ANNUAL REPORT 2005

HALCOR
METAL WORKS S.A.

Contents


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AKOP A.E.

1. General Manager's Address

Dear Shareholders and Partners,

2005 was a year of transition for HALCOR. It was the first year of full operation for our subsidiary, SOFIA MED, in Sofia, Bulgaria, which enabled us to transfer there 100% of our copper flat rolling activities by the middle of the year. At the same time, the Piraeus Street factory initiated titan zinc rolling following the necessary reajustments to mechanical equipment.

As regards demand, 2005 was not particularly good. Copper tube demand in Greece, was reduced as expected, after the completion of the Athens 2004 Olympic Games projects in 2004. Abroad, although the beginning of the year was relatively promising, demand retreated in the second half of the year, leading to lower demand and higher competition.

Finally, last year was marked by continual copper price increases, encumbering demand in general, but also working capital requirements.

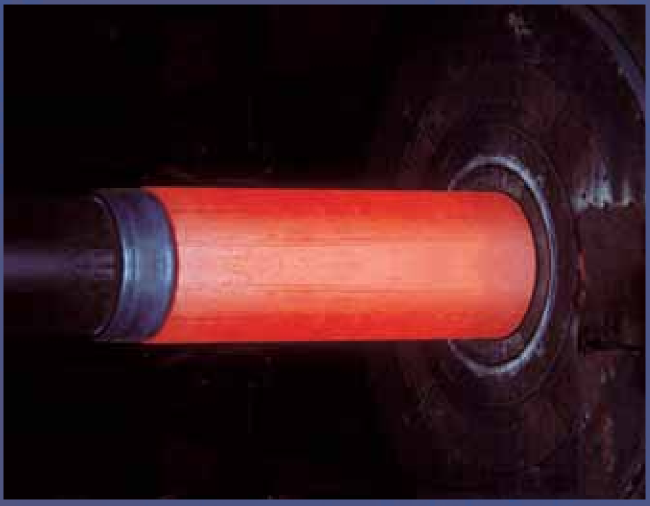
As for the Company's financial figures, turnover amounted to approximately Euro 394 million with profit before tax at approximately Euro 14.2 million, higher by 14.5% and 11.8% respectively, against last year. Consolidated turnover amounted to approximately Euro 711.7 million with profit before tax at approximately Euro 12.5 million, higher by 27.2% and 3.0% respectively, against last year.

The total volume in 2005 amounted to 145,000 tons, an 8.3% decrease against 2004. This was mainly a result of the transfer of copper rolling production from Greece to Bulgaria, but also of an approximate 3.5% decrease in tube sales, due to the aforementioned decrease in domestic demand. However, taking a look at the HALCOR and SOFIA MED sales in 2005, they reached 160,000 tons against 145,000 tons in 2004, a 10% increase. In 2005, flat product sales saw an increase of approximately 15%, compared to 2004.

In 2005, the Company continued with its cost and expenses minimization programme, while an extensive inventory reduction plan was implemented; aiming at moderating the metal price increase on company figures, as far as possible.

In 2005, the integration of companies assigned HALCOR products domestic promotion, was completed, while the merger of our subsidiary FITCO is currently under way; the latter move is expected to rationalize extruded brass production and distribution.

Signs for the current year are mixed. To start with the negative, copper prices are continually increasing and, combined with the recurrence of relatively high backwardation prices, cause short term problems with cash flow reduction, overinsuring customer risk and increased financial and banking costs. At the same time, excessively high prices affect in the



medium term, demand and strengthen the trend for substitutes, particularly for construction related products. It is encouraging that up to date and despite metal record high prices, demand appears to have risen compared to 2005, both for flat products and tubes. As a result, 2006 is expected to be a good year, provided that current market conditions are maintained.

Both in 2005 and in the current year, our company has continued developing based on three principles: cost, quality and customer service. Therefore, in Greece, investments in the tube mill have continued, chiefly aiming at strengthening our position in coated copper tube products, which offer better profit margins. Also, in 2005, we developed and presented a totally new copper tube, the CuSmart® tube, suitable for water and heating systems. It has all copper advantages, with very competitive cost, a very important factor given continuous metal price increases. Titan zinc products have completed over a year in the international market and have been accepted, which allows us to expect more than double their sales in 2006. Finally, in Bulgaria, the enhancement of mainly ancillary equipment continues, so that product quality and range can be further improved, with special emphasis on industrial applications.

Commercially, we are strengthening our position in the Balkans, with Bulgaria at

the forefront, striving to better meet customer needs, in all areas. Finally, as concerns personnel, we strongly stress safety, training and internal communication. Systematic efforts are directed to health and safety enhancement, accompanied with intensification of personnel education and training on safety, quality and other technical and administration issues.

In conclusion, 2006 is progressing in a satisfactory manner, with the single reservation being, the recurrence of extreme copper price movements, either upwards or downwards.

Menelaos Tasopoulos,
General Manager

2. The Company

HALCOR S.A. was established in 1977, taking over the VIOHALCO Group copper processing division. The company took its present form after being absorbed by its subsidiary, VECTOR S.A., which had already been listed on the Athens Stock Exchange, since 1996. HALCOR S.A. is controlled by 68% by the parent company, VIOHALCO S.A.
HALCOR S.A. is the largest copper, brass and titan zinc product manufacturer in Greece. It manufactures and trades copper tubes, copper, brass and zinc flat rolled products and semi-finished products, as feed material for other industries, such as copper and brass billets and 8mm diameter copper wire. The Group is also active in Bulgaria, Romania, Cyprus, United Kingdom, France, Germany and Serbia-Montenegro. The HELLENIC CABLES S.A. and FITCO S.A. subsidiaries are listed on the Athens Stock Exchange.

In the last decade, HALCOR S.A. marked a spectacular growth path through significant investments and sales network expansion in Greece and abroad. In 2001, the investment programme in the subsidiary SOFIA MED S.A. in Sofia, Bulgaria, was initiated, of a total of Euro 80 million. Since the completion of the major part of these investments in the fourth quarter of 2004, SOFIA MED S.A. has undertaken HALCOR's production for copper and brass flat products. The factory has already reached 85,000 tons production with a view to gradually reach 100,000 tons. For the eighth consecutive year, HALCOR S.A. has continued cooperating with Mitsubishi Shindoh Co. Ltd, for technical assistance on copper and copper alloy sheet, strip and circle production.

3. Holdings

HALCOR S.A. participates in the share capital of 20 companies, as follows:

No COMPANY	REGISTERED OFFICE	PARTICIP. %
1 HELLENIC CABLES S.A.	ATHENS	79.65%
2 FITCO S.A.	ATHENS	50.32%
3 DIAPEM TRADING S.A.	ATHENS	33.33%
4 EVITE S.A.	ATHENS	100%
5 STEELMET S.A.	ATHENS	53.1%
6 ELKEME S.A.	ATHENS	25%
7 AKRO S.A.	ATHENS	84.5%
8 VIEXAL S.A.	ATHENS	26.67%
9 VECTOR S.A.	ATHENS	33.33%
10 SYLLAN S.A.	ATHENS	76.16%
11 THISVI ELECTRICAL PRODUCTION	ATHENS	20%
12 COPPERPROM LTD.	ATHENS	71.86%
13 METAL AGENCIES LTD,	LONDON	93.28%
14 OGWELL LIMITED	NICOSIA	100%
15 BELANTEL HOLDINGS LTD.	NICOSIA	100%
16 SOFIA MED S.A.	SOFIA	100%
17 S.C. STEELMET ROMANIA S.A,	BUCHAREST	40%
18 METAL GLOBE D.O.O.	BELGRADE	53.89%
19 TEPRO METALL A.G.	DUSSELDORF	31.79%
20 ENERGY SOLUTIONS S.A.	SOFIA	38.6%

4. Production

4.1 The main HALCOR S.A. manufacturing facilities are:

*Casting facilities at the 55th km of the Athens-Lamia National Highway, in Oinophyta, Viotia. This is first in the company manufacturing order, as it produces semi-finished products to be used by other company plants (copper billets and zinc slabs) or by other companies (brass billets and 8 mm diameter copper wire).

*A tube mill at the 57th km of the Athens-Lamia National Highway, a modern copper tube extrusion unit. Administration and financial offices were moved there in 2004, with the export department joining them in 2005.

*A titan zinc rolling unit at 252 Piraeus Street, in Tavros, Athens; the commercial department and domestic market warehouses are also based there. The administration departments which moved to the tube mill, used to be there.

4.2 Products

HALCOR S.A. manufactures and trades copper, copper alloy and zinc rolled and extruded products. The company is vertically integrated. It begins with raw materials and ends to final products, the main of which are:

1) Copper tubes, sold in the domestic and international markets under the trade name TALOS; these are mainly used for water, heating, cooling, natural gas, fire mains and medical gases networks, as well as in air conditioning and solar energy systems and a multitude of other industrial applica-

tions. In addition to plain copper tubes, the company also manufactures PVC coated TALOS copper tubes, a material protecting the tube from mechanical wear, absorbing thermal stress (expansion and contraction) and reducing heat loss. Since 2003, the company has been manufacturing a new type of coated tubes, the TALOS ECUTHERM copper tubes, using expanded polyethylene to considerably increase energy savings. The inner grooved copper tubes, used in air conditioning systems also constitute a special type of high technology and high value added copper tube.
In 2005, the company introduced the new flexible CuSmart tubes to the market, consisting of a copper tube coated with a special compound. The CuSmart tubes retain all copper qualities (long life, resilience, hygiene, etc) at extremely competitive cost, with added benefits such as high flexibility, protection from external conditions, etc.

2) Copper strips and sheets under the trade name DOMA for building roofs and facades, as well as similar products made of titan zinc, under the trade name DOMAZINC.

3) 8 mm diameter copper wire, produced by continuous casting and rolling and used







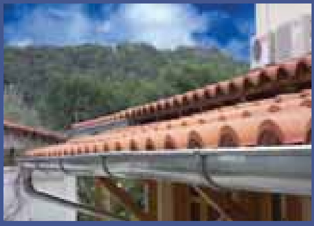










as feed material by the cable industry.

4) Coin blanks for the Bank of Greece,ranging from 1 to 50 cents.

5) Copper and brass circles as well as copper cartridge cups.

6) Copper and brass bars and flats, produced by Sofia Med and Fitco subsidiaries.

In addition to its own products, HALCOR S.A. also distributes third party products, supplementing its range, such as:

1) Copper tube fittings for building networks.

2) Copper and titan zinc water gutters and accessories.

4.3 Product Promotion and Distribution

HALCOR S.A. has an extensive trading network to promote and distribute products both in Greece and abroad.

The company operates sales outlets in Athens and Thessaloniki and has a representation agency in Crete.

In Greece, leading customers are air conditioning and heat pump manufacturers, small metal works and water and heating systems equipment merchants.

HALCOR S.A. sells its products abroad, through subsidiaries in Germany, Great Britain, France, Romania, Serbia - Montenegro as well as representatives in Italy, Portugal, Cyprus, Canada, Turkey, Israel and Switzerland. Recently, HALCOR S.A. has been expanding in the East European, Balkan and Middle Eastern markets, which present opportunities due to their growing economic activity.

4.4 Quality

Thorough control of products in all manufacturing stages ensures high quality, placing the company among the most successful in the demanding European and American markets. HALCOR S.A. product reliability is a comparative advantage. Continual manufacturing process improvement and product manufacture, within strict quality specifications are frequently audited by foreign certification agencies, granting HALCOR S.A. the relevant certificates.

Employee participation in production quality assurance is essential.

Quality control implementation with the use of sophisticated software, allows for maximum flexibility in meeting international standards as well as customised requirements and special needs, as well as after sales technical support.

The Company quality system complies with ISO 9001 and has been certified for its faithful application. The company's long dedication to quality is demonstrated in its being one of the first Greek companies in 1987 to start operating a certified quality management system (BS 5770); it became also part of the first ISO 9002 certified companies, in 1992.

Good quality also dictates environmental care, which HALCOR S.A. demonstrates during all manufacturing and processing stages. At the beginning of 2001, the tube mill received the ISO 14001 certificate, while the casting facilities received same in 2003. Finally, HALCOR S.A. has been registered in the European system EMAS

("Ecological Management and Control System"), as regards rolling production; the competent European Commisioner congratulated the company on this rolling production. It highlights the arduous efforts to improve company environmental and economic performance.

It should be noted that HALCOR S.A. environmental achievements include the capacity to recycle substantial quantities of copper scrap, ensuring product quality and resource conservation. In copper alloy production, the company implements the modern metal melting, by-product collection and emissions control methods aiming at air protection.

HALCOR S.A. has acquired the main quality marks, such as RAL and DVGW (Germany), BSI (Great Britain), NSF (USA - Canada), AFNOR (France), CSTB (France), TÜV (Germany), AENOR (Spain) and the Quality Certificate of the Russian Health Ministry (GOST). In 2005, it was registered in the Germanischer Lloyd (Germany) list, aiming at expanding product use in shipbuilding applications. In the same year, for the Quality Mark from the NSAI Irish organisation, the actual reception of which is expected in 2006, the acquisition process was initiated.

Finally, the company has developed special research laboratories in collaboration with the VIOHALCO Group's Greek Metals Centre (ELKEME) to study new product properties under realistic use and application conditions. The new company product, the "CuSmart" copper tube coated with polyeth-

ylene, has been put under strict tests. Test results became the foundation of a new ELOT (Hellenic Organization for Standardization) standard, which is to cover this product throughout Europe. Also, new products and their applications are being studied, such as the Zinc Titanium alloy (DOMA ZINC trade name), etc.

4.5 Manufacturing Process

• Casting facilities (55th km of the Athens-Lamia National Highway)

The manufacturing process starts at the casting facilities, which supply the other company production units with semi-finished products (billets and slabs) for final processing.

Copper cathodes, copper scrap, zinc ingots and other metals are used as the main raw materials to produce various copper and zinc alloys (lead, nickel, titanium, phosphorous copper master alloy, titanium zinc master alloy, brass scrap). Raw materials are fed to the furnaces where they are heated and melted; this in turn is poured into stand-by furnaces and from there to continuous or semi-continuous casting machines; the latter produce zinc slabs, copper rods and copper, brass and other copper alloy billets.

Six production lines operate in total and in particular, two semi-continuous melting and casting lines for brass billets (one for lead brass and one for pure brass billets), one semi-continuous melting and casting line for titan zinc slabs, one line for the production of special alloy slabs, one continuous vertical melting and casting line for copper billets and finally, one continuous melting, casting and in-line rolling line for the production of 8

mm diameter copper wire, an end product for HALCOR S.A. but feed material for the cable manufacturing industry.

• Tube mill (57th km of the Athens-Lamia National Highway)

The tube mill facilities manufacture copper tubes for water, heating, natural gas, cooling, air conditioning and industrial applications.

The tube mill is supplied with copper billets as feed material, by the company's casting facilities. Copper billets are heated in preheating and heating furnaces, to reach a temperature appropriate for extrusion. Hot billets end up in the extrusion press where they are hot shaped into a mother tube.

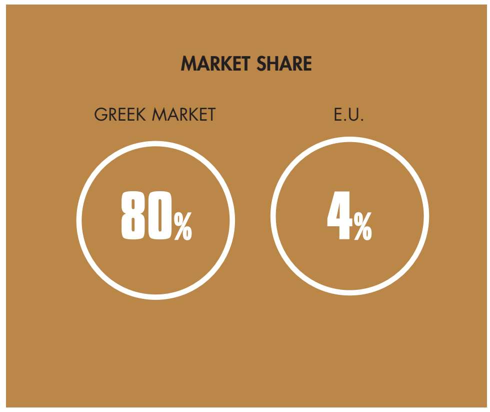
After the press, the mother tube is moved to intermediate machines, the puller and the run-out table where it is reduced in diameter and wall thickness, in room temperature.

Then, depending on the final product dimensions, the relevant subsequent manufacturing process is selected.

The first option refers to large diameter straight lengths (Φ>30 mm) which are shaped into their final form, by stretchers, following intermediate processing.

4.6 Market Share

HALCOR S.A. has a leading position in the Greek market, meeting 80% of requirements, while it represents 4% of European Union production in copper products. Internationally, the company successfully faces intense competition by emphasizing its quality, distribution network and competitive production cost.



The company has penetrated markets in all five continents, exporting products to over 40 countries. Exports, approximately 56,400 tons, represented 58% of finished product sales and were mainly directed to the European Union (85%), other European countries (3%), North America (5.5%) and the Middle East (6.5%). In 2005, the company extended its Balkan sales network.

HALCOR S.A. exports corresponded to approximately 1.65% of total Greek exports in 2005. The company's exports, at FOB value, reached Euro 231 million last year against Euro 207 million in 2004 but it was also adversely affected by the copper price increase.

5. Human Resources

HALCOR S.A. relies mainly on human resources. It is comprehensively manned with choice administrative, technical and scientific personnnel. Employee skills and knowledge are enhanced with life-long training and the company takes extra care for staff satisfactory remuneration and full health and safety in the work

environment. In 2005, the group employed 2,236 persons, their remuneration reaching Euro 53.8 million. Company employees reached 618 persons with renumeration reaching approximately Euro 22.79 million.

6. Fixed Assets and Property

6.1 HALCOR S.A. real estate property increased by approximately Euro 790 thousand in 2005, reaching a total acquisition value of Euro 19.7 million. Company land is mainly located in Oinophyta and Thisvi, Viotia and covers an area of approximately 515,000 sq.m.

6.2 Last year, new investments in buildings, technical works, mechanical equipment, transport means and other equipment amounted to Euro 17.7 million for the Group and Euro 3.9 million for the company. They mainly concerned production equipment improvements and the new CuSmart tube production.

In SOFIA MED S.A., investment was approximately Euro 8 million, mainly for product range expansion.

With the completion of the Euro 80 million investment programme, SOFIA MED S.A. will gradually reach a production capacity of 100,000 tons.

HALCOR S.A. holdings in various subsidiaries and affiliated companies amounted to Euro 105.2 million against Euro 85.5 million in the previous year, as in 2005, the SOFIA MED share capital increase, by approximately Euro 20 million was implemented.

7. 2005 Results

HALCOR S.A. turnover increased by 15%, to reach Euro 394 million. The main positive factors were international copper prices, initiation of titan zinc products manufacture and trade and 8 mm diameter copper wire higher sales, whereas negative factors were the copper and brass rolling transfer to the SOFIA MED S.A subsidiary and lower domestic sales, mainly at the beginning of the year.

Cost, including depreciation, increased by 17%, reaching Euro 359 million, forcing gross profit to fall by approximately 6%, reaching Euro 35.7 million. The main factor affecting lower income in relation to cost, was the international metal market developments forcing the company to keep processing prices stable or even lower, in certain cases. In contrast, copper price increases created capital gains, which favoured profits. Company operating profits before finance expenses, remained stable at Euro 18.7 million, with profits before tax at approximately Euro 14.3 million, a 12% increase against 2004. On the other hand, profits after tax fell by 34%, reaching Euro 9.5 million, which is

solely due to the tax rate change in Greece; this change had considerably favoured profits after tax in 2004, as a result of this change on deferred tax.

