149**	**0**	**-4.751.243**
Foreign exchange differences	-16.787	0	0	-16.787
Debit/(credit) recorded in the income statement	528.970	914.095	0	1.443.065
Debit/(credit) recorded in Owner's Equity	0	0	-709.953	-709.953
Balance as of 31/12/2005	**-898.911**	**-2.426.054**	**-709.953**	**-4.034.918**

Deferred tax liabilities:

COMPANY FIGURES	Readjustment of fixed assets	Difference in provisions	Difference in depreciation	Other	Total
Amounts in Euros					
Balance as of 1/1/2004	**23.599.867**	**83.130**	**0**	**584.380**	**24.267.377**
Debit/(credit) recorded in the income statement	-9.805.435	262.448	865.159	84.790	-8.593.038
Balance as of 31/12/2004	**13.794.432**	**345.578**	**865.159**	**669.170**	**15.674.339**
Balance as of 1/1/2005	**13.794.432**	**345.578**	**865.159**	**669.170**	**15.674.339**
Debit/(credit) recorded in the income statement	-51.210	-345.578	801.025	177.266	581.503
Balance as of 31/12/2005	**13.743.222**	**0**	**1.666.184**	**846.436**	**16.255.842**

Deferred tax claims:

COMPANY FIGURES	Difference in provisions	Non-recognized intangible assets	Profits at reasonable value	Branch secession and contribution	Total
Amounts in Euros					
Balance as of 1/1/2004	**-1.210.251**	**-5.369.366**	**0**	**0**	**-6.579.617**
Debit/(credit) recorded in the income statement	-182.223	2.031.912	0	0	1.849.689
Branch secession and contribution	0	0	0	-1.800.504	-1.800.504
Balance as of 31/12/2004	**-1.392.474**	**-3.337.454**	**0**	**-1.800.504**	**-6.530.432**
Balance as of 1/1/2005	**-1.392.474**	**-3.337.454**	**0**	**-1.800.504**	**-6.530.432**
Debit/(credit) recorded in the income statement	731.515	913.534	0	0	1.645.049
Debit/(credit) recorded in Owner's Equity	0	0	-709.953	0	-709.953
Balance as of 31/12/2005	**-660.959**	**-2.423.920**	**-709.953**	**-1.800.504**	**-5.595.336**

The deferred tax that was credited to the company's Net Worth during the fiscal year refers to the change in the reasonable value of cash flow hedging.

Deferred tax claims are recognised for the transfer of tax losses, provided the relative financial gain due to future taxable profits may be realised. The Group did not recognise a deferred tax claim for tax losses of a total amount 131,653,994 Euros (2004: 112,123,449 Euros), which may be transferred and offset with future taxable profits. Losses in the total amount of 31,810,281 Euros, 52,379,404 Euros, 28,054,611 Euros and 19, 409,698 Euros may be transferred against future taxable profits until the fiscal years that end on 2007, 2008, 2009 and 2010 respectively.

18. Liabilities for personnel compensation due to withdrawal from service

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Liabilities recorded in the balance sheet for:				
Retirement benefits	**1.612.088**	**1.891.250**	**1.612.088**	**1.479.853**
Amounts in Euros				
Charges recorded in results (note 23)				
Retirement benefits	**1.983.512**	**695.748**	**259.710**	**589.345**

The amounts that have been recorded in the Balance Sheet have been designated as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Present value of non-financed liabilities	1.629.017	2.101.556	1.629.017	1.389.496
Non-recorded actuarial profits/(losses)	12.136	-170.683	12.136	109.416
Non-recorded cost of past service	-29.065	-39.623	-29.065	-19.059
Liability recorded in the Balance Sheet	**1.612.088**	**1.891.250**	**1.612.088**	**1.479.853**

The amounts that have been recorded in the income statement are as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Cost current employment	156.705	123.888	119.140	115.612
Interest against the liability	94.504	95.543	62.528	88.398
Cutback losses from employee transfers	1.699.826	476.317	77.684	385.335
Amortisation of actuarial profits	10.913	0	-642	0
Amortisation of the cost pf past service during the year	21.564	0	1.000	0
Total expenditure recognized in the income statement (note 23))	**1.983.512**	**695.748**	**259.710**	**589.345**

Amounts have been included in expense categories as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Cost of sales	1.828.032	387.422	104.230	281.019
Administrative expenses	155.480	308.326	155.480	308.326
Total included in employee benefits	**1.983.512**	**695.748**	**259.710**	**589.345**

The liability that has been recorded in the balance sheet is as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Net liability at the beginning of the year	1.891.250	1.927.862	1.479.853	1.927.862
Employer contributions	-2.262.674	-732.360	-127.475	-700.434
Branch secession & contribution (note 33)	0	0	0	-336.920
Total expenditure recognized in the income statement	1.983.512	695.748	259.710	589.345
Net liability at year-end	**1.612.088**	**1.891.250**	**1.612.088**	**1.479.853**

The main actuarial acknowledgements that were used are as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Discount rate	4,0%	4,5%	4,0%	4,5%
Future salary increases	4,5%	4,5%	4,5%	4,5%

19. Subsidies

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Balance at the beginning of the year	899.096	141.378	0	141.378
Amortisation of subsides (note 24)	-111.123	-252.502	0	-141.378
Branch secession and contribution (note 33)	0	1.010.220	0	0
Balance at year-end	**787.973**	**899.096**	**0**	**0**

During 2004 the Group was notified to pay the balance of the subsidy that was approved with ministerial decision No. 29261/ΔΒΕ 1979/1997 (pursuant to Law 1892/1990 as this was amended and completed with Law 2234/1994), which amounted to 1,010,220 Euros.

This state subsidy concerned the factory in Corinth for the purchase of tangible fixed assets and is expected to be received by the end of fiscal year 2006.

20. Provisions

Amounts in Euros	Pending court cases	Indemnifications to clients	Reorganisation expenses	Other provisions	Total
1 January 2004	**1.530.000**	**2.221.275**	**0**	**84.804**	**3.836.079**
Additional provisions of the fiscal year	2.223.124	6.285.441	0	0	**8.508.565**
Provisions used during the fiscal year	0	0	0	-500	**-500**
31 December 2004	**3.753.124**	**8.506.716**	**0**	**84.304**	**12.344.144**
Additional provisions of the fiscal year	974.731	686.395	596.000	106.581	**2.363.707**
Restructuring	-92.000	0	0	0	**-92.000**
Provisions used during the fiscal year	-3.714.000	-5.800.000	0	0	**-9.514.000**
31 December 2005	**921.855**	**3.393.111**	**596.000**	**190.885**	**5.101.851**

COMPANY FIGURES

Amounts in Euros	Pending court cases	Indemnifications to clients	Other provisions	Total
1 January 2004	**1.530.000**	**2.221.275**	**69.604**	**3.820.879**
Additional provisions of the fiscal year	2.223.124	6.285.441	0	**8.508.565**
31 December 2004	**3.753.124**	**8.506.716**	**69.604**	**12.329.444**
Additional provisions of the fiscal year	974.731	686.395	74.880	**1.736.006**
Restructuring	-92.000	0	0	**-92.000**
Provisions used during the fiscal year	-3.714.000	-5.800.000	0	**-9.514.000**
31 December 2005	**921.855**	**3.393.111**	**144.484**	**4.459.450**

	31 December 2005		31 December 2004	
Amounts n Euros	CONSOLIDATED FIGURES	COMPANY FIGURES	CONSOLIDATED FIGURES	COMPANY FIGURES
Short-term liabilities	1.708.740	1.066.339	9.424.700	9.410.000
Long-term liabilities	3.393.111	3.393.111	2.919.444	2.919.444
Total	**5.101.851**	**4.459.450**	**12.344.144**	**12.329.444**

Pending court cases

From the total amount of the above provision, an amount equal to 607,371 Euros concerns lawsuits filed by the company's employees concerning an accident that occurred at the Corinth factory in April 2003 while the remaining amount, in other words 314,484 Euros, concerns other lawsuits. The amount of the provision is based on estimations of the Group's Legal Department.

Indemnification to clients

The provision that has been formed refers to losses that may arise as a result of the company's contractual liabilities to its clients. The provision was estimated based on historical figures and statistics from the resolution of similar past cases.

Restructuring of subsidiary companies

The said provision concerns expenses that may arise from the restructuring of CPW European.