8. 2005 Balance Sheet

Company non depreciated tangible fixed assets fell by approximately Euro 4 million, as new investment was lower than the year's depreciation. Holdings in subsidiaries and affiliated companies increased by approximately Euro 20 million, mainly as a result of the SOFIA MED S.A share capital increase.

Since the second half of the year, the company has implemented an inventory reduction policy, leading to a lower inventory value in the Balance Sheet, by Euro 14 million, despite their considerable value increase. In contrast, as credit terms to customers did not change, trade accounts receivable in the Balance Sheet, rose by Euro 11 million, as a result of higher sales.

In liabilities, there was a reserve increase to Euro 61 million due to the 2004 profit distribution. The share capital and the above par reserve remained unchanged.

Total bank liabilities remained stable with short term liabilities slightly higher against lower long term liabilities. Liabilities to suppliers maintained an increase, due to delivery of materials at the end of the year, paid at the beginning of 2006.

Net operational cash flow was rather high at Euro 31.2 million against being negative by Euro 28.3 million in the previous year. In contrast, net investment flow was negative by Euro 23 million, due mainly to the net increase in holdings. Financial cash flow was negative by Euro 5.6 million, due mainly to dividend payments, with cash flow, at the end of the year, rising by Euro 2.5 million.

9. Company Financial Ratios

Ratios expressing the company's financial position are as follows:

Ratios:		**2005**	**2004**
Cash Flow:	Current Assets / Short Term Liabilities	2.74	3.99
Debt:	Equity / Loans	1.10	1.07
Leverage:	Profit before interest, tax, deprec. & amortiz. / Equity + Loans	6.3%	5.9%
ROE:	Net Profit / Equity	5.6%	8.7%

10. 2005 Consolidated Results

Consolidated sales increased by 27%, reaching Euro 712 million after elimination of intra-company transactions. Copper and brass flat product sales by SOFIA MED S.A. further increased consolidated sales, as Group total flat product sales increased by 30%.

Cost of products sold increased by 23.5% to Euro 651 million.

Net profits before tax, fell by 3%, reaching Euro 12.5 million while profits fell to Euro 5 million, against Euro 16.8 million in 2004. The factors affecting consolidated results are similar to those affecting company results (metal prices, processing margins, 2004 deferred tax effect).

11. 2005 Balance Sheet

The Group inventory reduction policy had a weaker effect on the consolidated balance sheet, amounting to Euro 1.5 million, while higher sales in trade accounts receivable was more significant, reaching Euro 29 million.

Consolidated loans were higher by Euro 28 million, particularly as concerns short term loans, as long terms loans decreased. Consolidated liabilities to suppliers increased as a result of the corresponding company increase.

Net operational cash flow was negative by Euro 1.2 million, against negative Euro 66.7 million. Investment cash flow in 2005, was - Euro 17.5 million against – Euro 21.6 million in 2004, both a result of Group investment in fixed assets. As a result of negative operational and investment cash flow, the Group has increased loans. Joined by dividend payments, this increase led to positive financing cash flow (Euro 22.4 million in 2005 against Euro 91.2 million in 2004). Finally, cash flow increased by Euro 3.8 million in 2005.

12. Consolidated Financial Ratios

Ratios expressing the HALCOR Group financial position are as follows:

Ratios:		**2005**	**2004**
Cash Flow:	Current Assets / Short Term Liabilities	1.68	1.97
Debt:	Equity / Loans	0.59	0.63
Leverage:	Profit before interest, tax, deprec. & amortiz. / Equity + Loans	4.4%	4.6%
ROE:	Net Profit / Equity	2.3%	7.7%

13. Dividend

Considering the company's progress up to date and favourable future prospects, management proposes an increase of dividends by 30% to reach Euro 0.065 per share. It is proposed that a total of Euro 6.3 million to be distributed to shareholders.

14. Subsidiary Companies Results

Major Subsidiary Companies:

14.1. HELLENIC CABLES S.A.

HALCOR S.A. controls 79.65% of HELLENIC CABLES S.A., established in 1973, by spinning of the VIOHALCO Group cable division, and listed on the Athens Stock Exchange, since 1994. It manufactures all types of power cables, copper and aluminium aerial conductors and enamelled wires at the new, large Thiva plant and at two other industrial facilities. Products are sold on the international and domestic market, under the registered trademark CABLEL. The company owns 100% of TELECABLES S.A. which manufactures telecommunications optical fibre cables and data cables for structured networks, at its factory in Oinophyta.

HELLENIC CABLES S.A. has acquired total control (99%) of the Romanian ICME ECAB S.A company, which manufactures power and telecommunications cables in Bucharest, on land covering an area of 268,000 sq.m. with covered industrial facilities 70,000 sq.m.

In 2005, the HELLENIC CABLES Group had consolidated sales of approximately Euro 201 million, a 15% increase against the previous year, and net profit before interest, tax, depreciation and amortization of Euro 13.6 million, higher by 14%. Profit before tax was at Euro 4.2 million and represented 2.1% of sales, against 1.2% previously.

HELLENIC CABLES S.A. turnover increased by 12%, reaching Euro 145 million while net profit before interest, tax, depreciation and amortization, by 23%, to Euro 8.7 million, or 6% of sales.

Group prospects are encouraging, considering the significant strengths of the parent company and its subsidiaries as a result of realized investments which are expected to further enhance the Group's international position, especially as concerns power cables.

The company's relocation to the Thiva plant, production flexibility and participation in the ICME ECAB S.A. subsidiary, has justified, as shown by results, the confidence corporate management showed in cables. The investment in Romania, which started six years ago, aims utilizing the Balkan's economic growth.

HELLENIC CABLES S.A. (consolidated results and balance sheet, as per the IFRS).

Million Euro	**2005**	**2004**
Sales	201	175
Current Assets	130	107
Shareholders' Equity	87	81
Total Liabilities	136	119
Profit before Tax	4.2	2.1
Profit before Minority Rights	3.0	3.6
Profit after Tax	3.1	3.7
Dividend per Share	-	-

14.2. FITCO S.A.

The Company was founded in 1984 with its registered office in Athens and was listed on the Athens Stock Exchange in 2001.

Following HALCOR's contribution of its brass rod and tube division on October 31, 2003, the former's participation in FITCO's share capital rose to 50.32%.

In September 2004, the majority of the manu-

facturing were relocated from Aspropyrgos, Attica to Oinophyta, Viotia.

On January 30, 2006 the HALCOR S.A. and FITCO S.A. Boards of Directors decided to merge the two companies, with the latter being absorbed by the former, according to Law 2166/93 and Law 2190/20. Following company valuations, the share exchange ratio was set at 0.78084608539 new HALCOR S.A. shares for each existing FITCO S.A. share.

In 2005, FITCO S.A. consolidated sales reached Euro 29.5 million, increased by 43% over the previous year. Sales volume increased by approximately 8%. Consolidated profit before tax amounted to Euro 823 thousand over 700 thousand in 2004.

In 2005, new investments rose to Euro 544 thousand, most of which were for mechanical equipment and installations improvements.
Consolidated current assets increased by 37% and total assets by approximately 10%. Total company liabilities increased by 22% reaching Euro 25 million, as a result of higher turnover against 2004. In July 2005, a Euro 12 million corporate bond loan was signed, in order to finance the Company under more favourable terms; this reduced short term bank liabilities to Euro 1.8 million.

The proposed dividend for 2005 amounts to Euro 0.046 per share, higher by 24%, against 2004 (Euro 0.037 per share).

FITCO S.A. (consolidated results & balance sheet)		
Million Euro	**2005**	**2004**
Sales	30	21
Current assets	22	16
Shareholders' Equity	28	28
Total Liabilities	25	20
Net Profit before Tax	0.82	0.67
Net Profit after Tax	0.6	2.3
Dividend per Share	0.046	0.037

14.3 SOFIA MED S.A.

The company was established in 2000, with its registered office in Sofia, Bulgaria, with the purpose of manufacturing and trading in non-ferrous products (copper, brass and copper alloys). The company bought the Bulgarian KOCM assets




and following a Euro 80 million investment programme it is anticipated to increase production capacity to 100,000 tons annually. Today, production capacity is 78,000 tons approximately. In 2005, it implemented investments of Euro 8.2 million, aiming chiefly at expanding the range of products manufactured. Company's share capital amounts to Euro 52 million, of which HALCOR S.A. owns 100%.

SOFIA MED S.A.		
Million Euro	**2005**	**2004**
Sales	148	48
Fixed Assets	73	67
Current Assets	57	41
Shareholders' Equity	52	32
Total Liabilities	98	88
Loss before Tax	7.5	6.2

14.4 METAL AGENCIES LTD

Headquartered in London, the company has the purpose of importing and trading in metal products in the United Kingdom and has a share capital of UKSTE 390 thousand. Sales increased by 6% last year to reach approximately Euro 58.3 million and recorded a 3.5% gross profit, at approximately Euro 2 million. Losses amounted to Euro 655 thousand against profits of Euro 367 thousand last year.

Metal Agencies LTD		
Million Euro	**2005**	**2004**
Sales	58	55
Fixed Assets	91	55
Current Assets	31	26
Bank Liabilities	10	10
Net Current Assets	1.5	2.0
(Loss) Profit	(0.654)	0.367

15. HALCOR's S.A. Goals and Prospects

HALCOR S.A. business activities are expected to move again within a difficult global economic environment. However, planning and manufacturing of new products, of high added value, as well as strenuous efforts to improve the company cost basis, underline its already strong position in Greece and its expansion in the Balkans. They also create well founded hopes, that this year will be better as concerns sales, margins and distributed profits. The tube mill investments are estimated at approximately Euro 10 million targeting further cost reduction with simultaneous increase in capacity and product quality. Furthermore, investment in manufacturing copper tube plastic coatings as well as cooperation with specialized foreign manufacturers to improve procedures and new products manufacturing, ensure that the company is continually alert, aiming at quality, customer satisfaction and financial results.

16. The Board of Directors and Corporate Management

The Board of Directors

Theodosios Papageorgopoulos,	Chairman, Executive Member
Ioannis Economou,	Vice Chairman, Non Executive Member
Georgios Passas,	Non Executive Member
Chris – Emmanouel Dimitrakopoulos,	Non Executive Member
Konstantinos Bakouris,	Non Executive Member
Efstathios Streeber,	Non Executive, Independent Member
Andreas Kyriazis,	Non Executive, Independent Member
Jean Chouvel,	Non Executive, Member
Athanasios Athanasopoulos,	Non Executive, Member
Andreas Katsanos,	Non Executive, Member

Corporate Management

Tasopoulos Menelaos, General Manager, Chemical Engineer, an Athens Technical University graduate, MSc in Economics και Operational Research from Columbia Univesity and PhD in Applied Engineering from Yale University. He has been a VIOHALCO Group staff member since 1996.

Konstantinos Kassotakis, Deputy General Manager, Economist, an Athens Economic University graduate. He has been VIOHALCO Group staff member since 1969.

Antonios Angelopoulos, Assistant General Manager, Economist, an Athens Economics University and London School of Ecomonics (MSc in Accounting & Finance)graduate. He has been a VIOHALCO Group staff member since 1998.

Spyridon Kokkolis, Financial Manager, Economist, an Athens Economics University graduate. He has been VIOHALCO Group staff member since 1993.

Stylianos Theodosiou, Technical Manager, Mechanical – Electrical Engineer, an Athens Technical University graduate, working for the company since 1969.

Athanasios Manis, Casting facilities Technical Manager, an Athens Technical University graduate in Mechanical – Electrical Engineering and Civil Engineering. He has been working for the company since 1988.

Anastasios Kasapoglou, Tube Mill Technical Manager, Mechanical – Electrical Engineer, an Athens Technical University graduate. He has been a VIOHALCO Group staff member since 1972.

Nikolaos Tarnanidis, Extruded Products Export Manager, Economist, a Piraeus Economics University graduate, M.Sc in Economics (London). He has been a VIOHALCO Group staff member since 1987.

Georgios Katsabis, Rolled Products Export Manager, Economist, a University of Athens Economics School and Thessaloniki University Law School graduate, M.Sc. from the London School of Economics. He has been a VIOHALCO Group staff member since 1995.

Ioannis Biris, Marketing Manager, Architect – Engineer. He has been working for the company since 2002.

Andreas Stratigopoulos, Domestic Sales Manager, Economist, a Piraeus Economics University and School of Statistics graduate. He has been a VIOHALCO Group staff member since 1966.

Emmanouel Gavalas, Piraeus Street Plant Technical Manager, Mechanical – Electrical Engineer, an Athens Technical University graduate. He has been part of the VIOHALKO Group staff since 1977.

Evangelos Karantinos, Deputy Technical Manager, Naval Architect Mechanical Engineer, a Berlin Technical University graduate. He has been working for the company since 1985.

Apostolos Kaimenopoulos, Tube Mill Production Manager, Mechanical Engineer, a Patras University graduate. He has been a VIOHALCO Group staff member since 1998.

Eftychios Kotsabasakis, Oinophyta Plants Administration Manager. He has been a VIOHALCO Group staff member since 1965.

Georgios Tsinopoulos, Oinophyta Plants Quality Control and Assurance Manager, Chemical Engineer, an Athens Technical University graduate and a University of Sheffield graduate, where he received a M.Met and a Ph.D. He has been working for the company since 1991.

Ioannis Papadimitriou, Tube Mill Scheduling Manager, a PhD holder from the Electrical – Mechanical Engineering School of the University of Hannover. He has been working for the company since 1991.

17. NOTICE

OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS OF **HALCOR, S.A. METAL WORKS** Reg. of A.E. No 2836/06/B/86/48

In compliance with the provisions of the Law and the Articles of Association of the Company, the Shareholders of **HALCOR, S.A. METAL WORKS** are hereby invited, by the Board of Directors, to attend the Company's Annual General Meeting, to be held on Thursday, June 15, 2006, at 13:00 hours, at the Hotel ATHENS IMPERIAL, Karaiskaki Square, Athens, in order to discuss and decide on the following:

AGENDA

1. To receive and approve the annual financial statements for the Company's financial year ended on December 31, 2005 as well as the reports of the Directors and the Auditors on them.
2. To discharge the Directors and the Auditors from all responsibility for damages for the financial year 2005.
3. To decide on the manner and the date of distribution of the profits of the financial year 2005.
4. To appoint Certified Auditors for the financial year 2006 and fix their remuneration.
5. To elect a new Board of Directors.
6. To approve: a) the Draft Merger Agreement, dated 24/03/2006, of the companies FITCO, S.A. and HALCOR, S.A. METAL WORKS, through absorption of the former by the latter, b) the explanatory report of the Board of Directors on the above Draft Merger Agreement, as well as the Board of Directors' report, according to article 289 of the Athens Exchange Regulations, c) the report of the Certified Auditor-Accountant, to ascertain the book value of the assets of the company to be absorbed d) the reports of the audit firms "BKR AUDIT FIRM, S.A." and "ABACUS AUDIT FIRM, S.A.", regarding the valuation of the companies to be merged, according to art.289 of the Athens Exchange Regulations and e) the merger of the above companies.
7. Increase of the Company's share capital through the absorption of the company FITCO S.A. and by capitalization of reserves – Increase of the nominal value of the Company's shares and the issue of new shares. Amendment of the pertinent art 5 of the Company's Articles of Association.
8. To appoint a representative of the Company, to appear before a notary public and sign the Act of the Merger Agreement.
9. To issue a debenture loan.
10. To approve Directors' remuneration, according to art.24par. 2 of C.L.2190/1920.
11. To complete the Company's object and to amend accordingly the pertinent article 4 of its Articles of Association.

Shareholders, desiring to attend the General Meeting, are required, at least five (5) days before the date fixed for its holding, to deposit at the Company's offices, 16 Himaras street, Maroussi, (tel.: 210 6861349, fax: 210 6861398) the documents certifying that their shares are blocked, together with the instruments appointing their proxies and, in general, to follow the provisions of the pertinent legislation and the Company's Articles of Association.

Athens, May 23, 2006
THE BOARD OF DIRECTORS

HALCOR METAL WORKS S.A.
Financial Statements

(Individual and Consolidated)

as of 31 December 2005

in accordance with the International

Financial Reporting Standards

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HALCOR S.A., COMPANY REGISTRATION No. 2836/06/B/86/48, Address: Athens Tower, 2nd Building, 2-4 Messogeion Avenue, 11527, Athens

HALCOR, S.A.

Summarised financial data and information for the financial year from January 1, 2005 to December 31, 2005
(Published according to L.2190 art. 135 concerning companies preparing annual financial statements, consolidated or not, following I.F.R.S.)

The figures illustrated below aim at giving general information about the financial position and results of HALCOR, S.A. and the Group HALCOR. The reader, wishing to be familiar with the company's financial position and results, should have access to the Company's Annual Financial Statements, as provided by the International Financial Reporting Standards, as well as to the audit report of the auditor-accountant. Indicatively, he can visit the company's web site, where the information and data in question are presented.