21. Suppliers and other liabilities

Amounts in Euros	CONSOLIDATED FIGURES 31/12/2005	CONSOLIDATED FIGURES 31/12/2004	COMPANY FIGURES 31/12/2005	COMPANY FIGURES 31/12/2004
Suppliers	31.492.381	24.046.336	26.335.662	17.587.509
Notes payable	33.577.618	34.652.719	33.577.618	31.055.466
Client down payments	685.449	1.476.527	622.405	1.471.368
Insurance organizations	719.301	947.817	666.192	674.571
Taxes and duties	651.940	512.569	210.804	186.565
Amounts due to affiliated entities (note 32)	1.749.551	979.802	8.278.786	8.845.468
Dividends payable	38.180	36.365	36.013	36.365
Sundry creditors	766.398	1.027.641	710.066	798.069
Accrued expenses	2.532.966	2.635.520	1.859.428	2.307.186
Amounts that will be used for a Share Capital increase	0	20.000.000	0	20.000.000
Total	**72.213.784**	**86.315.296**	**72.296.974**	**82.962.567**

22. Expenses per category

Amounts in Euros	12 months until 31 December 2005 (CONSOLIDATED FIGURES)	12 months until 31 December 2004 (CONSOLIDATED FIGURES)	12 months until 31 December 2005 (COMPANY FIGURES)	12 months until 31 December 2004 (COMPANY FIGURES)
Employee benefits (note23)	21.758.445	23.583.176	15.617.566	20.293.309
Cost of stocks recognized in cost of sales (note 9)	164.814.350	151.164.692	137.313.571	120.032.595
Depreciation of tangible fixed assets (note 7)				
- Privately-owned assets	10.983.628	10.878.580	9.754.524	10.369.582
- Leased assets	587.438	587.438	587.438	587.438
Devaluation of stocks (note 9)	1.344.660	2.133.519	1.306.121	1.760.183
Expenses concerning the repair and maintenance of tangible fixed assets	906.914	1.248.125	800.307	1.094.414
Rents based on operating leases				
- Buildings	325.079	395.504	244.119	310.389
- Transportation equipment	387.230	436.665	295.264	350.106
Foreign exchange differences (note 27)	4.874.505	1.355.918	4.630.806	1.205.567
Provisions (notes 10 and 20)	3.486.941	8.508.565	1.948.922	8.508.565
Other	42.102.056	43.690.643	41.365.265	40.550.009
Total	**251.571.246**	**243.982.825**	**213.863.903**	**205.062.157**

Allocation per operation Amounts in Euros	12 months until 31 December 2005 (CONSOLIDATED FIGURES)	12 months until 31 December 2004 (CONSOLIDATED FIGURES)	12 months until 31 December 2005 (COMPANY FIGURES)	12 months until 31 December 2004 (COMPANY FIGURES)
Cost of sales	205.336.194	190.237.196	174.516.257	156.359.074
Selling expenses	34.990.806	42.361.393	33.248.784	40.277.235
Administrative expenses	11.244.246	11.384.236	6.098.862	8.425.848
Total	**251.571.246**	**243.982.825**	**213.863.903**	**205.062.157**

	31 December 2005 CONSOLIDATED FIGURES	31 December 2005 COMPANY FIGURES	31 December 2004 CONSOLIDATED FIGURES	31 December 2004 COMPANY FIGURES
Number of employees	518	504	738	727

23. Employee benefits

Amounts in Euros	12 months until 31 December 2005	12 months until 31 December 2004	12 months until 31 December 2005	12 months until 31 December 2004
	CONSOLIDATED FIGURES		COMPANY FIGURES	
Salaries and wages	15.753.222	17.872.304	12.117.747	15.410.113
Social security expenses	3.586.988	4.585.245	2.919.585	3.876.287
Retirement cost of fixed benefit schemes (note 18)	1.983.512	695.748	259.710	589.345
Other employee benefits and expenses	434.723	429.879	320.524	417.564
Total	**21.758.445**	**23.583.176**	**15.617.566**	**20.293.309**

24. Other operating income/(expenses) (net)

Amounts in Euros	12 months until 31 December 2005	12 months until 31 December 2004	12 months until 31 December 2005	12 months until 31 December 2004
	CONSOLIDATED FIGURES		COMPANY FIGURES	
Profits from the sale of fixed assets (note 29)	7.991	104.661	5.925	424.902
Income from the provision of consulting services	634.542	391.017	0	0
Losses from the reasonable value of other investments (note12)	0	-122.495	0	-122.480
Loss form the reasonable value (including losses from the sale) of financial assets at reasonable value through results	-5.219	0	-6.597	0
Devaluation of holding in a subsidiary (note 8)	0	0	-52.500	0
Insurance indemnifications	0	1.018.442	0	1.018.442
Income from dividends	0	2.175	1.643.926	2.175
Amortisation of granted subsidies (note 19)	111.124	252.502	0	141.378
Foreign exchange differences (note 27)	4.534.541	3.316.072	4.363.595	3.161.873
Profits from the reasonable value of forward contracts	688.180	1.329.248	688.180	1.329.248
Losses from the reasonable value of forward contracts	-8.724.701	-501.079	-8.724.701	-501.079
Other	2.248.419	1.887.530	1.909.846	1.143.092
Total	**-505.123**	**7.678.073**	**-172.326**	**6.597.551**