Registered office: Athens Tower, Building B, 2-4, Messogion Av. 11527 Athens **Company's No in the Reg. of S.A.:** 2836/06/86/48, **Prefecture :** Athens, **Board of Directors members:** Th.Papageorgopoulos (Chairman, executive member),J.Ikonomou(Vice-Chairman, non executive member), G.Passas, K.Bakouris, A. Athnassopoulos,J.Chouvel, A. Katsanos (non executive members), A. Kyriazis & E.Striber (Independent non executive members)., **Certified Auditor:** Michael Kokkinos (Reg.No. SOEL 12701), **Audit firm:** KPMG Kyriakou Certified Auditors, S.A., **Review type:** Unqualified opinion, **Web site of the Company:** www.halcor.gr

BALANCE SHEET

(Amounts in Euro)

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
ASSETS				
Fixed assets	314.603.762	316.416.478	218.746.423	202.898.386
Inventories	165.766.955	167.254.525	59.982.112	74.243.441
Trade receivables	165.365.806	125.162.210	70.895.767	53.647.587
Other assets	54.734.911	50.758.549	27.600.095	30.443.729
TOTAL ASSETS	**700.471.434**	**659.591.762**	**377.224.397**	**361.233.143**
LIABILITIES				
Long term liabilities	251.314.592	266.558.212	150.097.356	156.250.806
Short term bank borrowings	159.007.019	116.273.149	27.682.167	21.532.209
Other short term liabilities	70.897.633	58.104.739	30.076.215	18.091.723
Total liabilities (a)	481.219.244	440.936.100	207.855.738	195.874.738
Share capital	32.003.756	32.003.756	32.003.756	32.003.756
Other shareholders' equity	153.412.063	154.942.445	137.364.903	133.354.649
Total equity of the company's shareholders (b)	185.415.819	186.946.201	169.368.659	165.358.405
Minority rights (c)	33.836.371	31.709.461		
Total equity (d) = (b) + (c)	**219.252.190**	**218.655.662**	**169.368.659**	**165.358.405**
TOTAL LIABILITIES (e) = (a) + (d)	**700.471.434**	**659.591.762**	**377.224.397**	**361.233.143**

STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Net equity at the beginning of the Fin.Year (1/1/2005 & 1/1/2004 respectively)	217.749.432	204.761.781	164.750.827	154.852.662
Profit / (loss) for the year after taxes	5.004.958	16.861.932	9.536.591	14.384.986
	222.754.390	221.623.713	174.287.418	169.237.648
Increase / (decrease) of share capital				
Dividends distributed (profit)	(4.849.054)	(3.879.243)	(4.849.054)	(3.879.243)
Increase / decrease) of percentage holding in subsidiaries	612.909	(84.435)		
Net income recognised directly in equity	733.945	995.627	(69.705)	
Purchases / (sales) of own shares				
Net equity at the end of the financial year (31/12/2005 & 31/12/2004 respectively)	**219.252.190**	**218.655.662**	**169.368.659**	**165.358.405**

CASH FLOW STATEMENT

(Amounts in Euro)

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	1.01 - 31.12.2005	1.01 - 31.12.2004	1.01 - 31.12.2005	1.01 - 31.12.2004
Operating activities				
Profits before taxes	12.506.204	12.892.878	14.270.724	12.791.235
Plus / less adjustments for:				
Depreciation	21.044.727	17.859.868	8.241.750	7.980.267
Provisions	1.564.364	5.334.027	261.981	5.015.627
Results (income, expenses, profits, losses) from investing activities	(443.985)	(1.932.449)	(1.994.367)	(451.827)
Interest payable and related expenses	13.374.612	13.414.540	6.383.982	6.315.520
(Profit)/loss from the sale of fixed assets	(155.814)		(85.798)	(137.041)
(Profit)/Loss from the sale of investments	(39.955)		(39.955)	
Loss from destruction/Impairment of assets	661.122	9.771		
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	1.416.987	(64.544.555)	14.261.329	(28.292.155)
Decrease / (increase) of receivables	(42.822.477)	(41.568.944)	(11.426.530)	(27.582.266)
(Decrease) / Increase of obligations (except banks)	11.915.746	6.736.645	12.105.405	1.939.635
(Profit) / loss of fair value of derivatives	1.565.566		1.607.527	
Less:				
Interest payable and related expenses paid	(14.060.953)	(12.734.680)	(6.383.982)	(5.360.602)
Taxes paid	(7.738.098)	(2.212.675)	(5.952.565)	(561.922)
Total cash, used in, generated from operating activities (a)	**(1.211.954)**	**(66.745.574)**	**31.249.501**	**(28.343.529)**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	56.048	(1.146.515)	(20.988.730)	(939.876)
Purchase of tangible and intangible fixed assets	(18.704.220)	(21.620.434)	(4.271.622)	(5.932.732)
Receivables from sale of tangible and intangible fixed assets	875.849	783.977	231.410	271.306
Interest received	376.211	327.437	168.123	109.424
Dividends received	21.437	43.990	1.765.412	322.541
Purchases of financial assets at the fair value through results	(8.231)			
Total cash (used in) generated from investing activities (b)	**(17.382.906)**	**(21.611.545)**	**(23.095.407)**	**(6.169.337)**
Financing activities				
Receivables from capital increase				
Receivables from issued / assumed loans	65.875.154	161.355.316	30.000.000	100.000.000
Loans paid up	(39.148.989)	(66.015.297)	(30.768.095)	(61.224.853)
Paid up obligations (amortization)				
Dividends paid	(4.259.865)	(4.164.701)	(4.848.077)	(3.879.074)
Total cash (used in) generated from financing activities (c)	**22.466.300**	**91.175.318**	**(5.616.172)**	**34.896.073**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**3.871.440**	**2.818.199**	**2.537.922**	**383.207**
Cash and cash equivalents at the beginning of the financual year	12.374.801	9.556.602	4.118.539	3.735.331
Cash and cash equivalents at the end of the financial year	**16.246.241**	**12.374.801**	**6.656.461**	**4.118.538**

HALCOR, S.A.

Summarised financial data and information for the financial year from January 1, 2005 to December 31, 2005
(Published according to L.2190 art. 135 concerning companies preparing annual financial statements, consolidated or not, following I.F.R.S.)

INCOME STATEMENT (Amounts in Euro)	CONSOLIDATED FIGURES		COMPANY FIGURES	
	1.01 - 31.12.2005	1.01 - 31.12.2004	1.01 - 31.12.2005	1.01 - 31.12.2004
Total turnover	711.732.053	559.495.382	394.425.100	344.014.608
Gross Profit / (loss)	61.232.449	62.066.384	35.762.093	38.132.165
Profit / (loss) before taxes, financing	47.597.253	42.649.041	26.667.161	26.561.499
and investing results & depreciation				
	26.123.171	24.650.026	18.660.337	18.654.928
Profit / (loss) before taxes,				
financing and investing results	12.506.204	12.892.877	14.270.724	12.791.235
Profit / (loss) before taxes total	(7.501.247)	3.969.055	(4.734.133)	1.593.751
Less: Taxes	5.004.957	16.861.932	9.536.591	14.384.986
Profit / (loss) after taxes total				
Distributed to:	3.490.957	14.154.258	9.536.591	14.384.986
Company's shareholders	1.514.001	2.707.674		
Minority shareholders	5.004.958	16.861.932	9.536.591	14.384.986
	0,036	0,146	0,098	0,148
Profit per share after taxes - basic (in Euro)			0,065	0,050
Proposed dividend per share (in Euro)				

Additional data and information:

1. Follows data concerning the companies in which the Group participates:

Company name:	Country	% Holding	Consolidation Method	Undaudited Financial Years
HALCOR, S.A.	GREECE	Parent Co	Full consolidation	2002-2005
HELLENIC CABLES, S.A.	GREECE	79,65%	Full consolidation	2003-2005
FITCO, S.A.	GREECE	50,32%	Full consolidation	2003-2005
STEELMET, S.A.	GREECE	53,10%	Full consolidation	2003-2005
AKRO, S.A.	GREECE	84,50%	Full consolidation	2003-2005
E.BI.TE., S.A.	GREECE	100,00%	Full consolidation	2003-2005
SOFIA MED, S.A.	BULGARIA	100,00%	Full consolidation	2005
METAL AGENCIES LTD	UN.KINGDOM	93,28%	Full consolidation	2005
BELANTEL HOLDINGS LTD	CYPRUS	100,00%	Full consolidation	1999-2005
METAL GLOBE DOO	SERVIA	53,89%	Full consolidation	2002-2005
COPPERPROM LTD	GREECE	71,86%	Full consolidation	2003-2005
SYLLAN, S.A.	GREECE	75,16%	Full consolidation	2005
OGWELL LIMITED	CYPRUS	100,00%	Full consolidation	2005
DIAPEM TRADING, S.A.	GREECE	33,33%	Equity method	2003-2005
ELKEME, S.A.	GREECE	25,00%	Equity method	2003-2005
VEKTOR, S.A.	GREECE	33,33%	Equity method	2003-2005
S.C. STEELMET ROMANIA, S.A	ROMANIA	40,00%	Equity method	2002-2005
TEPRO METALL AG	GERMANY	31,79%	Equity method	1992-2004
ENERGY SOLUTIONS, S.A.	BULGARIA	38,60%	Equity method	2005
ELECTRIC PRODUCTION OF THISVI, S.A.	GREECE	20,00%	Equity method	2004-2005
VIEXAL LTD	GREECE	26,67%	Equity method	2003-2005

2. The companies OGWELL LIMITED & SYLLAN, S.A. are included in the consolidation for the first time, given that both of them have been incorp. in the Fin.Year 2005.
3. There is a pending appeal of the Company, concerning the fine imposed by the European Commission, regarding the violation of the competition rules prevailing the copper tubes market.
4. The financial statements of the Company are included in the consolidated financial statements prepared by the following company:

Company	Country of the Reg.Office	% holding	Consolidation method
VIOHALCO, S.A.	GREECE	67.75%	Full consolidation

5. There are no pending court decisions or claims under arbitration against the company, which may have a significant effect on its financial position or operation.
6. The Board of Directors of the companies HALCOR, S.A. and FITCO, S.A., during their meetings dated 30/1/2006 decided to start the merger procedure of the companies through absorption of the latter by the former.
7. The number of the personnel at the end of the current period was: COMPANY 618 , GROUP 2.336
8. There are mortgages, amounting in total to Euro 20 mil. on the real estate property of the subsidiary of HELLENIC CABLES, S.A., ICME ECAB S.A. in Romania.
9. The cumulative amounts of sales and purchases at the beginninmg of the financial year and the balances of receivables and obligations of the company at the end of the period, resulting from its transactions with related parties following the IFRS 24 are as follows:

	GROUP FIGURES	COMPANY FIGURES
i) Sales of goods and services	62.143.982	128.859.200
ii) Purchases of goods and services	63.376.981	39.808.624
iii) Receivables from related parties	9.868.992	14.580.362
iv) Obligations to related parties	10.845.272	6.030.267

10. The income tax in the income statement is analysed as follows (Amounts in Euro):

	GROUP FIGURES		COMPANY FIGURES	
	1.01 - 31.12.2005	1.01 - 31.12.2004	1.01 - 31.12.2005	1.01 - 31.12.2004
Income tax for the period	(7.139.840)	(5.973.567)	(4.563.847)	(4.150.806)
Deferred tax for the period	(361.407)	9.942.622	(170.286)	5.744.557

11. In the financial year 2004 certain figures have been revised, in order to become similar and comparable with those of the financial year 2005
12. The item to be noted in the Certified Auditors Report concern the unaudited by the Tax Authorities financial years of the Company and its subsidiaries.

Athens, March 14, 2006

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE FINANCIAL MANAGER
THEODOSSIOS PAPAGEORGOPOULOS	GEORGE PASSAS	MENELAOS TASSOPOULOS	SPYRIDON KOKOLIS
Id.C.No.H 679222	Id.C.No.Φ 020251	Id.C.No..Ξ 365174	Id.C.No.X 701209

Report
of the Board of Directors

A. GENERAL OVERVIEW

Fiscal year 2005 was not a very good year in terms of results mainly due to the conditions that the Company faced with regard to prices of copper and to the effects thereof on the market. The results of most of the company's subsidiaries remained stable in relation to 2004. As a result of the increases in the average prices of metal, the parent company's turnover increased by 14.7%, while, correspondingly, consolidated turnover increased by 27.2%. Profit margins, however, did not increase since competition was particularly severe in the international and, primarily, European market. In spite of unfavourable conditions, HALCOR group of companies managed to increase its quantities and improve its position in the copper sector.

In 2005, the average price of metal increased and was set at Euro 2,977 per ton, for cash prices, and Euro 2,835 per ton, for quarterly prices, respectively, while in 2004 the corresponding prices were Euro 2,307 and Euro 2,246.

These high copper prices naturally led to increased demands in working capital, which in turn led to an increased financial cost, the effect of which was offset, to a great extent, by the implementation of expenditure restraining and inventory reduction programs.

The parent company's profits before taxes amounted to approximately Euro 14.2 million, increased by 11.6% in comparison to the previous fiscal year. This increase was also due to the high sale price of copper during the year, which created capital gains. On a consolidated level, profits before taxes decreased by 3%, amounting to approximately Euro 12.5 million.

In 2005, HALCOR group of companies proceeded in investments of a total amount of approximately Euro 18 million, of which approximately Euro 8.2 million was invested in SOFIA MED S.A. in order to further expand the range of products that the company produced. Correspondingly the parent company proceed in investments of an amount of approximately Euro 5 million that concerned improvements in existing production equipment and in other investment projects.

Taking into consideration the progress that has been made and the prospects for future years, the company's management proposes a dividend distribution of Euro 0.065 per share against 0.05 per share that was distributed last year. Overall, the management proposes a dividend distribution of approximately Euro 6.3 million, a 30% increase in comparison to 2004.

B. FINANCIAL POSITION

The ratios that express the company's financial position developed as follows:

Ratios::		2005	2004
Liquidity:	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2,74	3,99
Owned Capital to Borrowed Capital:	$\frac{\text{Equity}}{\text{Loan Capital}}$	1,10	1,07
Capital Profitability:	$\frac{\text{Profits before taxes \& Financial}}{\text{Equity + Loan Capital}}$	6,3%	5,9%
Net Worth:	$\frac{\text{Net Profits}}{\text{Equity}}$	5,6%	8,7%

B. FINANCIAL POSITION (cont/d)

The coefficients that express the financial position of HALCOR Group of Companies are as follows:

Ratios:		2005	2004
Liquidity:	Current Assets / Current Liabilities	1,68	1,97
Owned Capital to Borrowed Capital:	Equity / Loan Capital	0,59	0,63
Capital Profitability:	Profits before taxes & Financial / Equity + Loan Capital	4,4%	4,6%
Net Worth:	Net Profits / Equity	2,3%	7,7%

C. GOALS AND PROSPECTS

The growth that we achieved in 2006 in combination with the prospects of an improved financial climate in the European Union and the United States of America leads us to have an optimistic attitude for 2006. The stabilisation of prices of metal also helps the demand for copper products to recover.

The new titanium zinc products that we began to produce from the beginning of 2005 have been well received by our customers in the European markets. We expect to increase our sales and achieve a greater profit margin in 2006. The merger between HALCOR and FITCO S.A., with the latter's absorption by the former, following the relative approvals of the companies' General Meetings, is considered a significant business venture on an economies of scale level.

To recapitulate, we believe that 2006 shall be a significant year in which we will achieve our primary goal, which is the to further develop HALCOR and to expand its activities in copper products.

Balance Sheet

Amounts in Euro

	Notes	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
ASSETS					
Non-current assets					
Tangible fixed assets	7	297.714.814	301.134.082	112.504.324	116.482.024
Intangible fixed assets	8	2.832.015	2.978.592	397.784	300.896
Investments in real estate	9	2.168.074	2.168.074	-	-
Investments	10	6.842.589	7.535.319	105.184.381	85.470.088
Financial assets available for sale	11	730.890	1.042.312	252.272	252.272
Deferred tax claims	12	1.022.073	809.888	-	-
Other receivables	14	3.293.307	748.212	407.662	393.105
Total non-current assets		**314.603.763**	**316.416.478**	**218.746.422**	**202.898.385**
Current assets					
Inventories	13	165.766.955	167.254.525	59.982.112	74.243.441
Trade and other receivables	14	202.224.088	163.545.958	90.866.895	79.972.778
Derivatives	15	1.622.157	-	972.507	-
Financial assets at reasonable value through the profit and loss statement		8.231	-	-	-
Cash and cash equivalents	16	16.246.241	12.374.801	6.656.461	4.118.539
Total Current assets		385.867.672	343.175.284	158.477.975	158.334.757
Total assets		**700.471.435**	**659.591.762**	**377.224.397**	**361.233.143**
EQUITY					
Shareholder's equity					
Share capital	17	32.003.756	32.003.756	32.003.756	32.003.756
Above par reserve	17	65.230.753	65.230.753	65.230.753	65.230.753
Foreign exchange differences from the consolidation of foreign subsidiaries	18	-516.781	-92.352	-	-
Other reserves	18	61.611.677	54.215.684	61.320.370	54.147.302
Profits/(losses) carried forward		27.086.413	35.588.359	10.813.780	13.976.593
Total		185.415.819	186.946.201	169.368.659	165.358.404
Minority interest		**33.836.371**	**31.709.461**	**-**	**-**
Total equity		**219.252.190**	**218.655.662**	**169.368.659**	**165.358.404**
LIABILITIES					
Long-term liabilities					
Loans	19	213.749.227	229.756.932	125.522.404	132.440.457
Derivatives	15	1.015.076	-	653.279	-
Deferred tax liabilities	12	24.736.580	24.745.743	16.771.217	16.826.693
Personnel retirement benefits payable	20	3.948.694	3.591.970	1.783.808	1.590.191
Subsidies	21	2.662.325	3.393.991	366.647	393.465
Provisions	23	5.192.103	5.035.831	5.000.000	5.000.000
Other long-term liabilities		10.586	33.745	-	-
		251.314.592	**266.558.212**	**150.097.355**	**156.250.806**
Current liabilities					
Suppliers and other liabilities	22	61.508.994	50.547.028	24.237.645	12.516.790
Current tax liabilities	26	7.856.925	7.557.711	4.616.300	5.574.934
Loans	19	159.007.019	116.273.149	27.682.167	21.532.209
Derivatives	15	1.531.715	-	1.222.271	-
		229.904.653	**174.377.888**	**57.758.383**	**39.623.933**
Total liabilities		**481.219.245**	**440.936.101**	**207.855.738**	**195.874.739**
Total equity and liabilities		**700.471.435**	**659.591.762**	**377.224.397**	**361.233.143**

The notes attached hereto from pages 35 to 70 constitute an integral part of these financial statements.

PROFIT AND LOSS STATEMENT

Amounts in Euro

	Notes	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY 2005	COMPANY 2004
Sales	6	711.732.053	559.495.382	394.425.100	344.014.608
Cost of sales	24	-650.499.605	-497.428.998	-358.663.006	-305.882.443
Gross Profit		**61.232.449**	**62.066.384**	**35.762.093**	**38.132.165**
Distribution expenses	24	-14.476.626	-12.237.793	-6.509.497	-4.629.898
Administrative expenses	24	-21.742.975	-26.766.255	-11.288.904	-15.632.918
Other operating income	27	1.110.323	1.587.690	696.645	785.579
Operating profit before financial expenses		**26.123.171**	**24.650.026**	**18.660.337**	**18.654.928**
Financial expenses	25	-13.623.909	-12.943.213	-6.155.026	-6.186.234
Income from dividends		21.437	43.990	1.765.413	322.541
Profits/losses from associated companies		-14.496	1.142.074	0	0
Profits before taxes		**12.506.204**	**12.892.878**	**14.270.724**	**12.791.235**
Income tax	26	-7.501.247	3.969.055	-4.734.133	1.593.751
Net profits of the period		**5.004.957**	**16.861.932**	**9.536.591**	**14.384.986**
Allocated to:					
Parent company's shareholders		3.490.957	14.154.258	9.536.591	14.384.986
Minority interest		1.514.001	2.707.674	-	-
		5.004.957	**16.861.933**	**9.536.591**	**14.384.986**
Profits per share that correspond to the parent company's shareholders for the period (expressed in Euro per share)					
Basic and reduced		0,036	0,146	0,098	0,148

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro

Financial statements as of 31 December 2005

	Share capital (of the parent company's shareholders)	Premium on capital stock	Other reserves	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority interest	Total Equity
CONSOLIDATED FIGURES								
Balance as of 1 January 2004	**32.003.756**	**65.230.753**	**50.489.119**	**25.431.224**	**-**	**173.154.852**	**31.606.929**	**204.761.781**
Foreign exchange differences	-	-	-	-	-92.352	-92.352	186.968	94.616
Profit/(loss) directly recognised in equity	-	-	-	966.637	-	966.637	-	966.637
Net profit of the period	-	-	-	14.154.258	-	14.154.258	2.707.674	16.861.932
Total recognised net profit of the period	-	-	-	15.120.895	-92.352	15.028.543	2.894.642	17.923.185
Increase-decrease in the holding percentage of subsidiaries	-	-	-	2.707.675	-	2.707.675	-2.792.110	-84.435
Transfer of reserves	-	-	3.726.565	-3.792.191	-	-65.626	-	-65.626
Dividend	-	-	-	-3.879.243	-	-3.879.243	-	-3.879.243
	-	-	3.726.565	-4.963.760	-	-1.237.195	-2.792.110	-4.029.304
Balance as of 31 December 2004	**32.003.756**	**65.230.753**	**54.215.684**	**35.588.359**	**-92.352**	**186.946.200**	**31.709.461**	**218.655.662**
Application of IAS 32 & 39	**-**	**-**	**-882.121**	**-24.109**		**-906.230**		**-906.230**
Balance as of 1 January 2005	**32.003.756**	**65.230.753**	**53.333.563**	**35.564.250**	**-92.352**	**186.039.971**	**31.709.461**	**217.749.432**
Foreign exchange differences	-	-	-	-	-424.429	-424.429	-	-424.429
Profit/(loss) directly recognised in equity	-	-	390.482	767.893	-	1.158.374	-	1.158.374
Net profit of the period	-	-	-	3.490.957	-	3.490.957	1.514.001	5.004.958
Total recognised net profit of the period	-	-	390.482	4.258.849	-424.429	4.224.901	1.514.001	5.738.902
Increase-decrease in the holding percentage of subsidiaries	-	-	-	-	-	-	612.909	612.909
Transfer of reserves	-	-	7.887.633	-7.887.632	-	1	-	1
Dividend	-	-	-	-4.849.054	-	-4.849.054	-	-4.849.054
	-	-	7.887.633	-12.736.686	-	-4.849.053	612.909	-4.236.144
Balance as of 31 December 2005	**32.003.756**	**65.230.753**	**61.611.677**	**27.086.413**	**-516.781**	**185.415.819**	**33.836.371**	**219.252.190**

The notes attached hereto from pages 35 to 70 constitute an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (cont/d)

Amounts in Euro

Financial statements as of 31 December 2005

	of the parent company's shareholders							
	Share capital	Premium on capital stock	Other reserves	Results carried forward	Foreign exchange differences due to consolidation	Total	Minority interest	Total Equity
COMPANY FIGURES								
Balance as of 1 Jan. 2004	**32.003.756**	**65.230.753**	**50.489.094**	**7.129.059**		**154.852.662**	**-**	**154.852.662**
Net profit of the period	-	-	-	14.384.986	-	14.384.986	-	14.384.986
Total recognised net profit of the period	-	-	-	14.384.986	-	14.384.986	-	14.384.986
Transfer of reserves (from distribution)	-	-	3.658.208	-3.658.208	-	-	-	
Dividend	-	-	-	-3.879.243	-	-3.879.243	-	-3.879.243
	-	-	3.658.208	-7.537.451	-	-3.879.243	-	-3.879.243
Balance as of 31 Dec. 2004	**32.003.756**	**65.230.753**	**54.147.302**	**13.976.593**	**-**	**165.358.405**	**-**	**165.358.405**
Application of IAS 32 & 39			**-607.577**			**-607.577**		**-607.577**
Balance as of 1 Jan. 2005	**32.003.756**	**65.230.753**	**53.539.725**	**13.976.593**	**-**	**164.750.827**	**-**	**164.750.827**
Profit/(loss) directly recognised in equity	-		- 69.705,25	-	-	-69.705	-	-69.705
Net profit of the period				9.536.591		9.536.591		9.536.591
Total recognised net profit	-	-	- 69.705,25	9.536.591	-	9.466.885	-	9.466.885
Transfer of reserves			7.850.350	-7.850.350		0		0
Dividend				-4.849.054		-4.849.054		-4.849.054
	-	-	7.850.350	-12.699.404	-	-4.849.054	-	-4.849.054
Balance as of 31 Dec. 2005	**32.003.756**	**65.230.753**	**61.320.370**	**10.813.780**	**-**	**169.368.659**	**-**	**169.368.659**

CASH FLOW STATEMENT

Amounts in Euro

		CONSOLIDATED FIGURES		COMPANY	
	Notes	2005	2004	2005	2004
Cash flows from operating activities					
Cash flows from operating activities	28	20.587.096	-51.798.219	43.586.048	-22.421.005
Interest paid		-14.060.953	-12.734.680	-6.383.982	-5.360.602
Income tax paid		-7.738.098	-2.212.675	-5.952.565	-561.922
Net cash flows from operating activities		**-1.211.954**	**-66.745.574**	**31.249.501**	**-28.343.529**
Cash flows from investment activities					
Purchase of tangible fixed assets		-17.704.406	-21.186.512	-3.964.659	-5.751.065
Purchase of intangible fixed assets		-999.815	-433.921	-306.964	-181.667
Sale of tangible fixed assets		872.350	780.051	231.410	271.306
Sale of intangible fixed assets		3.499	3.926	-	-
Sale of holdings		16.024.448	82.223	16.024.448	82.223
Dividends received		21.437	43.990	1.765.412	322.541
Purchase of financial assets at reasonable value through the profit and loss statement		-8.231	-	-	-
Interest received		376.211	327.437	168.123	109.424
Increase in holdings in associated companies		-8.400	-821.613	-	-12.000
Increase in holdings in subsidiaries		-15.960.000	-	-37.004.779	-769.916
Increase in holdings in other holdings		-	-407.125	-8.400	-240.183
Net cash flows from investment activities		**-17.382.906**	**-21.611.545**	**-23.095.407**	**-6.169.337**
Cash flows from financing activities					
Dividends paid to the parent company's shareholders		-3.877.805	-4.164.701	-4.848.077	-3.879.074
Loans received		65.875.154	161.355.316	30.000.000	100.000.000
Settlement of loans		-39.148.989	-66.015.297	-30.768.095	-61.224.853
Dividends paid to minority interest		-382.060	-	-	-
Net cash flows from financing activities		**22.466.300**	**91.175.318**	**-5.616.172**	**34.896.073**
Net (decrease)/increase in cash and cash equivalents		**3.871.440**	**2.818.199**	**2.537.922**	**383.207**
Cash at beginning of period		12.374.801	9.556.602	4.118.539	3.735.331
Cash at end of period		**16.246.241**	**12.374.801**	**6.656.461**	**4.118.539**

The notes attached hereto from pages 35 to 70 constitute an integral part of these financial statements.

Notes to the Financial Statements as of 31 December 2005

Notes to the Financial Statements as of 31 December 2005

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

1. The Group's Incorporation and Business

HALCOR METAL WORKS S.A. (formerly VECTOR S.A. Metals Processing Company) (or "HALCOR" or the "Company") was incorporated in 1997 under act No. 14689 p.e. 23.2.1977 of the Prefect of Attica and the decisions of approval that were published in the Government Gazette (G.G. Companies issue No. 290-2.3.1977) and is registered in the Public Limited Companies register under No. 2836/06/B/86/48. in 1977 the merger of the companies VECTOR S.A. and (the former) HALCOR S.A. took place and was finalised by the Ministry of Growth's decision taken on 5/6/97, recorded in the Public Limited Companies Register and published in G.G. 2865/06-06-1977) Companies Issue.

The Company has a duration of 50 years from the date of publication of its Articles of Association, that is up to 2027. it has been listed on the Athens Stock Exchange since 1996 and is a member of the VIOHALCO Group.

HALCOR S.A. manufactures copper, brass and other copper alloy rolled and extrusion products. The company is vertically integrated and it is the only Company in Greece that manufactures copper pipes, and holds a leading position in the manufacture and trade of copper, brass and other copper alloy products, as well as copper wire.

The Company's Financial Statements for the fiscal year that ended on 31 December 2005 include the Individual Financial Statements of HALCOR and the Company's Consolidated Financial Statements (together referred to as the "Group"). The names of the subsidiary companies are presented in Note 10 of the Financial Statements.

The Group's corps business is the manufacture of rolled and extrusion copper and copper alloy products, extrusion zinc products and all kinds of cables.

The Group carries out its business in Greece, Bulgaria, Romania, Cyprus, the United Kingdom, France and Serbia-Montenegro.

The Company's shares, as well as those of its Subsidiaries "HELLENIC CABLES S.A." and "FITCO S.A." are traded on the Athens Stock Exchange.

The Company's registered offices are located in Athens, Athens Tower – 2nd Building, 2-4 Messogeion Avenue, Postal Code 115 27. The Company's headquarters and its communication address is at the 57th km of the Athens-Lamia National Road, Inofyta, Postal Code GR-32011. The company's web-site is at www.halcor.gr.

The Individual and Consolidated Financial Statements as of 31 December 2005 attached were approved for publication by the Company's Board of Directors on 9 March 2005.

2. The basis on which the Financial Statements were prepared

(a) Note of Compliance

The Financial Statements have been drawn up in accordance with the International Financial Reporting Standards (I.F.R.S.) that have been adopted by the European Union. These are the Group's first Annual Financial Statements and I.F.R.S. 1 has been applied.

In accordance with European Legislation 1606/2002 and according to Law 3229/04 (as amended by Law 3301/04), Greek Companies listed on any Stock Exchange (domestic or foreign) must draw up their financial statements for the years beginning on 1 January 2005 and thereafter, in accordance with the I.F.R.S. In accordance with the I.F.R.S. and the above mentioned Greek legislation, the above companies must present comparative financial information in accordance with the I.F.R.S., for one year at least (31 December 2004).

Explanation on how transfer to the I.F.R.S. has affected both the Group's and the Company's asset structure and financial position is presented in Note 5.

(b) Basis of Presentation

The Company took advantage of the exception provided by I.F.R.S. 1 and applied I.A.S 32 and I.A.S. 39 as of 1 January 2005.

The Financial Statements were drawn up on the basis of the historical cost principle with the exception of derivatives that are recorded at their reasonable value. The Financial Statements are depicted in Euro unless otherwise stated.

When drawing up financial statements in accordance with the I.F.R.S. it is necessary to resort to evaluations and judgements in application of the accounting principles. It is also necessary to resort to calculations and assumptions that affect the application of the principles as well as the aforementioned asset and liability figures, the disclosure of possible receivables and liabilities on the date the financial statements are drawn up and the income and expenses figures mentioned during the year under review. Despite the fact that these calculations are based on Management's best possible knowledge of current conditions and actions, the actual results may ultimately differ from those calculations.

The evaluations and the relative assumptions are revised on a continuous basis. These revisions are recognised in the period in which they were effected and affect the relative periods that they concern.

During the preparation of the first financial statements in accordance with the I.F.R.S. certain figures of fiscal year 2004 has been readjusted so that they may be comparable with those of the current fiscal year.

The accounting policies that are presented below have been consistently applied in all the periods that are presented in these Financial Statements, as well as in the preparation of the transfer Balance Sheet.

The accounting policies have been consistently applied by all of the Group's companies.

Basic Accounting Policies

3.1 Consolidated Financial Statements

(a) Subsidiary Companies

Subsidiaries are the companies controlled by the parent company. Control is exercised when the parent company has the power to reach decisions, directly or indirectly, that concern the subsidiaries' principles of financial management with the purpose of benefiting therefrom. The existence of any potential voting rights which may be exercised at the of drawing up the financial statements are taken into account in order to ascertain whether the parent company controls the subsidiaries. The subsidiaries are consolidated in full (integrated consolidation) from the date control over them is acquired and cease to be consolidated from the date that such control ceases to exist.

The buy out of a subsidiary by the Group is accounted according to the method of buy out. The acquisition cost of a subsidiary is the reasonable value of assets given, shares issued and liabilities assumed on the date of the exchange, plus any cost directly related to the transition. The individual assets, liabilities and possible liabilities acquired in a business merger are apportioned during the acquisition at their reasonable values regardless of the holding percentage. Acquisition cost beyond the reasonable value of the individual items acquired, is recorded as goodwill. Goodwill is periodically subject, at least annually, to an evaluation for any possible impairment. This evaluation is effected based on the provision of I.A.S. 36 "Impairment of Assets". If the overall cost of the buy out is less than the reasonable value of the individual items acquired, the difference shall be entered directly in the profit and loss statement.

Inter-company transactions, balances and non-realised profits from transactions between the Group's companies are eliminated. Non-realised losses are also eliminated unless the transaction contains indications of impairment in the transferred asset. The accounting principles of the subsidiaries have been amended, wherever this was necessary, so as to be in uniformity with those adopted by the Group.

The Company records investments in subsidiaries in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

(b) Affiliated Companies

Affiliated companies are those over which the Group has material influence, but not control over their financial and operating policies, which is generally valid when percentage holdings fluctuate between 20% and 50% of voting rights. Investments in associated companies are accounted by the net worth method and are initially recognised at acquisition cost, increased or decreased by the Group's holding percentage in the profits and losses thereof after the date it acquired the significant influence and until this influence ceases to exist, as well as all corresponding increases and decreases of the holding's net worth. The investment in associated companies account includes the goodwill arising from the buy out (less any impairment).

The Group's share of the affiliated companies' profit or loss after the buy out is recognised in the Profit and Loss Statement, while its share in the variation of reserves after the buy out is recognised in the Reserves account. Accumulated variations affect the accounting value of investments in affiliated companies. Should the Group's share in the loss of an affiliated company exceed the value of the investment in the associated company, no additional loss is recognised, unless payments have been effected or further commitments have been undertaken on behalf of the affiliated company.

Non-realised profits from transactions between the group and its affiliated companies are eliminated by the percentage of the Group's holding in the affiliated companies. Non-realised losses are eliminated unless the transaction provides indications of impairment in the transferred asset. The accounting policies of affiliated companies have been amended so as to be in uniformity with those that have been adopted by the Group.

The Company records investments in affiliated companies in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

3.2 Information by sector

A business sector is defined as a group of assets and operations providing goods and services which are subject to risks and returns different from those of other business sectors. A geographic sector is defined as a geographical area where goods and services subject to risks and returns different from other areas are provided.

3.3 Currency conversion

(a) Evaluation Currency and Presentation Currency

The items of the financial statements of the Group's companies are calculated in the currency of the primary financial environment in which the company operates ("operational currency").

The Consolidated Financial Statements are shown in Euro, which is the operational currency and the presentation currency of the parent Company.

(b) Transactions and Balances

Transactions in foreign currency are converted into the operational currency based on the foreign currency's official rate that prevails on the date the transaction took place. Profits and losses from currency differences deriving after clearing of such transactions during the fiscal year and after the conversion of currency items expressed in foreign currency at the parity rates prevailing on the date of the balance sheet, are recorded in the Profit and Loss Statement.

(c) The Group's Companies

Currencies of the Group's companies' financial statements (none of which is in the currency of a hyper inflated economy), that are in a different operational currency than the group's presentation currency are converted as follows:

Assets and liabilities of activities that are carried out abroad, including the goodwill and readjustment of reasonable values that arise during consolidation, are converted to Euro based on the foreign currency's official rate that prevails on the date of the Balance Sheet.

Income and expenses are converted to Euro based on the foreign currency's average rate during the fiscal year, which reflects the foreign exchange parity that prevails on the date the relative transaction took place.

Foreign exchange differences arising from the conversion of the net investment in a foreign business and of the relative offsets are recognised in a different line in the Equity account. When a foreign business is sold, accumulated foreign exchange differences are transferred to the Profit and Loss Statement as part of the profit or loss from the sale.

3.4 Tangible Fixed Assets

Tangible fixed assets are shown at acquisition cost less accumulated depreciation and any impairment of the value thereof. Acquisition cost includes all expenditures that are directly associated with the acquisition of the fixed asset.

Later expenditures are recorded as an augmentation in the accounting value of the tangible fixed assets or as a separate fixed asset only where there is a possibility that the future financial benefits shall flow into the group and their cost may be reliably accounted. Repairs and maintenance costs are recorded in the Profit and Loss Statement when they are carried out.

Land is not depreciated. Depreciation on other tangible fixed asset items is calculated by the straight line method during the estimated useful lives of these assets and of the sections thereof. Useful lives are estimated as follows:

- Buildings	20-33 years
- Mechanical equipment	1-18 years
- Automobiles	5-7 years
- Other equipment	3-5 years

The residual values and the useful life of tangible fixed assets are subject to review on every balance sheet date, if this is deemed necessary.

When the accounting values of tangible fixed assets exceed their estimated replacement cost the difference (impairment) is recorded as a result in the Profit and Loss Statement.

When tangible fixed assets are sold, the differences arising between the consideration received and their accounting value is recorded as a profit or loss in the Profit and Loss Statement.

Financial expenses related to the construction of assets are capitalised for the period of time required till construction has been completed. All other financial expenses are recorded in the Profit and Loss Statement.

3.5 Intangible Fixed Assets

Intangible fixed assets that are acquired separately are recognised at their acquisition cost while intangible fixed assets that are acquired through the purchase of companies are recognised at their reasonable value on the date of acquisition. They are subsequently evaluated at this amount less accumulated depreciation and any possible accumulated impairment of their value. Intangible fixed assets may have either a definite or indefinite useful life. The cost of intangible fixed assets that have a definite useful life are depreciated during the period of their estimated useful life with the straight line method. Intangible fixed assets are depreciated from the date on which they become available. Intangible fixed assets with an indefinite useful life are not depreciated but are periodically subject (at least annually) to an evaluation of any possible impairment of their value based on the provisions of I.A.S. 36 "Impairment of Assets". Residual values are not recognised. The useful life of intangible fixed assets are evaluated on an annual basis. Intangible fixed assets are controlled for impairment, at least annually, on an individual level or on a cash flow creation level to which they belong.

Software licenses are evaluated at acquisition cost less accumulated depreciation, less any accumulated impairment. They are depreciated by the straight line method over their useful life, which is from 3 to 5 years.

Expenditure necessary for the development and maintenance of software is recognised as an expense in the Profit and Loss Statement for the year in which it occurs.

3.6 Impairment in value of assets

The book value of the Group's assets are controlled for impairment when there are indications that their book value will not be recovered. In this case, the asset's recoverable amount is determined and if the book value thereof exceeds the estimated recoverable value, an impairment loss is recognised, which is recorded directly in the Profit and Loss Statement. The recoverable value is the greater amount between an asset's reasonable value, less the cost that is required for the sale thereof, and the value of the use thereof. In order to estimate the use value, the estimated future cash flows are discounted to the asset's present value with the use of a pre-tax rate that reflects the market's current estimations for the cash's temporal value and for the risks that are associated with these assets. If an asset does not effect significant independent cash flows, the recoverable amount is determined for the cash flow production unit to which the asset belongs.

If an impairment loss is recognised, on each balance sheet date the Group examines if the conditions that led to the recognition thereof continue to exist. In this case, the asset's recoverable value is re-determined and the impairment loss is offset restoring the asset's book value to its recoverable amount to the extent that this does not exceed its book value (net of depreciation) that would have been determined if an impairment loss had not been recorded.

3.7 Investments

As of 1 January 2005 investments are classified according to the purpose for which they were acquired. Management decides on the appropriate classification of the investment when the investment is acquired and reviews the classification every presentation date.