25. Financial cost

Amounts in Euros	12 months until 31 December 2005	12 months until 31 December 2004	12 months until 31 December 2005	12 months until 31 December 2004
	CONSOLIDATED FIGURES		COMPANY FIGURES	
Interest expenses				
Bank loans	-8.533.430	-9.525.597	-8.366.200	-9.497.305
Promissory notes	-1.533.602	-847.431	-1.533.602	-847.431
Leasing	-311.026	-441.256	-311.026	-441.256
Commission of guarantees	-378.891	-304.000	-378.892	-304.000
Other interest and related expenses	-19.096	-103.052	0	-2.237
	-10.776.045	-11.221.336	-10.589.720	-11.092.229
Income from interest	48.274	149.537	27.570	27.969
	-10.727.771	-11.071.799	-10.562.150	-11.064.260
Profits(losses) from the reasonable value of interest rate swaps	-195.373	0	-195.373	0
Net profits/(losses) from foreign exchange differences (note 27)	-81.000	0	0	0
Total	**-11.004.144**	**-11.071.799**	**-10.757.523**	**-11.064.260**

26. Taxation

Amounts in Euros	12 months until 31 December 2005	12 months until 31 December 2004	12 months until 31 December 2005	12 months until 31 December 2004
	CONSOLIDATED FIGURES		COMPANY FIGURES	
Tax of the fiscal year	1.311.190	187.189	0	0
Deferred tax (note 17)	2.171.382	-7.311.540	2.226.552	-6.743.349
Total	**3.482.572**	**-7.124.351**	**2.226.552**	**-6.743.349**

The tax on the Group's losses before taxes differs from the theoretical amount that would have arisen if the weighted average tax rate had been applied on the results of the consolidated companies. The difference is as follows:

Amounts in Euros	12 months until 31 December 2005	12 months until 31 December 2004	12 months until 31 December 2005	12 months until 31 December 2004
	CONSOLIDATED FIGURES		COMPANY FIGURES	
Profits before taxes	**-2.163.766**	**-27.997.687**	**1.413.678**	**-29.893.555**
Tax estimated based on the applicable local tax rates on the parent company's profits (2005: 32% and 2004: 35%)	1.335.924	725.739	452.377	0
Difference in tax rates on temporary differences	-667.718	-4.316.542	-623.435	-4.543.957
Income not subject to taxation	-2.740.731	-3.316.224	-2.740.731	-2.199.392
Expenses that are not exempted for tax purposes	635.980	0	312.609	0
Use of previous non-recognised losses from taxes	0	-3.089	0	0
Difference from tax rates applicable in foreign countries	101.992	-255.264	0	0
Tax losses	4.817.125	41.029	4.825.732	0
Taxation	**3.482.572**	**-7.124.351**	**2.226.552**	**-6.743.349**

27. Foreign exchange differences

Foreign exchange differences have been recorded in the Income Statement as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Cost of sales	-3.815.422	-341.762	-3.808.977	-341.762
Selling expenses	-999.586	-575.057	-762.332	-575.057
Administrative expenses	-59.497	-439.099	-59.497	-288.748
Total	**-4.874.505**	**-1.355.918**	**-4.630.806**	**-1.205.567**
Financial	-81.000	0	0	0
Other income	4.534.541	3.316.072	4.363.595	3.161.873
Total	**-420.964**	**1.960.154**	**-267.211**	**1.956.306**

28. Profits per share

Basic and reduced profits (losses) per share are calculated by dividing the profit that corresponds to the parent company's shareholders by the weighted average number of common shares during the period, excluding the treasury common stock that was purchased by the company (treasury stock).