(a) Financial assets at reasonable value through the Profit and Loss Statement

This category includes financial assets acquired for the purpose of being resold soon. Assets in this category are classified as Current Assets if they are held to be traded or if it is expected that they shall be sold within 21 months from the balance sheet date.

(b) Investments held till expiry

Include investments with fixed or pre-determined payments and a specific expiry date which the Group is intending as far as possible to hold onto until their expiry.

(c) Financial assets available for sale

Include assets which are either designated for this category or cannot be classified in one of the above categories. They are included in non-Current Assets provided Management does not intent to liquidate them within 12 months form the balance sheet date.

Purchases and sales of investments are recognised on the date of the transaction which is the date the Group commits itself to buy or sell the item. Investments are initially recognised at their reasonable value plus transaction costs. Investments are eliminated when the rights to collect cash flows from the investments expire or are transferred and the Group has materially transferred all risks and benefits inherent in their ownership.

Subsequently, the financial assets for sale are evaluated at their reasonable value and the relative profit or loss is recorded in an equity reserve till these items are sold or defined as impairment. When sold or defined as impairment, the profit or loss is transferred to the profit and loss statement. Impairment loss recognised in the Profit and Loss Statement cannot be reversed through the profit and loss statement.

Realised and non-realised profit or loss arising from variation in the reasonable value of financial assets are evaluated at their reasonable value with variations in the profit and loss statement, and recognised in the Profit and Loss Statement of the period in which they occurred.

The reasonable values of financial assets traded on active markets are designated by the current bid price. For non-traded assets, reasonable values are designated by the use of evaluation methods such as an analysis of recent transactions, reference comparable items that are traded and discounted cash flow.

On every balance sheet date the Group assess whether there are any objective indications leading to the conclusion that financial assets have suffered impairment. For shares in companies that have been classified as financial assets available for sale, such an indication is a significant or prolonged fall in its reasonable value compared to its acquisition cost. If impairment is ascertained, the accumulated loss in Equity which is the difference between acquisition cost and reasonable cost is transferred to the Profit and Loss Statement. Impairment loss in holding titles recorded in the Profit and Loss Statement cannot be reversed through the profit and loss statement.

3.8 Inventories

Inventories are evaluated at the lower, per type, price between the acquisition cost and net liquidation value. Acquisition cost is designated by the weighted average cost method. Net liquidation value is evaluated on the basis of current stock sale prices in the context of usual business after subtracting any cost of completion and sale where there is such a case. It is hereby noted that specially in the case of by-products, these are evaluated directly at their net liquidation value. Eliminations are recognised in the Profit and Loss Statement of the year in which they occur.

3.9 Customers and Other Current Receivables

Customer account receivables are recorded at cost and are controlled on an annual basis for impairment. Impairment losses are recorded when there is an objective indication that the Group is not in a position to collect all the sums owed on the basis of contractual terms. The provision figure is recorded as an expense in the Profit and Loss Statement. Possible deletions of receivables from accounts receivables are effected through the provision that has been formed. Receivables that are deemed as doubtful are deleted.

3.10 Cash and Cash Equivalents

Cash and cash equivalents include the cash balance, sigh deposits, highly liquefiable and low risk short-term investments up to 3 months and overdraft bank accounts.

3.11 Share capital

Direct costs for the issue of shares appear after the subtraction of the relevant income tax as a reduction of the above par reserve.

Acquisition cost of own shares, including the direct expenses thereof, appears in a separate account as a negative figure in the Company's Equity, till these own shares are sold, cancelled or re-issued. Any profit or loss from the sale of own shares net of other direct expenses and taxes on the transaction appears as a Reserve in Equity.

3.12 Interest-bearing Loans

Loans are initially recorded at their reasonable value. Following their initial recording they are monitored at their outstanding balance.

Loans are classified as Current Liabilities unless the Group has the right to postpone final settlement of the liability for at least 12 months from the date of the balance sheet. In this case they are classified as Long-term Liabilities.

3.13 Income Tax

Income tax of the fiscal year is comprised of both current and deferred tax. Income tax is recorded in the Profit and Loss Statement unless it concerns amounts that are directly

recorded in Equity, in which case it is recorded in Equity. Current income tax is the expected payable tax against taxable income of the fiscal year, based on the instituted tax rates on the balance sheet date, as well as any readjustment to the payable tax of previous fiscal years.
Deferred income tax is designated by the balance sheet method, based on the balance sheet, which derives from the provisional differences between the accounting value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it derives from the initial recognition of an asset or liability item in a transaction, apart from a business merger, which when the transaction took place, affected neither the accounting nor the taxation profit or loss. Deferred tax is designated by the factors of taxation which are expected to be in force in the period when the asset shall be liquidated or the liability settled. The designation of future factors of taxation is based on laws which have been passed at the date of drawing up the financial statements.
Deferred tax claims are recognised in the extent to which there shall be a future tax profit for the use of the provisional difference establishing the deferred tax claim.
Deferred income tax is recognised for provisional differences arising from investments in subsidiaries and affiliated companies, with the exception of the case where the reversal of provisional differences is controlled by the Group and it is possible that the provisional differences shall not be reversed in the foreseeable future.

3.14 Personnel Fringe Benefits

(a) Current Fringe Benefits

Current fringe benefits in money or kind are recorded as an expense when they accrue.

(b) Established Benefit Plans

The liability recorded in the balance sheet with regard to established benefit plans is the present value of the commitment for the benefit less the reasonable value of the plan's assets and the variations arising from non-recognised actuarial profit and loss and the cost of previous service. The commitment of the established benefit is calculated by an independent actuary by the projected unit credit method.
The actuarial profit and loss arising for the adjustments based on historical data over or under 10% margin of the accumulated liability is recorded in the Profit and Loss Statement within the expected average insurance time of the plan's participants. The cost of previous service is recorded directly in the Profit and Loss Statement with the exception of the case where variations in the plan depend on the remaining time of service of employees. In this case the cost of previous service is recorded in the Profit and Loss Statement by the straight line method over the maturity period.

3.15 State Subsidies

State subsidies are recognised at their reasonable value when it is expected with certainty that they shall be collected and the Group shall comply with all terms provided.
State subsidies regarding expenses, are deferred and recognised in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.
State subsidies related to the purchase of tangible fixed assets are included in Long-term Liabilities as deferred state subsidies and are transferred as gains to the Profit and Loss Statement by the straight line method over the expected useful life of the relative assets.

3.16 Provisions

Provisions are recognised when the Group has a present commitment (legal or justified) for which a cash outflow may arise for its settlement. Moreover, the amount of this commitment must be able to be determined with a significant degree of reliability. Provisions are re-examined on each balance sheet date and if it is deemed that no cash outflow shall arise for the commitment's settlement, a reverse entry must be made for these provisions. Provisions are used solely for the purposes for which they were initially formed. Provisions for future losses are not recognised. Contingent claims and liabilities are not recognised in the Financial Statements.
Provisions with regard to reorganization are recognised when the Group has an approved, detailed and official reorganization plan and the reorganization has either began or has been announced to the public. Future operating costs may not be included in the provision.

3.17 Recognition of Income

Income includes the reasonable value of sales of goods and services, net of Value Added Tax, discounts and returns. The Group's inter-company income is fully eliminated. Income is recognised as follows:

(a) Sale of goods

The sale of goods is recognised when the Group ships the goods to its customers, issues the corresponding invoices and collection of the account receivable is deemed reasonably ensured.

(b) Services

Income from services is recognised in the period in which these services are rendered, on the basis of the completion stage of the service provided with relation to services provided overall.

(c) Interest income

Interest income is recognised when interest is rendered accrued (based on the actual interest rate method).

(d) Income from dividends

Dividends are accounted as income upon the approval of their distribution by the General Meeting of the shareholders.

3.18 Net Financial Expenditures

Net financial expenditures are comprised of debit interest on loans as well as foreign exchange profits/losses that arise from the companies' lending. In addition, they also include income from accrued credit interest.

3.19 Leases

Fixed asset leases where the Group materially preserves the risks and benefits of ownership are classified as financial leases. Financial leases are capitalised at the beginning of the lease at the lower of reasonable value of the fixed asset or the present value of minimum leases, less accumulated depreciation and any possible loss from their obsolescence. The corresponding lease liabilities, net of financial expenses, are depicted in the Liabilities. The part of the financial expenses regarding leases is recognised in the Profit and Loss Statement of the year throughout the life of the lease.

Leases where the material risks and benefits of ownership are preserved by the leaser are classified as operational leases. Payments for operational leases are recognised in the Profit and Loss Statement on a fixed basis throughout the life of the lease.

3.20 Dividends

Dividends that are distributed to the parent Company's shareholders are recognised as a Liability in the Financial Statements when the distribution is approved by the General Meeting of the shareholders.

3.21 Derivatives

Derivatives are initially and later recognised at their reasonable value. The method for recognising profit and loss depends on whether the derivatives are designated as a means of hedging or whether they are being held for trading purposes. The character of derivatives is determined on the date the transaction is entered into by the Group as hedges or as the reasonable value of accounts receivable, liabilities or commitments (hedging of reasonable value), or very likely foreseeable transactions (hedging of cash flows).

On entering the transaction the Group records the relationship between the hedging items and the hedged items as well as the relative risk management strategy. On entering the transaction and on an ongoing basis subsequently the evaluation related to the high returns of the hedge as well as for reasonable value hedges and for cash flow hedges is recorded.

(a) Reasonable Value Hedging

The variations in the reasonable value of derivatives which are designated as variations in the reasonable value hedges of hedged items, are recorded in the Profit and Loss Statement as are the variations in the reasonable value of hedged items attributed to the risk being hedged.

(b) Cash Flow Hedging

The efficient proportion of variation in the reasonable value of derivatives designated as a means of hedging cash flows, is recorded in an Equity Reserve. Profit or loss from the non-efficient proportion is recorded in the Profit and Loss Statement. Amounts recorded in an Equity reserve are transferred to the Profit and Loss Statement of the period where the hedged item affects profit or loss. In the case of hedging foreseeable future transactions resulting in the recognition of a non-monetary item (e.g. stock) the liability, profit or loss that had been recorded in Equity is transferred to the acquisition cost of the resulting non-financial asset.

When a hedging means expires or is sold, or when a hedging relation no longer fulfils the hedging criteria, profits or losses accumulated in Equity remain as a reserve and are transferred to a profit and loss account when the hedged item affects the profits or losses. If a future transaction, which is not expected to be realised, is hedged, profits and losses accumulated in Equity are transferred to the Profit and Loss Statement.

(c) Net Investment Hedging

Net investment hedging in a business abroad is treated in the same way as cash flows hedging.

Profit or loss from the means of hedging related to the efficient part of the hedge is recognised in an Equity reserve. Profit or loss related to non-efficient part of the hedge is recognised in the Profit and Loss Statement.

Profit or loss that has accumulated in Equity is transferred to the Profit and Loss Statement when this business is sold.

(d) Derivatives not destined as a means of hedging

The variations in the reasonable value of these derivatives are recorded in the Profit and Loss Statement.

3.22 Share Option Plans for Employees

The Company and its subsidiary HELLENIC CABLES S.A. have granted Share Option Plans to some of its executives that have been recorded gradually from 2002 until 2011. The price at which the right may be exercised has been set as the average closing price of the company's share on the Stock Exchange. According to the transitional provisions of I.F.R.S. 2 and since these specific option rights were granted before 7 November 2002 the Group did not apply the provisions of this specific Standard with the exception of the notices as per paragraphs 44 and 45 of I.F.R.S. 2.

4. Transition to the I.F.R.S.

4.1 Fundamental Principles of Transition to the I.F.R.S.

4.1.1 Application of I.F.R.S. 1

The Financial Statements have been drawn up as described in Note 2 above. The Group's date of transition is 1 January 2004. the Group drew up its Initial Balance Sheet in accordance with the I.F.R.S. on that date.

In preparation of these Financial Statements in accordance with I.F.R.S. 1, the Group applied the mandatory exceptions and some of the optional exceptions from the full retroactive application of the I.F.R.S.

4.1.2 Exemptions from the full retroactive application decided on by the Group

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

(a) Exemption of affiliated companies

The Group chose not to apply I.F.R.S. 3 "Company Mergers" retroactively for the merger of companies that occurred prior to the transition to the I.F.R.S. date (1 January 2004).

(b) Reasonable value as a deemed cost

The Group has chosen to evaluate fixed assets on the date of transition to the I.F.R.S., at a reasonable value, and to use it as the deemed cost on that date.

(c) Exemption of employee benefits

The Group has decided to recognise all accumulated actuarial profit and loss on 1 January 2004.

(d) Exemption from accumulated foreign exchange conversion differences

The Group has decided to set accumulated foreign exchange conversion differences from the balance sheets of its foreign subsidiaries equal to zero, on 1 January 2004. this exemption has been applied to all the subsidiary companies in accordance with I.F.R.S. 1.

(e) Financial data (I.A.S. 32 and 39)

The Group has chosen to use the choice provided to apply I.A.S. 32 and 39 from 1 January 2005 and not to adjust the comparative data for 2004.

4.1.3 Exceptions from the full retroactive application followed by the Group

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

(a) Exception form elimination of financial asset and equity and liability items

The financial items which were eliminated before 1 January 2004, cannot be recognised again according to the I.F.R.S.

(b) Exception of estimates

Exceptions in accordance with the I.F.R.S. on 1 January 2004, must be reconciled with the estimates that were made on the same date in accordance with the Greek Accepted Accounting Principles ("G.A.A.P."), unless it has been proved that these estimates were wrong.

(c) Hedging accounting

Management has been applying hedging accounting since 1 January 2005, only if the hedging relationship meets all the hedging accounting criteria in accordance with I.A.S. 39.

5.0.1 Balance Sheet Reconciliation – 1 January 2004

AMOUNTS IN EURO

CONSOLIDATED FIGURES	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	201.288.289	98.621.116	299.909.405
Intangible fixed assets	8.706.568	-4.936.311	3.770.257
Investments	8.447.487	-2.584.442	5.863.045
Deferred tax claims	-	167.212	167.212
Other receivables	688.343	-158.140	530.203
	219.130.687	**91.109.435**	**310.240.122**
Current assets			
Inventories	103.867.952	-1.157.982	102.709.970
Trade & other claims	114.219.256	7.624.767	121.844.023
Other investments	526.069	-517.838	8.231
Cash and cash equivalents	9.348.534	208.068	9.556.602
	227.961.810	**6.157.016**	**234.118.827**
Total assets	**447.092.497**	**97.266.452**	**544.358.949**
LIABILITIES			
Equity			
Share capital	32.003.756	-	32.003.756
Premium on account	65.681.816	-451.063	65.230.753
Foreign exchange differences from consolidation of foreign companies	-2.343.928	2.343.928	-
Other reserves	25.657.011	24.832.108	50.489.119
Profits/(losses) carried forward	-2.747.137	28.178.361	25.431.224
	118.251.518	54.903.334	173.154.853
Minority interest	27.080.602	4.526.327	31.606.929
Total equity	**145.332.120**	**59.429.662**	**204.761.782**
Long-term liabilities			
Loans	105.930.577	125.004	106.055.581
Deferred tax liabilities	-	34.033.646	34.033.646
Personnel retirement benefits payable	-	3.391.743	3.391.743
Subsidies	-	4.405.008	4.405.008
Provisions	1.243.987	-1.185.314	58.673
	107.174.564	**40.770.088**	**147.944.651**
Current liabilities			
Suppliers and other liabilities	46.192.097	-2.742.514	43.449.582
Current tax liabilities	4.014.721	-446.269	3.568.453
Loans	144.378.995	255.486	144.634.481
	194.585.814	-2.933.297	191.652.516
Total liabilities	**301.760.377**	**37.836.790**	**339.597.167**
Total equity and liabilities	**447.092.497**	**97.266.452**	**544.358.949**

5.0.2 Balance Sheet Reconciliation – 1 January 2004

Amounts in Euro

COMPANY FIGURES	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	53.755.596	65.152.937	118.908.533
Intangible fixed assets	2.517.070	-1.971.412	545.657
Investments in companies that are consolidated based on the integrated consolidation method	86.030.016	-1.264.671	84.765.345
Other investments	94.444	-82.172	12.272
Other receivables	379.761	-	379.761
	142.776.887	**61.834.681**	**204.611.568**
Current assets			
Inventories	46.110.395	-159.109	45.951.286
Trade & other claims	37.976.062	6.475.935	44.451.998
Current tax claims	8.133.403	-	8.133.403
Cash and cash equivalents	3.735.331	-	3.735.331
	95.955.192	**6.316.826**	**102.272.018**
Total assets	**238.732.079**	**68.151.507**	**306.883.586**
LIABILITIES			
Equity			
Share capital	32.003.756	-	32.003.756
Above par reserve	65.681.816	-451.063	65.230.753
Other reserves	7.672.237	42.816.857	50.489.094
Profits/(losses) carried forward	2.012.943	5.116.115	7.129.059
	107.370.752	47.481.910	154.852.662
Total equity	**107.370.752**	**47.481.910**	**154.852.662**
Long-term liabilities			
Loans	47.897.879	-	47.897.879
Deferred tax liabilities	-	22.571.251	22.571.251
Personnel retirement benefits payable	-	1.555.131	1.555.131
Subsidies	-	485.687	485.687
	47.897.879	**24.612.069**	**72.509.947**
Current liabilities			
Suppliers and other liabilities	15.302.663	-3.879.243	11.423.420
Current tax liabilities	797.917	-	797.917
Loans	67.299.641	-	67.299.641
Provisions	63.228	-63.228	-
	83.463.449	-3.942.471	79.520.977
Total liabilities	**131.361.327**	**20.669.597**	**152.030.925**
Total equity and liabilities	**238.732.079**	**68.151.507**	**306.883.586**

5.1.1 Balance Sheet Reconciliation – 31 December 2004

Amounts in Euro

CONSOLIDATED FIGURES	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	203.417.912	97.716.170	301.134.082
Intangible fixed assets	6.435.235	-3.456.643	2.978.592
Investments in real estate	-	2.168.074	2.168.074
Investments in companies that are consolidated based on the net worth method	7.471.063	64.255	7.535.319
Investments in companies	791.691	250.621	1.042.312
Deferred tax claims	-	809.888	809.888
Other financial assets	907.273	-159.061	748.212
	219.023.174	**97.393.304**	**316.416.478**
Current assets			
Inventories	171.806.963	-4.552.438	167.254.525
Trade & other claims	156.826.095	6.719.863	163.545.958
Cash and cash equivalents	12.695.710	-320.909	12.374.801
	341.328.768	1.846.517	343.175.284
Total assets	**560.351.941**	**99.239.821**	**659.591.762**
LIABILITIES			
Equity			
Share capital	32.003.756	-	32.003.756
Above par reserve	65.681.816	-451.063	65.230.753
Foreign exchange differences from the consolidation of foreign companies	-15.243	-77.109	-92.352
Other reserves	29.404.781	24.810.903	54.215.684
Profits/(losses) carried forward	-1.321.461	36.909.820	35.588.359
	125.753.648	61.192.552	186.946.201
Minority interest	25.380.047	6.329.415	31.709.461
Total equity	**151.133.695**	**67.521.967**	**218.655.662**
Long-term liabilities			
Loans	229.753.409	3.524	229.756.932
Deferred tax liabilities	-	24.745.743	24.745.743
Personnel retirement benefits payable	275.189	3.316.781	3.591.970
Subsidies	-	3.393.991	3.393.991
Provisions	921.077	4.114.754	5.035.831
Other long-term liabilities	179.622	-145.877	33.745
	231.129.297	**35.428.915**	**266.558.212**
Current liabilities			
Suppliers and other liabilities	53.881.476	-3.334.447	50.547.028
Current tax liabilities	7.942.268	-384.556	7.557.711
Loans	116.265.206	7.942	116.273.149
	178.088.950	-3.711.061	174.377.888
Total liabilities	**409.218.246**	**31.717.854**	**440.936.101**
Total equity and liabilities	**560.351.941**	**99.239.821**	**659.591.762**

5.1.2 Balance Sheet Reconciliation – 31 December 2004

Amounts in Euro

COMPANY FIGURES	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
ASSETS			
Non-current assets			
Tangible fixed assets	49.713.963	66.768.061	116.482.024
Intangible fixed assets	1.525.661	-1.224.764	300.896
Investments	87.163.933	-1.693.845	85.470.088
Other investments in companies	319.252	-66.979	252.273
Other receivables	393.105	-	393.105
	139.115.913	**63.782.473**	**202.898.386**
Current assets			
Inventories	75.653.019	-1.409.579	74.243.441
Trade & other claims	75.710.053	4.262.725	79.972.778
Cash and cash equivalents	4.118.539	-	4.118.539
	155.481.611	**2.853.147**	**158.334.757**
Total assets	**294.597.524**	**66.635.620**	**361.233.143**
LIABILITIES			
Equity			
Share capital	32.003.756	-	32.003.756
Above par reserve	65.681.816	-451.063	65.230.753
Other reserves	15.776.448	38.370.854	54.147.302
Profits/(losses) carried forward	3.798.843	10.177.751	13.976.593
Total equity	**117.260.862**	**48.097.542**	**165.358.404**
Long-term liabilities			
Loans	132.440.457	-	132.440.457
Deferred tax liabilities	-	16.826.693	16.826.693
Personnel retirement benefits payable	200.830	1.389.361	1.590.191
Subsidies	-	393.465	393.465
Provisions	-	5.000.000	5.000.000
	132.641.287	**23.609.519**	**156.250.806**
Current liabilities			
Suppliers and other liabilities	17.365.844	-4.849.054	12.516.790
Current tax liabilities	5.574.934	-	5.574.934
Loans	21.532.209	-	21.532.209
Provisions	222.387	-222.387	-
	44.695.374	-5.071.441	39.623.933
Total liabilities	**177.336.661**	**18.538.078**	**195.874.739**
Total equity and liabilities	**294.597.524**	**66.635.620**	**361.233.143**

5.1.3 Reconciliation of equity according to the G.A.A.P. and the I.F.R.S. at 31 December 2004

Amounts in Euro

COMPANY FIGURES	1.1.2004	31.12.2004
Total equity according to the G.A.A.P.	**107.370.752**	**117.260.862**
Readjustment due to transition to the I.F.R.S.		
Deletion of distribution entries 2003 until the General Meeting's approval	3.879.243	-
Deletion of distribution entries 2004 until the General Meeting's approval	-	4.849.054
Reformulation of provisions for employee benefits based on the projected unit credit metho and recording actuarial profits and losses	-1.555.131	-1.101.639
Readjustments of deferred taxation	-22.562.076	-16.826.690
Reverse entries for the readjustment of the value of fixed assets pursuant to Law 2065/1992 (Government Gazette 113 A')	-	-479.170
Deletion of intangible fixed assets that do not fulfil the recognition criteria of the I.F.R.S.	-1.971.412	-1.224.764
Reclassification of total subsidies from equity to other long-term liabilities	-485.687	-622.842
Provisions for doubtful debts	3.057.000	-
Adjustment of the value of land, buildings and machinery to their reasonable value	68.403.588	70.105.259
Devaluation of holdings	-1.346.843	-1.760.825
Accumulated effect of other non-significant items	63.228	-4.840.841
Total readjustments due to transition	**47.481.910**	**48.097.542**
Total equity according to the I.F.R.S.	**154.852.662**	**165.358.404**

CONSOLIDATED FIGURES	1.1.2004	31.12.2004
Total equity according to the G.A.A.P.	**145.332.120**	**151.133.695**
Readjustment due to transition to the I.F.R.S.		
Readjustments of deferred taxation	-33.745.386	-24.097.477
Deletion of intangible fixed assets and long-term depreciation expenses	-4.956.893	-3.360.926
Readjustment of the value of land, buildings and machinery	102.581.311	104.169.101
Reclassification of subsidies to long-term liabilities	-4.410.005	-3.623.373
Reformulation of provisions for employee benefits	-3.321.626	-2.556.823
Recognition of provisions	3.078.171	-9.341
Reverse entry of dividends of fiscal year 2003	4.442.591	-
Reverse entry of distribution of fiscal year 2004	-	5.284.602
Devaluation of holdings	-2.833.843	-3.247.825
Variation in the method of consolidation	-926.759	-459.083
Other	-477.900	-4.576.888
Total readjustments due to transition	**59.429.662**	**67.521.967**
Total equity according to the I.F.R.S.	**204.761.782**	**218.655.662**

5.2.1 Profit and Loss Statement Reconciliation – 12 months until 31 December 2004 — Amounts in Euro

CONSOLIDATED FIGURES	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
Sales	561.222.283	-1.726.901	559.495.382
Cost of sales	-502.964.941	5.535.942	-497.428.998
Gross profit	**58.257.343**	**3.809.041**	**62.066.384**
Distribution expenses	-12.170.794	-66.998	-12.237.793
Administrative expenses	-20.049.130	-6.717.125	-26.766.255
Other operating income/(expenses) (net)	1.000.115	587.575	1.587.690
Operating profit	**27.037.534**	**-2.387.508**	**24.650.026**
Financial income/(expenses)	-14.183.209	1.239.996	-12.943.213
Profits/losses from affiliated companies	855.526	286.548	1.142.074
Income from dividends	-	43.990	43.990
Non-recurring and non-operating expenses	-3.243.624	3.243.624	-
Non-recurring and non-operating income	3.099.981	-3.099.981	-
Non-recurring profits	918.377	-918.377	-
Non-recurring losses	-232.182	232.182	-
Previous year's expenses	-1.070.855	1.070.855	-
Income from previous years' provisions	5.035.220	-5.035.220	-
Previous years' income	752.233	-752.233	-
Profits before taxes	**18.969.001**	**-6.076.123**	**12.892.878**
Total taxes	-6.392.825	10.361.880	3.969.055
Net profits of the period	**12.576.176**	**4.285.757**	**16.861.932**

COMPANY FIGURES	G.A.A.P.	Readjustments due to transition to the I.F.R.S.	I.F.R.S.
Sales	343.987.907	26.701	344.014.608
Cost of sales	-307.729.287	1.846.844	-305.882.443
Gross profit	**36.258.620**	**1.873.545**	**38.132.165**
Distribution expenses	-4.653.782	23.884	-4.629.898
Administrative expenses	-9.610.360	-6.022.557	-15.632.918
Other operating income/(expenses) (net)	966.426	-180.848	785.579
Operating profit	**22.960.904**	**-4.305.976**	**18.654.928**
Financial income/(expenses)	-6.778.649	592.415	-6.186.234
Income from holdings	322.541	-	322.541
Non-recurring and non-operating expenses	-808.684	808.684	-
Non-recurring and non-operating income	563.129	-563.129	-
Non-recurring profits	254.835	-254.835	-
Previous year's expenses	-155.454	155.454	-
Income from previous years' provisions	3.329.095	-3.329.095	-
Previous years' income	134.293	-134.293	-
Profits before taxes	**19.822.011**	**-7.030.776**	**12.791.235**
Income tax	-4.192.922	5.786.673	1.593.751
Net profits of the period	**15.629.089**	**-1.244.103**	**14.384.986**

5.2.3 Reconciliation of net profits with the G.A.A.P. and the I.F.R.S. for the 12 months until 31 Dec. 2004

	Amounts in Euro
CONSOLIDATED FIGURES	
Total profits according to the G.A.AP. (before taxes)	**18.969.001**
Total taxes of the fiscal year	3.519.464
Reformulation of depreciation that presently depict the useful lives of tangible fixed assets	3.691.232
Results from other provisions	-2.927.499
Results from provisions and personnel retirement benefits	4.646
Deletion of intangible fixed assets that do not fulfil the recognition criteria of the I.F.R.S.	965.915
Burden on fiscal year results with the provision for Fine from European Competitiveness Committee	-5.000.000
Fees of executives and of the Board of Directors	-1.593.785
Deletion of income from depreciation of subsidies	-323.793
Other	-443.249
Total readjustments due to transition	**-2.107.069**
Total profits according to the I.F.R.S.	**16.861.932**
COMPANY FIGURES	
Total profits according to the G.A.AP. (before taxes)	**19.822.011**
Readjustments due to transition to the I.F.R.S.	
Total taxes of the fiscal year	1.593.751
Readjustment of depreciation that presently depict the useful lives of tangible fixed assets	1.781.227
Deletion of depreciation of intangible fixed assets	415.664
Results from provisions of personnel retirement benefits and personnel withdrawal benefits	165.770
Burden on fiscal year results with the provision for fine from European Competitiveness Committee	-5.000.000
Deletion of income from provision for doubtful debts	-3.057.000
Fees of executives and of the Board of Directors	-1.143.785
Readjustment of depreciation of subsidies	-137.154
Other	-55.498
Total readjustments due to transition	**-5.437.025**
Total profits according to the I.F.R.S.	**14.384.986**

6. 3. Information by sector. Primary type of information - business sectors

Information by sector refers to the operational and geographical regions the company operates within. The primary report type (operational sectors), is based on the management structure of the Group and the internal reporting system.
The Group includes the following main activities: Copper products, Cables.

6. Results for each sector for the 12 months to 31 December 2004 — **Amounts in Euro**

	Copper products	Cable products	Other services	Total
Total gross sales by sector	**410.789.110**	**175.351.849**	**75.560.134**	**661.701.093**
Inter-company sales from consolidation entries	-93.303.818	-8.901.893	-	-102.205.711
Net sales	**317.485.291**	**166.449.956**	**75.560.134**	**559.495.382**
Operating profits	15.733.073	4.789.564	4.083.400	**24.650.027**
Financial income - expenses	-8.734.514	-3.326.226	-838.483	**-12.899.223**
Share of results of affiliated companies	441.675	501.567	198.832	**1.142.074**
Income tax	3.128.360	1.535.886	-695.192	**3.969.054**
Net profit	**10.568.594**	**3.500.791**	**2.748.558**	**16.861.933**

31/12/2004	Copper products	Cable products	Other services	Total
Assets	424.784.713	200.215.443	34.591.606	**659.591.762**
Total liabilities	294.976.188	118.774.371	27.185.541	**440.936.101**
Investments in tangible and intangible assets and investments in real estate	19.713.754	6.137.000	-	**25.850.754**

Other items by sector included in results for the 12 months to 31 December 2004

12 months until 31 December 2004	Copper products	Cable products	Other services	Total
Depreciation of tangible fixed assets	11.501.227	4.827.843	221.846	**16.550.916**
Depreciation of intangible assets	445.832	534.444	-	**980.276**
Total depreciation	**11.947.059**	**5.362.287**	**221.846**	**17.531.192**
Impairment of claims	358.222	1.040.753	-	**1.398.974**

Results for each sector for the 12 months until 31 December 2005

	Copper products	Cable products	Other services	Total
Total gross sales by sector	**572.588.685**	**200.717.290**	**85.611.744**	**858.917.720**
Inter-company sales	-133.046.271	-10.985.578	-3.153.818	**-147.185.667**
Net sales	**439.542.415**	**189.731.713**	**82.457.926**	**711.732.053**
Operating profits	15.690.050	6.336.786	4.096.335	**26.123.171**
Financial income - expenses	-10.394.480	-2.555.588	-652.404	**-13.602.472**
Share of results of affiliated companies	150.079	368.933	-533.508	**-14.496**
Profits before taxes	5.445.649	4.150.131	2.910.424	12.506.204
Income tax	-4.786.713	-1.231.460	-1.483.074	**-7.501.247**
Net profit	**658.936**	**2.918.672**	**1.427.350**	**5.004.957**

31/12/2005	Copper products	Cable products	Other services	Total
Assets	419.700.905	222.184.679	58.585.850	**700.471.434**
Total liabilities	310.411.344	134.543.416	36.264.484	**481.219.244**
Investments in tangible and intangible assets and investments in real estate	13.345.093	4.807.850	-	**18.152.943**

Other items by sector included in results for the 12 months until 31 December 2004

12 months until 31 December 2005	Copper products	Cable products	Other services	Total
Depreciation of tangible fixed assets	14.282.652	5.970.822	59.310	**20.312.784**
Depreciation of intangible assets	316.617	844.682	-	**1.161.299**
Total depreciation	**14.599.269**	**6.815.504**	**59.310**	**21.474.083**
Impairment of claims	798.850	1.719.236	-	**2.518.086**
Impairment of inventories	34.673	35.910	-	**70.583**

6. Secondary type of information - Geographic sectors

Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
Sales	**2005**	**2004**	**2005**	**2004**
Greece	229.311.550	215.251.374	163.007.945	136.477.022
European Union	358.025.789	234.013.332	160.018.692	153.810.806
Other European countries	73.950.354	69.792.170	44.276.100	27.572.830
Asia	29.677.782	23.431.321	11.870.214	13.507.887
America	14.273.268	12.876.935	12.255.915	11.227.495
Africa	6.455.052	4.101.381	2.957.975	1.389.700
Oceania	38.258	28.869	38.259	28.868
Total	**711.732.053**	**559.495.383**	**394.425.100**	**344.014.608**
Analysis of sales by category				
Sales of merchandise and products	627.052.411	513.674.765	348.662.469	331.553.981
Income from services	27.007.069	26.454.064	2.880.545	3.493.137
Other	57.672.574	19.366.553	42.882.086	8.967.490
Total	**711.732.053**	**559.495.382**	**394.425.100**	**344.014.608**
Total assets				
Greece	479.716.635	523.656.525	377.224.397	361.233.143
International	220.754.800	135.935.237	-	-
Total	**700.471.434**	**659.591.763**	**377.224.397**	**361.233.143**
Investments in tangible, intangible fixed assets and real estate				
Greece	7.375.794	6.731.948	4.271.622	5.932.732
International	10.777.149	15.757.404	-	-
Total	**18.152.943**	**22.489.352**	**4.271.622**	**5.932.732**

7. Tangible fixed assets

Amounts in Euro

CONSOLIDATED FIGURES

Cost	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Balance as of 1 Jan. 2004	**36.642.467**	**69.976.467**	**158.659.341**	**2.918.502**	**10.430.142**	**56.671.123**	**335.298.043**
Foreign exchange differences	49.613	487.052	830.192		82.593	42.276	**1.491.727**
Additions	6.699	1.215.418	4.835.209	538.713	836.472	14.296.919	**21.729.430**
Sales	-13.000	-	-2.161.460	-117.172	-200.571	-222.421	**-2.714.624**
Destructions	-	-	-19.949	-	-	-	**-19.949**
Redistribution	-	3.653.283	45.115.162	2.348	390.364	-49.704.075	**-542.918**
Balance as of 31 Dec. 2004	**36.685.779**	**75.332.220**	**207.258.495**	**3.342.391**	**11.539.001**	**21.083.824**	**355.241.710**
Accumulated depreciation							
Balance as of 1 Jan. 2004	**-**	**-10.519.050**	**-17.326.411**	**-1.869.102**	**-7.842.148**	**-**	**-37.556.712**
Foreign exchange differences	-	-378.912	-405.774	-	-78.025	-	**-862.710**
Depreciation for period	-	-3.141.934	-13.226.008	-265.448	-999.566	-	**-17.632.956**
Sales	-	-	1.703.041	63.259	168.272	-	**1.934.572**
Destructions	-	-	9.628	-	550	-	**10.178**
Balance as of 31 Dec. 2004	**-**	**-14.039.896**	**-29.245.524**	**-2.071.291**	**-8.750.917**	**-**	**-54.107.628**
Undepreciated value as of 31 Dec. 2004	**36.685.779**	**61.292.324**	**178.012.971**	**1.271.101**	**2.788.084**	**21.083.824**	**301.134.082**
Cost							
Balance as of 1 Jan. 2005	**36.685.779**	**75.332.220**	**207.258.495**	**3.342.391**	**11.539.001**	**21.083.824**	**355.241.711**
Foreign exchange differences	114.433	1.266.069	1.966.155	3.369	193.635	5.831	**3.549.491**
Additions	203.032	884.728	4.044.268	276.571	810.321	11.485.486	**17.704.406**
Sales	-73.711	-426.018	-205.159	-126.492	-182.428	-4.358	**-1.018.167**
Destructions	-	-131.614	-48.946	-	-93.051	-	**-273.611**
Impairment	-	-	-531.802	-	-	-	**-531.802**
Buy out of subsidiaries	-	-	2.261	12.807	739	-	**15.807**
Redistribution	1.103	2.420.968	18.219.294	83.144	165.864	-22.075.501	**-1.185.127**
Balance as of 31 Dec. 2005	**36.930.636**	**79.346.354**	**230.704.565**	**3.591.789**	**12.434.081**	**10.495.281**	**373.502.707**
Accumulated depreciation							
Balance as of 1 Jan. 2005	**-**	**-14.039.896**	**-29.245.524**	**-2.071.291**	**-8.750.917**	**-**	**-54.107.628**
Foreign exchange differences	-	-842.195	-851.166	-2.893	-175.858	-	-1.872.113
Depreciation for period	-	-3.296.296	-15.810.226	-363.399	-870.020	-	-20.339.941
Sales	-	24.743	44.876	45.914	153.418	-	268.952
Destructions	-	108.867	19.218	-	16.207	-	144.292
Buy out of subsidiaries	-	-	-94	-6.405	11.622	-	5.123
Redistribution	-	3.068	116.514	-	-6.161	-	113.421
Balance as of 31 Dec. 2005	**-**	**-18.041.708**	**-45.726.402**	**-2.398.073**	**-9.621.710**	**-**	**-75.787.893**
Undepreciated value as of 31 Dec. 2005	**36.930.636**	**61.304.645**	**184.978.163**	**1.193.716**	**2.812.371**	**10.495.281**	**297.714.814**

7. Tangible fixed assets

Amounts in Euro

COMPANY FIGURES

Cost	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Balance as of 1 January 2004	**19.692.385**	**21.825.847**	**74.742.668**	**1.227.542**	**3.249.261**	**1.313.603**	**122.051.306**
Additions	-	1.056.090	3.498.197	126.003	426.937	643.838	**5.751.065**
Sales	-	-	-135.342	-63.882	-72.082	-	**-271.306**
Other reductions (as noted below)	-	-	-	-	-	-799.397	**-799.397**
Redistribution	-	207.643	207.440	2.348	169.995	-330.948	**256.478**
Balance as of 31 December 2004	**19.692.385**	**23.089.579**	**78.312.962**	**1.292.010**	**3.774.112**	**827.097**	**126.988.145**
Accumulated depreciation							
Balance as of 1 January 2004	**-**	**-**	**-**	**-810.911**	**-2.331.862**	**-**	**-3.142.773**
Depreciation for period	-	-1.105.746	-5.736.746	-115.859	-521.793	-	**-7.480.144**
Sales	-	-	5.964	61.057	49.775	-	**116.796**
Balance as of 31 December 2004	**-**	**-1.105.746**	**-5.730.782**	**-865.712**	**-2.803.880**	**-**	**-10.506.121**
Undepreciated value as of 31 December 2004	**19.692.385**	**21.983.833**	**72.582.180**	**426.298**	**970.232**	**827.097**	**116.482.024**
Cost							
Balance as of 1 January 2005	**19.692.385**	**23.089.579**	**78.312.962**	**1.292.010**	**3.774.112**	**827.097**	**126.988.145**
Additions	31.234	758.536	2.079.918	54.746	437.619	558.105	**3.920.158**
Sales	-	-	-154.378	-1.582	-119.863	-	**-275.824**
Redistribution	-	445.772	223.811	10.495	-	-635.578	**44.501**
Balance as of 31 December 2005	**19.723.618**	**24.293.887**	**80.462.313**	**1.355.669**	**4.091.868**	**749.624**	**130.676.980**
Accumulated depreciation							
Balance as of 1 January 2005	**-**	**-1.105.746**	**-5.730.782**	**-865.712**	**-2.803.880**	**-**	**-10.506.121**
Depreciation for period	-	-1.166.721	-6.053.821	-122.910	-453.294	-	**-7.796.747**
Sales	-	-	14.422	1.582	114.207	-	**130.212**
Balance as of 31 December 2005	**-**	**-2.272.467**	**-11.770.182**	**-987.040**	**-3.142.967**	**-**	**-18.172.656**
Balance as of 31 December 2005	**19.723.618**	**22.021.419**	**68.692.131**	**368.629**	**948.901**	**749.624**	**112.504.323**

Reductions of fixed assets under construction 2004 (company figures):

Issuance of a licence from PPC Thisbe to Corinth Pipeworks S..A.	749.735
Transfer to buildings on third-party land (Acc. 36.11)	36.748
Movements from fixed assets under construction to P&L statement	12.914
	799.397

There are mortgages of total value Euro 20 million on the fixed assets of the subsidiary company of HELLENIC CABLES S.A., ICME ECAB S.A. (Romania) concerning loans.