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Profits that correspond to the parent company's shareholder's	-5.651.046	-20.912.338	-812.874	-23.150.206
Weighted average number of shares	113.822.684	57.839.345	113.822.684	57.839.345
Basic profits per share (Euros per share)	-0,050	-0,362	-0,007	-0,400

29. Operating cash flows

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**1/1 to 31/12/2005**	**1/1 to 31/12/2004**	**1/1 to 31/12/2005**	**1/1 to 31/12/2004**
Profits/(losses) of the fiscal year	-5.646.338	-20.873.336	-812.874	-23.150.206
Adjustments for:				
Taxation (note 26)	3.482.572	-7.124.351	2.226.552	-6.743.349
Other taxes	313.530	0	313.530	0
Depreciation of tangible fixed assets (note 7)	11.571.066	11.466.018	10.341.962	10.957.020
(Profits)/losses from the sale of tangible fixed assets (see below)	-7.991	-104.661	-5.925	-424.902
Losses from the reasonable value of other investments (note 24)	0	122.495	0	122.480
(Profits)/losses from the reasonable value of financial assets at reasonable value through results (note 24)	0	5.219	0	6.597
(Income) from interest (note 25)	-48.274	-149.537	-27.570	-27.969
Interest expenses (note 25)	10.776.045	11.221.336	10.589.720	11.092.229
(Income) from dividends (note 24)	0	-2.175	-1.643.926	-2.175
(Amortisation) of subsidies (note 24)	-111.123	-252.502	0	-141.378
Provisions (notes 10 and 20)	3.486.941	8.508.565	1.948.922	8.508.565
Personnel benefits due to retirement (note 23)	1.983.512	695.748	259.710	589.345
Devaluation of stocks (note 9)	1.344.660	2.133.519	1.306.121	1.760.183
Foreign exchange differences	238.315	-48.985	0	0
Devaluation of holdings in subsidiary companies (note 24)	0	0	52.500	0
Other	0	5.697	0	0
	27.388.134	**5.597.831**	**24.555.319**	**2.539.843**
Changes in working capital				
(Increase)/decrease in stocks	-11.198.641	6.839.164	-13.163.156	-5.858.796
(Increase)/decrease in receivables	-22.550.612	-28.405.758	-39.391.033	-24.296.349
Increase/(decrease) in liabilities (with the exception of banks)	5.502.411	37.168.223	9.281.367	47.171.015
Increase/(decrease) in provisions	-9.514.000	-500	-9.514.000	
Increase/(decrease) in liabilities for personnel compensation due to retirement	-2.262.673	-732.360	-127.474	-700.434
	-40.023.515	**14.868.769**	**-52.914.296**	**16.315.436**
Net cash flows from operating activities	**-12.635.381**	**20.466.600**	**-28.358.977**	**18.855.279**

Profits from the sale of tangible fixed assets include:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**1/1 to 31/12/2005**	**1/1 to 31/12/2004**	**1/1 to 31/12/2005**	**1/1 to 31/12/2004**
Net book value (note 7)	313.286	1.309.189	282.075	1.294.899
Profits/(losses) from the sale of tangible fixed assets	7.991	104.661	5.925	424.902
Income from the sale of tangible fixed assets	**321.277**	**1.413.850**	**288.000**	**1.719.801**

30. Assumed liabilities

Capital liabilities

There are no significant capital expenditures that have been undertaken but not paid as of the Balance Sheet date.

Liabilities from operating leases

The Group rents transportation equipment and buildings pursuant to operating leases. These leases have various terms, readjustment clauses and renewal rights. With regard to real estate lease contracts no special term is stipulated for its rescission. Pursuant to the applicable general provisions, the lessee has the right to rescind the contract, provided a period of two years has lapsed from the date the lease has been concluded and a notice has been served six months prior thereto. Following the lapse of the aforementioned six-month period the lessee is obligated to pay the lessor as indemnification an amount equal to four months of rent estimated based on the last applicable rent. With regard to transportation equipment lease contracts, these may be rescinded at any time without notice, however the lessee must pay a contract rescission penalty that ranges between 2 to half of the remaining due rents, depending on the company with which the contract has been concluded. The rent expenditure that was recorded in the Income Statement during the fiscal year is noted in note 22.

The future total payable rents according to operating leases are as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Up to 1 year	426.778	450.521	412.346	450.521
From 1-5 year	963.243	1.034.258	930.670	1.034.258
More than 5 years	365.814	544.739	353.443	544.739
Total	**1.755.835**	**2.029.518**	**1.696.459**	**2.029.518**

31. Contingent liability

a) The company's contingent liabilities are related to guarantees in banks that have arisen within the framework of its ordinary business activities. The company's contingent liabilities are analysed as follows:

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
Liabilities	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Guarantees for securing liabilities from suppliers	24.523.670	2.064.146	24.523.670	2.064.146
Guarantees for securing the good performance of contracts with clients	46.666.339	17.377.294	46.666.339	17.377.294
Mortgages and statutory notices of mortgages that have been filed against lots and buildings	73.203.762	73.203.762	73.200.000	73.200.000
Counter-guarantees against a loan received from the European Investment Bank	46.807.366	52.814.778	46.807.366	52.814.778
Total	**191.201.137**	**145.459.980**	**191.197.375**	**145.456.218**

b) The company's litigated disputes and disputes under arbitration that were pending as of the Balance Sheet date are as follows:

Amounts in Euros	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Lawsuits filed by employees due to the work-related accident that occurred in Corinth	1.000.000	28.287.283	1.000.000	28.287.283
Other lawsuits	4.833.602	143.124	4.833.602	143.124
Contractual obligations	4.010.095	4.748.766	4.010.095	4.748.766
Total	**9.843.697**	**33.179.173**	**9.843.697**	**33.179.173**

The company, until and including fiscal year 2004, has formed a provision in the amount of 3,753,124 Euros in the event that the lawsuits are not decided in its favour. During the current fiscal year an amount equal to 3,714,000 Euros was paid to the plaintiffs and an additional provision in the amount of 882,731 Euros was formed.

Moreover, the company, until and including fiscal year 2004, formed a provision in the total amount of 8,506,716 Euros for losses that may arise as a result of its contractual obligations towards its clients. During the current fiscal year the company paid an amount equal to 5,800,000 Euros in relation to the above and formed an additional provision in the amount of 686,395 Euros.

The total amount of provisions that have been formed is deemed sufficient and no additional burdens are expected to arise (note 20).

32. Transactions with affiliated entities

The Group is controlled by SIDENOR S.A. (established in Greece), which holds 76.85% of the parent company's shares. The remaining 23.42% of the shares is widely dispersed. The Group's parent company is VIOHALCO S.A., which is established in Greece.

The following transactions concern transactions with affiliated entities.

(i) Sales

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Sale of goods				
Subsidiary companies	–	–	104.811.194	88.091.627
Other affiliated entities	5.751.923	8.289.578	5.608.282	8.217.456
	5.751.923	**8.289.578**	**110.419.476**	**96.309.083**
Provision of services				
Subsidiary companies	–	–	625.904	397.938
Other affiliated entities	175.014	52.422	104.754	–
	175.014	**52.422**	**730.658**	**397.938**
Sale of fixed assets				
Subsidiary companies	–	–	–	1.500.000
Other affiliated entities	–	–	–	–
	0	**0**	**0**	**1.500.000**
Income from dividends				
Subsidiary companies	–	–	1.643.926	–
Other affiliated entities	–	–	–	–
	0	**0**	**1.643.926**	**0**

(ii) Purchases

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Purchase of goods				
Subsidiary companies	–	–	1.445.454	7.961.965
Other affiliated entities	221.302	314.260	220.675	314.260
	221.302	**314.260**	**1.666.129**	**8.276.225**
Purchase of services				
Subsidiary companies	–	–	4.630.758	611.913
Other affiliated entities	1.554.848	2.226.909	1.554.848	2.226.909
	1.554.848	**2.226.909**	**6.185.606**	**2.838.822**
Purchase of fixed assets				
Subsidiary companies	–	–	179.941	–
Other affiliated entities	8.245	627.733	8.245	627.733
	8.245	**627.733**	**188.186**	**627.733**

Services to and from affiliated entities, as well as sales and purchases of goods, are effected according to the pricelists that apply to non-affiliated entities.

(iii) Fees of the Board of Directors and senior executives

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Fees of the members of the B.o.D.	121.307	301.772	121.307	301.772
Fees of senior executives	883.315	519.166	883.315	519.166
Total	**1.004.622**	**820.938**	**1.004.622**	**820.938**

(iv) Balances at year-end that arise from the sale-purchase of goods, services and fixed assets

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Amounts in Euros	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Receivables from affiliated entities:				
Subsidiary companies	–	–	34.011.130	30.421.245
Other affiliated entities	1.376.883	1.657.621	1.168.904	1.635.110
	1.376.883	1.657.621	35.180.034	32.056.355
Liabilities to affiliated companies:				
Subsidiary companies	–	–	6.558.467	7.866.363
Other affiliated entities	1.749.551	979.802	1.720.319	979.105
	1.749.551	979.802	8.278.786	8.845.468

Other affiliated entities concern subsidiary companies of the Viohalco Group of companies.

Amounts due and amounts collectable to and from affiliated entities do not have specific settlement terms and are non-interest bearing.