8. Intangible assets

Amounts in Euro

CONSOLIDATED FIGURES

	Trade marks and Licenses	Software	Other	Total
Cost or reasonable value				
Balance as of 1 January 2004	**1.055.719**	**5.270.289**	**-**	**6.326.008**
Foreign exchange differences	-	15.207	-	15.207
Additions	-	433.921	-	433.921
Sales	-	-3.926	-	-3.926
Eliminations	-	-247.128	-	-247.128
Balance as of 31 December 2004	**1.055.719**	**5.468.363**	**-**	**6.524.082**
Accumulated depreciation				
Balance as of 1 January 2004	**-278.034**	**-2.287.181**	**-**	**-2.565.214**
Foreign exchange differences	-	-6.025	-	-6.025
Depreciation for period	-105.658	-1.132.271	-	-1.237.929
Eliminations	-	263.678	-	263.678
Balance as of 31 December 2004	**-383.692**	**-3.161.799**	**-**	**-3.545.491**
Undepreciated value as of 31 December 2004	**672.028**	**2.306.564**	**-**	**2.978.592**
Cost or reasonable value				
Balance as of 1 January 2005	**1.055.719**	**5.468.363**	**-**	**6.524.082**
Foreign exchange differences	-	28.877	-	28.877
Additions	17.918	368.092	62.527	448.537
Eliminations	-	-	-3.499	-3.499
Buy out of subsidiaries	-	293	-	293
Redistribution	29.835	521.443	-	551.278
Balance as of 31 December 2004	**1.103.473**	**6.387.068**	**59.028**	**7.549.569**
Accumulated depreciation				
Balance as of 1 January 2005	**-383.692**	**-3.161.799**	**-**	**-3.545.491**
Foreign exchange differences	-	-10.803	-	-10.803
Depreciation for period	-115.876	-990.674	-54.748	-1.161.299
Eliminations	-	-	1.399	1.399
Buy out of subsidiaries	-	-293	-	-293
Redistribution	-	-1.068	-	-1.068
Balance as of 31 December 2005	**-499.568**	**-4.164.637**	**-53.349**	**-4.717.554**
Undepreciated value as of 31 December 2005	**603.905**	**2.222.431**	**5.679**	**2.832.015**

8. Intangible assets (cont/d) — Amounts in Euro

COMPANY FIGURES

	Software
Cost	
Balance as of 1 January 2004	**2.318.045**
Additions	181.667
Balance as of 31 December 2004	**2.499.711**
Accumulated depreciation	
Balance as of 1 January 2004	**-1.772.387**
Depreciation for period	-426.428
Balance as of 31 December 2004	**-2.198.815**
Undepreciated value as of 31 December 2004	**300.896**
Cost or reasonable value	
Balance as of 1 January 2005	**2.499.711**
Additions	306.964
Balance as of 31 December 2004	**2.806.675**
Accumulated depreciation	
Balance as of 1 January 2005	**-2.198.815**
Depreciation for period	-210.077
Balance as of 31 December 2005	**-2.408.891**
Undepreciated value as of 31 December 2005	**397.784**

9. Investments in real estate — Amounts in Euro

Investments in real estate concern land of HELLENIC CABLES S.A., which is fully consolidated by the parent company HALCOR S.A., which were estimated at their reasonable value that was considered a deemed cost. Due to the fact that these lands were recently estimated by an independent appraiser and whereas the real estate market of the regions where these lands are located has not sustained any significant changes, the Management of HELLENIC CABLES S.A. deems that the aforementioned values reflect the current values of these lands.

10. PARTICIPATIONS — Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	**2004**	**2005**	**2004**
Investments in subsidiaries Companies	-	-	100.124.926	80.380.175
Investments in affiliated Companies	6.842.589	7.535.319	5.059.455	5.089.913
	6.842.589	**7.535.319**	**105.184.381**	**85.470.088**

10. Investments in companies that are consolidated with the integrated consolidation method — Amounts in Euro

2004

Corporate Name	Country	Value at the beginning of period	Additions	Sales	Impairment	Value at the end of period	Direct Holding Percentage	Indirect Holding Percentage	Direct & Indirect Holding %
HELLENIC CABLES S.A.	Greece	37.406.564	306.118			37.712.682	80,18%		80,18%
FITCO S.A.	Greece	9.670.540				9.670.540	50,32%		50,32%
STEELMET S.A.	Greece	140.880				140.880	29,56%	23,70%	53,26%
AKRO S.A.	Greece	300.000	463.798		-495.970	267.828	71,22%		71,22%
E.V.I.T.E. S.A.	Greece	59.997				59.997	100,00%		100,00%
SOFIA MED AD	Boulgaria	32.233.172		-52		32.233.120	100,00%		100,00%
METAL AGENCIES LTD	United Kingdom	140.931				140.931	67,00%	26,46%	93,46%
BELANTEL HOLDINGS LTD	Cyprus	95.437				95.437	100,00%		100,00%
METAL GLOBE DOO	Serbia-Montenegro	0				0	30,00%	24,06%	54,06%
COPPERPROM LTD	Greece	3.780				3.780	21,00%	32,07%	53,07%
GENECOS SA	France	54.980				54.980	25,00%	48,11%	73,11%
		80.106.281	**769.916**	**-52**	**-495.970**	**80.380.175**			

2005

Corporate Name	Country	Value at the beginning of period	Additions	Sales	Impairment	Value at the end of period	Direct Holding Percentage	Indirect Holding Percentage	Direct & Indirect Holding %
HELLENIC CABLES S.A.	Greece	37.712.682		-34.851.932	18.867.439	21.728.188	46,20%	33,45%	79,65%
FITCO S.A.	Greece	9.670.540				9.670.540	50,32%		50,32%
STEELMET S.A.	Greece	140.880				140.880	29,56%	23,54%	53,10%
AKRO S.A.	Greece	267.828	1.015.413		-1.275.534	7.707	84,50%		84,50%
E.V.I.T.E. S.A.	Greece	59.997				59.997	100,00%		100,00%
SOFIA MED AD	Boulgaria	32.233.120	19.995.945			52.229.065	100,00%		100,00%
METAL AGENCIES LTD	United Kingdom	140.931				140.931	67,00%	26,28%	93,28%
BELANTEL HOLDINGS LTD	Cyprus	95.437				95.437	100,00%		100,00%
METAL GLOBE DOO	Serbia-Montenegro	0				0	30,00%	23,89%	53,89%
COPPERPROM LTD	Greece	3.780	3.420			7.200	40,00%	31,86%	71,86%
GENECOS SA	France	54.980				54.980	25,00%	47,79%	72,79%
SYLLAN S.A.	Greece	0	30.000			30.000	50,00%	25,16%	75,16%
OGWELL LIMITED	Cyprus	0	15.960.000			15.960.000	100,00%		100,00%
		80.380.175	**37.004.779**	**-34.851.932**	**17.591.904**	**100.124.926**			

During the A' semester of 2005 SOFIA MED S.A.(100% subsidiary company) increased its share capital of an amount of Euro 19,995,945, while the holding thereof increased by an equal amount.
In May 2005, OGWELL LIMITED was established to which part of HALCOR'S holding in HELLENIC CABLES S.A. was sold.
The increase in the value of the holding in AKRO S.A. is due to a participation in the share capital increase by 735,000 and to an increase of the Company's holding from 71.22% in 2004 to 84.50% in 2005. At the same time, the value of the holding was impaired, which is due mainly to the impairment of fixed assets.
The value of the holding in METAL GLOBE DOO has been fully impaired from 1 January 2004.
In October 2005, the Company and FITCO S.A. established SYLLAN S.A.

10. Investments in affiliated companies (cont/d) — Amounts in Euro

Corporate Name	Country	Direct & Indirect Holding %	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
DIAPEM TRADING S.A.	Greece	33,33%	210.928	207.548	266.627	266.627
VECTOR S.A.	Greece	30,97%	568.976	546.123	381.604	381.604
S.C. STEELMET ROMANIA S.A.	Romania	33,33%	1.006.580	1.219.089	488.210	488.210
TEPRO METALL AG	Germany	40,00%	877.912	682.654	729.237	729.237
ENERGY SOLUTIONS SA	Boulgaria	43,67%	3.505.928	4.254.052	2.873.392	2.873.392
THISVI POWER GENERATION PLANT S.A.	Greece	38,60%	369.059	309.112	299.985	338.843
HELLENIC STEEL TRADING S.A.	Greece	20,00%	17.980	24.000	12.000	12.000
COPPERPROM LTD	Greece	35,93%	-	-	-	-
VIEXAL LTD	Greece	40,00%	6.481	-	-	-
E.D.E. S.A.	Greece	26,67%	-	-	8.400	-
DE LAIRE LIMITED	Cyprus	79,65%	106.221	106.221	-	-
ECA LTD	United Kingdom	79,65%	118.429	109.410	-	-
		79,65%	54.096	67.120	-	-
LESCO ROMANIA S.A.	Romania	79,65%	-	9.990	-	-
			6.842.589	**7.535.319**	**5.059.455**	**5.089.913**

De Laire Limited, Electric Cabl Agencies, Lesco Romania S.A. were consolidated based on the net worth method instead of the integrated consolidation method due to the fact that their relative figures in 2004 were negligible. In 2005, Lesco Romania S.A. was consolidated based on the integrated consolidation method.

11. Financial assets available for sale - Investments — Amounts in Euro

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Unlisted titles				
Domestic Participating Titles	419.413	-	246.403	-
International Participating Titles	305.608	-	-	-
Other	5.869	-	5.869	-
	730.890	**-**	**252.272**	**-**

The effect of the application of I.A.S. 32 and 39 was used solely for opening balances 1 January 2005 which is also the date of first application thereof.

12. Deferred income tax — Amounts in Euro

Deferred tax claims and liabilities may be hedged when an applicable law permits companies to hedge their current tax claims against their current tax liabilities and when deferred income taxes concern the same tax principle. The tables below note the amounts that have been hedged:

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Deferred tax claims	**1.022.073**	**809.888**	**-**	**-**
Deferred tax liabilities	**-24.736.580**	**-24.745.743**	**-16.771.217**	**-16.826.693**
	-23.714.507	**-23.935.855**	**-16.771.217**	**-16.826.693**

The overall variation in deferred income tax is as follows:

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Opening balance	**-23.935.855**	**-33.866.434**	**-16.826.693**	**-22.571.251**
Effect from the application of I.A.S. 32 & 39	300.776	-	202.526	-
Foreign exchange differences	62.015	-12.043	-	-
(Debit)/credit recorded in the profit and loss statement	-361.407	9.942.622	-170.286	5.744.558
Tax that was (debited)/credited in equity	219.964	-	23.236	-
Closing balance	**-23.714.507**	**-23.935.855**	**-16.771.217**	**-16.826.693**

Deferred tax claims and liabilities are recoverable after twelve months.

12. Deferred income tax (cont/d) — Amounts in Euro

The movement of deferred tax claims and deferred tax liabilities prior to being hedged was as follows:

Deferred tax liabilities: CONSOLIDATED FIGURES	Difference in depreciation	Difference in Allowances	Non-recognisable intangible assets	Change in the tax rate	Tax Losses	Other	Total
Balance as of 1/1/2004	**-36.000.470**	**-350.597**	**-865.717**	**-**	**-**	**1.480.937**	**-35.735.847**
Foreign exchange differences	-	-	-	-	-	4.769	4.769
Income statement (debit)/credit	-427.225	-3.459	93.914	-445.171	-	350.343	-431.598
Balance as of 31/12/2004	**-36.427.695**	**-354.056**	**-771.803**	**-445.171**	**-**	**1.836.050**	**-36.162.675**
Foreign exchange differences	-	-	-	-	-	35.815	35.815
Income statement (debit)/credit	-1.220.844	-361.543	-238.485	137.058	-	95.434	-1.588.381
Owner's equity (debit)/credit	-	-	-	-	-	-59.963	-59.963
Balance as of 31/12/2005	**-37.648.539**	**-715.600**	**-1.010.288**	**-308.113**	**-**	**1.907.336**	**-37.775.204**
Deferred tax claims:							
Balance as of 1/1/2004	**-**	**796.039**	**745.085**	**-**	**-**	**161.077**	**1.702.201**
Foreign exchange differences	138.879	-	-	-	-	-	138.879
Income statement (debit)/credit	1.586.711	87.760	29.954	8.567.953	-	101.841	10.374.219
Owner's equity (debit)/credit	-	-	-	-	-	11.521	11.521
Balance as of 31/12/2004	**1.725.590**	**883.799**	**775.039**	**8.567.953**	**-**	**274.439**	**12.226.821**
Income statement (debit)/credit	323.716	30.671	-	-	-	872.587	1.226.974
Owner's equity (debit)/credit	-	-	-	-	548.811	58.091	606.902
Balance as of 31/12/2005	**2.049.306**	**914.470**	**775.039**	**8.567.953**	**548.811**	**1.205.117**	**14.060.697**
							-23.935.855
							-23.714.508

The rate with which the deferred tax is estimated is equal to that which is believed to be in effect at the time temporary tax differences are reversed. For the Company this rate is set at 25%.

Deferred tax liabilities: COMPANY FIGURES	Capital gains on fixed assets Difference in depreciation	Difference in Allowances	Non-recognisable intangible assets	Change in the tax rate	Other	Total
Balance as of 1/1/2004	**-23.944.467**	**-**	**-**	**-**	**-21**	**-23.944.488**
Income statement (debit)/credit	-508.996	-81.232	-186.662	-398.676	-115.055	-1.290.622
Balance as of 31/12/2004	**-24.453.463**	**-81.232**	**-186.662**	**-398.676**	**-115.076**	**-25.235.109**
Affect of the application of IAS 32 & 39	-665.983	-406.971	-62.682	-	-	-1.135.637
Balance as of 31/12/2005	**-25.119.446**	**-488.203**	**-249.344**	**-398.676**	**-115.076**	**-26.370.746**
Deferred tax claims:						
Balance as of 1/1/2004	**-**	**522.166**	**689.994**	**-**	**161.077**	**1.373.237**
Income statement (debit)/credit	187.574	-	-	6.847.605	-	7.035.179
Balance as of 31/12/2004	**187.574**	**522.166**	**689.994**	**6.847.605**	**161.077**	**8.408.417**
Affect of the application of IAS 32 & 39	**-**	**-**	**-**	**-**	**202.526**	**202.526**
Balance as of 1/1/2005	**187.574**	**522.166**	**689.994**	**6.847.605**	**363.603**	**8.610.942**
Income statement (debit)/credit	62.915	42.394	-	-	860.041	965.351
Owner's equity (debit)/credit	-	-	-	-	23.236	23.236
Balance as of 31/12/2005	**250.490**	**564.560**	**689.994**	**6.847.605**	**1.246.880**	**9.599.529**

The deferred tax that was (debited)/credited in the income statement arose from the following differences:

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Depreciation	-703.979	565.890	-603.068	-435.083
Allowance for personnel compensation	214.542	-26.199	42.394	-41.442
Other allowances	-338.770	-147.086	-361.524	-154.845
Intangible assets that do not fulfil the recognition criteria of the IFRS	-236.240	-382.285	-62.682	-186.662
Non-recognition of the readjustment of fixed assets pursuant to Law 2065	-	219.484	-	113.662
Amortisation of subsidies	136.356	65.324	76.631	-
Other	-63.873	321.415	15	-
Provision of holdings that shall be recognised in terms of taxation in a future fiscal year	619.547	-	619.547	-
Tax. income that shall be recognised by the I.F.R.S. in a future fiscal year	181.065	-	118.401	-
From BELANTEL dividends	-181.186	-	-	-
Total	**-372.538**	**616.542**	**-170.286**	**-704.371**
Change in the tax rate	11.131	9.326.081	-	6.448.929
Total	**-361.407**	**9.942.623**	**-170.286**	**5.744.558**

13. INVENTORIES

Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Merchandise	19.744.583	16.897.325	2.500.438	176.064
Finished products	48.987.613	42.572.677	18.802.730	22.387.224
Semi-finished	21.752.871	22.945.043	10.388.585	15.277.588
By-products and scrap	1.520.771	4.621.222	24.269	35.065
Work in progress	22.004.858	18.884.097	6.584.899	4.318.413
Raw and indirect materials - consumables - spare parts & packaging materials	51.826.844	61.334.161	21.681.192	32.049.087
Total	**165.837.538**	**167.254.525**	**59.982.112**	**74.243.441**
Less: Provisions for waste, delayed and destroyed inventories	-70.583	-	-	-
Total net liquid value	**165.766.955**	**167.254.525**	**59.982.112**	**74.243.441**

14. Customers and other receivables

Amounts in Euro

Current assets	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Customers	118.911.397	92.272.383	36.425.479	38.935.243
Less: Impairment provisions	-2.518.086	-1.180.578	-549.703	-287.722
Net customer receivables	**116.393.312**	**91.091.805**	**35.875.776**	**38.647.521**
Down payments for the purchase of stocks	428.206	1.332.338	99.226	1.332.338
Down payments for the purchase of fixed assets	706.187	119.507	706.187	119.507
Other down payments	1.184.985	7.022.250	491.060	319.748
Notes-cheques receivable & sealed	39.165.097	29.699.801	18.064.052	14.073.499
Receivables from affiliated entities	8.978.314	4.346.604	15.974.570	749.734
Receivables from other holdings	829.083	24.000	24.000	24.000
Other debtors	34.538.904	29.909.653	19.632.025	24.706.432
Total	**202.224.088**	**163.545.958**	**90.866.895**	**79.972.778**
Non-current assets				
Long-term claims against other holdings	4.834	4.834	4.834	4.834
Other long-term claims	3.288.473	743.378	402.828	388.271
Total	**3.293.307**	**748.212**	**407.662**	**393.105**

On 31 December 2005 the Company's receivables were further impaired by Euro 261,981. This amount arises from the doubtful customer provision that was formed for TECHNOTHERM S.A as well as for doubtful debts of CHAMBAKI LTD. "Other debtors" which is included in the current assets of the Group and Company concerns, in its majority, receivables form the Hellenic State for V.A.T. return.