33. Branch secession

The Extraordinary General Meeting of the shareholders of the parent company that convened on 28 September 2004 decided on the secession of the branch "Pipes of Medium and Large Diameters and Construction Pipes of the Corinth factory" and the contribution thereof to the societe anonyme with the corporate name "EVIMET S.A.". The secession was effected pursuant to provisions 1-5 of Law 2166/93 and to the applicable legislation relating to societes anonymes, based on the branch's assets as these are recorded in the transformation balance sheet of 31 August 2004. The secession was approved on 1 December 2004 with decision No. 39915/2004 of the Prefecture which also approved the change of "EVIMET S.A.'s" corporate name to "CORINTH METALWORKS S.A.". The assets and liabilities that were contributed are as follows:

	Book Value
Amounts in Euros	**31 August 2004**
Tangible fixed assets	18.020.919
Stocks	14.374.767
Clients and other receivables	8.502.621
Deferred tax liabilities	-1.800.504
Liabilities for personnel compensation due to withdrawal from service	-336.920
Subsidies	-1.010.220
Suppliers and other liabilities	-12.013.154
Loans	-14.000.000
Contributed net worth	**11.737.509**

34. Business Combinations

On 31 August 2004, the group acquired 99.99% of the share capital of EVIMET S.A., which is seated in Greece, with the purpose of contributing thereto the branch "Pipes of medium and large diameters and construction pipes of the Corinth factory". The bought-out company did not contribute income and net profits to the group during the period from 31 August 2004 to 31 December 2004.

Buy-out price:	€
Cash that was paid	59.997
Total purchase price	**59.997**
Less: reasonable value of the net worth of assets that were bough-out	-54.300
Goodwill	**5.697**

The goodwill that arose was deleted in the fiscal year's results.

The assets and liabilities that arose from the buy-out are as follows:

Amounts in Euros	**Reasonable value**	**Book value of the bought-out company**
Cash on hand	54.300	54.300
Net worth that was acquired	**54.300**	**54.300**
Buy-out price in cash	59.997	
Cash on hand of the subsidiary that was bough-out	-54.300	
Cash flow in the buy-out	**5.697**	

On 6 February 2004, the group established Humbel Limited and acquired 100% of its share capital. The company's main activity is the provision of consulting services and its seat is registered in Cyprus. The bought-out company, during the period from 6 February 2004 to 31 December 2004, contributed to the group income in the amount of 291,017 Euros and net profits in the amount of 349,081 Euros. If the buy-out had been effected on 1 January 2004, the bought-out company's contribution to the group's income and results would had been the same with the aforementioned amounts. The total buy-out price was 1,724 Euros and no goodwill arose.

35. Unaudited fiscal years

The Company has been audited by the tax authorities until and including fiscal year 2002.

36. Events after the Balance Sheet date

No significant events arose after the Balance Sheet date.

37. Other events during the fiscal year

The Extraordinary General Meeting of the shareholders, during its meeting of 27 August 2005, decided to immediately shut down the operations of CORINTH METALWORKS in Corinth. The amount that was paid to the company's personnel as discharge compensation amounted to 2,112,230 Euros. The factory of CORINTH PIPEWORKS S.A., which is located in the Industrial Zone of Thisvis, Voiotias, has the capability and production capacity to manufacture pipes that belong to the Corinth factory's range of products at an internationally competitive cost. Consequently, the company's consolidated turnover is not expected to be effected to a significant extent due to the interruption of the Corinth factory's operations.

report of the auditors

To the Shareholders of

"CORINTH PIPEWORKS SA"

We have audited the accompanying balance sheet of CORINTH PIPEWORKS SA (the "Company") and the consolidated balance sheet of the Company and its subsidiaries (the "Group") as of 31 December 2005 and the related statements of income, cash flows and changes in shareholders' equity of the Company and the Group for the year then ended. These financial statements set out on pages 2 to 57 are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Greek Auditing Standards which are based on International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also assessed the consistency of the information included in the Directors' Report with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2005, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included in the Directors' Report is consistent with the financial statements.

Athens, 27 February 2006

PRICEWATERHOUSECOOPERS
Auditing Societe Anonyme
Certified Auditors Accountants

THE CERTIFIED AUDITOR ACCOUNTANT

Constantine Michalatos
Ass. of Cert. Aud. –Acc. Reg. No. 17701

TÜV CERT

CERTIFICATE

The TÜV CERT Certification Body of TÜV NORD CERT GmbH certifies in accordance with TÜV CERT procedures that

CORINTH PIPEWORKS S.A.

VIPE Thisvis
32010 Domvrena, Viotia / Greece

has established and applies an environmental management system for

Manufacture internal and external coating of spiral and electric welded line pipe, casing and tubing and rolled hollow sections for oil, gas water

An audit was performed. Report No. 2.5-2286/2000

Proof has been furnished that the requirements according to

ISO 14001 : 2004 / EN ISO 14001 : 2004

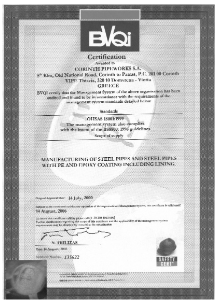
are fulfilled.

The certificate is valid until 2008-10-31

Certificate Registration No. 04 104 001785

The company has been certified since 2002

TÜV NORD



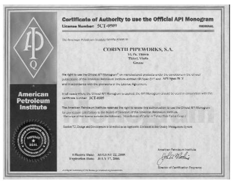
BVQI

Certification

CORINTH PIPEWORKS S.A.

GREECE

MANUFACTURING OF STEEL PIPES AND STEEL PIPES WITH PE AND EPOXY COATING INCLUDING LINING



Certificate of Authority to use the Official API Monogram

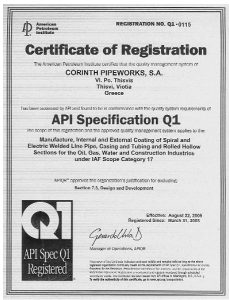
CORINTH PIPEWORKS, S.A.

American Petroleum Institute

Certificate of Authority to use the Official API Monogram

CORINTH PIPEWORKS, S.A.

American Petroleum Institute



American Petroleum Institute

REGISTRATION NO. Q1-0115

Certificate of Registration

The American Petroleum Institute certifies that the quality management system of

CORINTH PIPEWORKS, S.A.
Vi. Po. Thisvis
Thisvi, Viotia
Greece

API Specification Q1

Manufacture, Internal and External Coating of Spiral and Electric Welded Line Pipe, Casing and Tubing and Rolled Hollow Sections for the Oil, Gas, Water and Construction Industries under IAF Scope Category 17

Section 7.3, Design and Development

Effective: August 22, 2005
Registered Since: March 31, 2003

API Spec Q1 Registered

TÜV CERT

CERTIFICATE

The TÜV CERT Certification Body of RWTÜV Systems GmbH hereby certifies in accordance with TÜV CERT procedure that

CORINTH PIPEWORKS S.A.
THISVI PLANT
Thisvi Industrial Area
32 010 Domvrena Viotia / Greece

has established and applies a quality system for

Manufacturing of steel pipes and steel pipes with PE, PP, FBE, coating and internal lining

An audit was performed, Report No. 3.5-2286/2000

Proof has been furnished that the requirements according to ISO 9001 : 2000 / EN ISO 9001 : 2000 are fulfilled. The certificate is valid until 12 December 2006

Certificate Registration No. 04100 20001750

The company has been certified since 2000

RWTÜV

QMS REGISTERED

Certificate of Registration

APIQR REGISTRATION NUMBER
0194

This certifies that the quality management system of

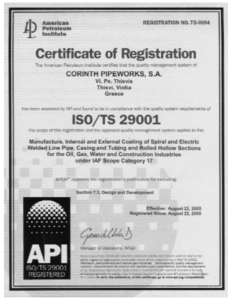
CORINTH PIPEWORKS, S.A.
Vi. Po. Thisvis
Thisvi, Viotia
Greece

ISO 9001:2000

Manufacture, Internal and External Coating of Spiral and Electric Welded Line Pipe, Casing and Tubing and Rolled Hollow Sections for the Oil, Gas, Water and Construction Industries under IAF Scope Category 17

Section 7.3, Design and Development

EFFECTIVE DATE: August 22, 2005



American Petroleum Institute

REGISTRATION NO. TS-0004

Certificate of Registration

CORINTH PIPEWORKS, S.A.
Vi. Po. Thisvis
Thisvi, Viotia
Greece

ISO/TS 29001

Manufacture, Internal and External Coating of Spiral and Electric Welded Line Pipe, Casing and Tubing and Rolled Hollow Sections for the Oil, Gas, Water and Construction Industries under IAF Scope Category 17

Section 7.3, Design and Development

Effective: August 22, 2005
Registered Since: August 22, 2005

API ISO/TS 29001 REGISTERED

CORINTH PIPEWORKS S.A.
PIPE INDUSTRY AND REAL ESTATE

INVESTOR RELATIONS MANAGER

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