15. DERIVATIVES

Amounts in Euro

	CONSOLIDATED FIGURES 2005	COMPANY FIGURES 2005
Current Assets		
Foreign exchange swaps	41.961	-
Future contracts	1.580.196	972.507
Total	**1.622.157**	**972.507**
Long-term liabilities		
Interest rate swaps	653.279	653.279
Foreign exchange swaps	361.797	-
Total	**1.015.076**	**653.279**
Current liabilities		
Future contracts	1.531.714	1.222.271
Total	**1.531.714**	**1.222.271**
Amounts that have been recorded in the profit and loss statement as income or (expense)	-1.565.566	-1.607.527

The above estimation of the derivatives' open points was effected based on I.A.S. 39 "Financial Instruments: Recognition and Measurements". The Group's policy regarding matters concerning hedging risks is noted in Note 3.21 (Derivatives). The above estimated derivatives are comprised of futures that the Group uses to avoid creating a result from changes in the prices of metal and/or foreign currencies as well as interest rate swaps that the Group uses to secure the payment of interest on loans that it has concluded with a floating interest rate.

16. Cash and cash equivalents

Amounts in Euro

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Cash on hand and in banks	983.232	394.079	157.413	107.176
Short-term bank deposits	15.263.009	11.980.722	6.499.048	4.011.362
Total	**16.246.241**	**12.374.801**	**6.656.461**	**4.118.539**

17. Share capital

Amounts in Euro

The Share Capital of the Company amounts to Euro 32,003,756 and consists of 96,981,079 common bearer shares with a par value of Euro 0.33 each.
The Share Premium Account amounting to Euro 65,230753.

18. Other reserves

Amounts in Euro

CONSOLIDATED FIGURES	Statutory reserve	Fair Value reserves	Special reserves	Untaxed reserves	Other reserves	Total	Foreign exchange differences	Total
Balance as of 1 January 2004	**5.767.868**	**-**	**9.432**	**44.711.820**	**-**	**50.489.119**	**-**	**50.489.119**
Foreign exchange differences	-	-	-	-	-	-	854.318	**854.318**
Distribution	280.755	-	-	3.514.895	-	**3.795.650**	-	**3.795.650**
Redistribution	-24.374	-	-	-44.712	-	**-69.086**	-946.669	**-1.015.755**
Balance as of 31 December 2004	**6.024.249**	**-**	**9.432**	**48.182.003**	**-**	**54.215.684**	**-92.352**	**54.123.332**
Application of I.A.S. 32 & 39	**-**	**-882.121**	**-**	**-**	**-**	**-882.121**	**-**	**-882.121**
Balance as of 1 January 2005	**6.024.249**	**-882.121**	**9.432**	**48.182.003**	**-**	**53.333.563**	**-92.352**	**53.241.211**
Foreign exchange differences	-	-	-	-	-	-	1.956.705	**1.956.705**
Distribution	699.350	-	-	7.207.436	15.000	**7.921.786**	-	**7.921.786**
Redistribution	-72.674	273.855	-	38.520	-	**239.701**	-2.381.134	**-2.141.433**
Transfer to results	-	383.362	-	-	-	**383.362**	-	**383.362**
Other	-	-266.736	-	-	-	**-266.736**	-	**-266.736**
Balance as of 31 December 2005	**6.650.925**	**-491.639**	**9.432**	**55.427.959**	**15.000**	**61.611.677**	**-516.781**	**61.094.896**

COMPANY FIGURES	Statutory reserve	Fair Value reserves	Special reserves	Untaxed reserves	Other reserves	Total
Balance as of 1 January 2004	**5.767.842**	**-**	**9.432**	**44.711.820**	**-**	**50.489.094**
Distribution	233.313	-	-	3.424.895	-	**3.658.208**
Balance as of 31 December 2004	**6.001.155**	**-**	**9.432**	**48.136.715**	**-**	**54.147.302**
Application of I.A.S. 32 & 39		**-607.577**				**-607.577**
Balance as of 1 January 2005	**6.001.155**	**-607.577**	**9.432**	**48.136.715**	**-**	**53.539.725**
Distribution	643.115	-	-	7.192.236	15.000	**7.850.350**
Other	-	-69.705	-	-	-	**-69.705**
Balance as of 31 December 2005	**6.644.270**	**-677.282**	**9.432**	**55.328.951**	**15.000**	**61.320.370**

19. Lending

Amounts in Euro

	CONSOLIDATED FIGURES 2005	2004	COMPANY FIGURES 2005	2004
Long-term lending				
Loans from banks	59.249.227	79.756.932	20.522.404	32.440.457
Bond loans	154.500.000	150.000.000	105.000.000	100.000.000
Total long-term loans	**213.749.227**	**229.756.932**	**125.522.404**	**132.440.457**
Short-term loans				
Open bank accounts	48.365	830.720	48.365	585.754
Loans from banks	158.958.654	115.442.429	27.633.802	20.946.455
Total short-term loans	159.007.019	116.273.149	27.682.167	21.532.209
Total loans	**372.756.246**	**346.030.081**	**153.204.571**	**153.972.666**
The maturity dates of long-term loans are as follows:				
Between 1 and 2 years	22.974.945	20.409.188	-	-
Between 2 and 5 years	188.243.032	186.995.974	125.522.404	132.440.457
More than 5 years	2.531.250	22.351.770	-	-
	213.749.226	**229.756.933**	**125.522.404**	**132.440.457**

During 2004, the Company proceeded in the conclusion of Bond Loans with a group of banks in the amount of Euro 100,000,000 that it would use to refinance its short-term borrowing. The Company's total borrowing will be served within 5 years. During 2004, the Company settled loans (long-term and short-term) of a total value of Euro 61,224,000. During 2005, the Company proceeded in the conclusion of an additional Bond Loan in the amount of 30,000,000, which would be used to serve, primarily, its working capital needs as these arose as a result of the increase in the price of copper. During the same period, the Company settled loans (long-term and short-term) of a total amount of Euro 30,768,000.

On a Group level, during 2004 loan capital that was drawn amounted to Euro 161,355,000, while Euro 66,105,000 was settled. The corresponding amounts for 2005 were Euro 65,875,000 and Euro 39,149,000.

As noted in Note 7, mortgages have been filed against the real estate of HELLENIC CABLES S.A., ICME ECAB (Romania), including the equipment thereof, and against its movable assets (with the exception of receivables and inventories) against a long-term loan, the amount of which, as of 31 December 2005, amounted to Euro 6.5 million. Pursuant to the terms of the same loan, ICME ECAB must meet certain financial ratios. As of 31 December 2005 and according to preliminary calculations, two (2) of the stipulated ratios were not met. As a result, the bank has the right to request the settlement of the loan. ICME ECAB has notified the bank regarding the fact that it did not fulfil the aforementioned term and has requested a relative waiver, which had not been officially granted by the date the Financial Statements were prepared. The Management deems that the bank will not request the settlement of the said loan and, as a result thereof, it did not transfer the long-term part thereof, of an amount of Euro 4.6 million in current liabilities.

20. Personnel retirement benefits

Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Balance sheet liabilities for Retirement benefits	3.948.694	3.591.970	1.783.808	1.590.191
Charges to the profit and loss statement				
Retirement benefits	1.439.059	939.337	515.507	512.110
	435.777	155.020	243.867	44.017
Present value of non-funded liabilities	4.384.471	3.746.990	2.027.675	1.634.208
Non-recorded actuarial (profits)/losses	-435.777	-155.020	-243.867	-44.017
Liability recorded in the Balance Sheet	**3.948.694**	**3.591.970**	**1.783.808**	**1.590.191**
Variations in net liability recognised in the Balance Sheet				
Net liability at the beginning of the year	**3.591.970**	**3.470.252**	**1.590.191**	**1.555.131**
Benefits that have been paid	-1.082.335	-817.619	-321.890	-477.050
Total expenditure that was recognised in the profit and loss statement	1.439.059	939.337	515.507	512.110
Net liability at the end of the year	**3.948.694**	**3.591.970**	**1.783.808**	**1.590.191**
Actuarial loss or (profit)	-	-	-	-
Present value of the liability at the end of the period	**3.948.694**	**3.591.970**	**1.783.808**	**1.590.191**
Analysis of expenditures that were recognised in the profit and loss statement				
Cost of current employment	363.520	324.860	146.834	137.931
Interest on the liability	133.835	135.657	69.643	71.761
Cost of additional benefits	805.338	482.256	207.471	302.418
Cost of arrangement from employee transfers	-	8.233	-	-
Profit from cut-backs from employee transfers	-25.455	-11.669	-	-
Expenses	161.821	-	91.559	-
Total expenditure that was recognised in the profit and loss statement	**1.439.059**	**939.337**	**515.507**	**512.110**

Pursuant to Greek labour law, employees may receive indemnification in the event of their discharge or retirement, the amount of which is relative to their wages, the term of their employment and the manner by which they withdraw from the company (discharge or retirement). Employees who resign are not entitled to an indemnification.

The primary actuarial acknowledgements that were used for accounting purposes were as follows:

	2005	2004
Discount interest rate	4%-4,5%	4%-4,5%
Future salary increases	4%-4,5%	4%-4,5%

The Company has granted Share Options Plans to certain of its executives. Specifically, the General Meeting of 20 June 2002 decided to grant Options Plans for the acquisition of up to 1,225,000 shares that correspond to 1.26% of the Company's number of outstanding shares. Share options plans are secured gradually from 2002 to 2011 (10%) each year. The price at which the option is exercised has been set as the average closing price of the Company's share on the Athens Stock Exchange during the first fifteen days of June 2002, in other words Euro 3.45. Share Options Plans may be exercised between the first and last business day of the month of November of each year, between 2006 and 2013, at which point the deadline by which the Share Options Plans must be exercised expires. According to the transitional provisions of I.F.R.S. 2 and given the fact that the specific options plans were granted prior to 7 November 2002, the Company did not apply the provisions of this Standard, with the exception of the notifications of paragraphs 44 and 45 of I.F.R.S. 2.
HELLENIC CABLES S.A. has adopted a corresponding Options Plan up to 1.97% of the number of common registered shares that were outstanding at the time of adoption (530,600 options), adapted to future changes in the number of shares into which the share capital is divided, with the following main terms and conditions:
a) Beneficiaries of the Share Options Plans: Members of the Board of Directors, persons employed by the company or affiliated companies.
b) Price at which Share Options Plans are exercised: The price has been set as the closing price of the Athens Stock Exchange during the first fifteen days of June 2002, in other words Euro 2.97 per option.
c) Exercise of the Share Options Plans: Share Options Plans are secured gradually by 10% annually, beginning from the first business day of November 2002 until the first business day of November 2011. The above secured options are exercised from the first business day of November 2006 until the first business day of November 2013. Following this closing date any option that is not exercised is cancelled.

21. Subsidies – grants

Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Opening balance of the fiscal year	3.393.991	4.405.008	393.465	485.687
Depreciation of subsidies	-731.666	-1.011.017	-26.818	-92.222
Closing balance of the fiscal year	**2.662.325**	**3.393.991**	**366.647**	**393.465**

Subsidies have been granted for the purchase of tangible fixed assets. The Company's subsidies concern investments that were realised in previous fiscal years at the foundry factory. During fiscal years 2004 and 2005 the Company or Group did not receive any subsidy.

22. Suppliers and other liabilities

Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Suppliers	35.245.226	19.789.477	13.067.439	6.362.045
Cheques payable	4.171	39.996	-	-
Customer down payments	4.422.293	2.042.815	55.961	1.453.318
Insurance organisations	2.017.439	3.282.529	917.592	840.886
Amounts due to affiliated entities	8.260.191	16.070.078	4.321.610	-
Liabilities to holdings	1.705.073	-	1.705.073	-
Dividends payable	81.375	79.937	16.107	15.131
Sundry creditors	3.559.261	5.116.857	673.122	2.080.828
Deferred income	47.353	-	473.603	-
Accrued expenses	4.666.062	2.592.862	3.002.086	1.764.584
Other transit credit accounts	1.500.549	1.532.476	5.052	-
Total	**61.508.994**	**50.547.028**	**24.237.645**	**12.516.790**

23. Provisions

Amounts in Euro

	Pending court cases (Company)	Other provisions (Group)	Total
1 January 2004			-
Additional provisions of the fiscal year	5.000.000	35.831	**5.035.831**
31 December 2004	**5.000.000**	**35.831**	**5.035.831**
Additional provisions of the fiscal year		156.272	**156.272**
31 December 2005	**5.000.000**	**192.103**	**5.192.103**

24. Expenses by category

Amounts in Euro

CONSOLIDATED FIGURES 2004	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-39.870.093	-4.206.004	-10.935.398	**-55.011.495**
Cost of inventories recognised as an expense	-348.866.311	-2.883.184	-4.714.184	**-356.463.679**
Depreciation	-16.702.233	-208.872	-1.087.909	**-17.999.015**
Other expenses	-91.990.361	-4.939.733	-10.028.763	**-106.958.857**
Total	**-497.428.998**	**-12.237.793**	**-26.766.255**	**-536.433.046**
2005				
Employee benefits	-36.537.304	-6.710.334	-10.567.274	**-53.814.912**
Cost of inventories recognised as an expense	-414.036.079	-2.131.642	-1.375.136	**-417.542.857**
Depreciation	-19.812.788	-283.468	-1.377.826	**-21.474.082**
Other expenses	-180.113.433	-5.351.182	-8.422.739	**-193.887.354**
Total	**-650.499.605**	**-14.476.626**	**-21.742.975**	**-686.719.206**
COMPANY FIGURES 2004				
Employee benefits	-14.930.000	-1.566.000	-5.620.000	**-22.116.000**
Cost of inventories recognised as an expense	-251.706.191	-1.641.000	-3.338.000	**-256.685.191**
Depreciation	-7.198.817	-48.035	-659.719	**-7.906.571**
Other expenses	-32.047.435	-1.374.864	-6.015.198	**-39.437.497**
Total	**-305.882.443**	**-4.629.898**	**-15.632.918**	**-326.145.259**
2005				
Employee benefits	-15.000.859	-2.661.715	-5.129.877	**-22.792.451**
Cost of inventories recognised as an expense	-308.347.891	-	-	**-308.347.891**
Depreciation	-7.502.368	-62.699	-441.757	**-8.006.824**
Other expenses	-27.811.888	-3.785.083	-5.717.270	**-37.314.241**
Total	**-358.663.006**	**-6.509.497**	**-11.288.904**	**-376.461.407**

25. Financial cost (net) — Amounts in Euro

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Income				
Interest income	376.211	327.437	168.123	109.424
Foreign exchange differences	-	1.365.773	-	-
Other (as analysed below)	60.832	19.862	60.832	19.862
Total income	**437.043**	**1.713.071**	**228.955**	**129.286**
Expenses				
Interest charges & related expenses	-13.374.612	-13.414.540	-6.383.982	-6.315.520
Foreign exchange differences	-	-966.686	-	-
Other (as analysed below)	-686.340	-275.058	-	-
Total expenses	**-14.060.952**	**-14.656.284**	**-6.383.982**	**-6.315.520**
Financial cost (net)	**-13.623.909**	**-12.943.213**	**-6.155.026**	**-6.186.234**

26. Income tax — Amounts in Euro

Both the Hellenic tax legislation and relative provisions are subject to interpretations by tax authorities. Income tax statements are filed on an annual basis, but profits or losses that are declared for tax purposes are deemed temporary until the tax authorities audit the tax payer's tax statements and books, at which point all relative tax liabilities are settled. Tax losses, to the extent that they are recognised by tax authorities, may be used in order to offset profits that will be realised in the five years that follow the fiscal year that they concern.
Pursuant to the provisions of the Hellenic tax legislation, companies pay an income tax down payment each year, which is estimated at 55% (65% from 2005) on the income tax of the current fiscal year. When the tax is settled in the next fiscal year, any excess amount that is paid in advance is returned to the company after the tax audit.
Pursuant to the provisions of the Hellenic tax legislation, the income tax rate as of 31 December 2004 was 35%. Pursuant to Law 3296/2004 this rate was decreased to 32% for 2005, 29% for 2006 and 25% for 2007 and thereafter.

Income tax that burdens the Results is analysed as follows:

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	2004	2005	2004
Tax of the fiscal year	**-7.139.840**	**-5.973.567**	**-4.563.848**	**-4.150.806**
Deferred tax of the fiscal year				
Differences of the fiscal year	-372.538	616.541	-170.285	-704.371
Change in the tax rate to 25%	11.131	9.326.081	-	6.448.929
	-361.407	**9.942.622**	**-170.285**	**5.744.558**
	-7.501.247	**3.969.055**	**-4.734.133**	**1.593.752**

INCOME TAX

Accounting profit before taxes	12.506.204	12.892.878	14.270.724	12.791.235
Tax Rate	**32%**	**35%**	**32%**	**35%**
	-4.001.985	-4.512.507	-4.566.632	-4.476.932
Tax rate effects from foreign subsidiaries	11.131	-	-	-
Non-deducted expenses	-1.692.137	-2.515.720	-15.600	-4.173.601
Exempt income	438.957	3.796.055	481.318	3.795.355
Tax loss for which a deferred tax was not recognised				
Tax differences from tax audits of previous years	-1.361.684	-2.124.854	-	-
Tax rate change	-895.529	-	-633.219	-
Total income tax	-	9.326.081	-	6.448.929
	-7.501.247	**3.969.055**	**-4.734.133**	**1.593.751**

Deferred tax against tax losses in the amount of Euro 1,726,131 for HELLENIC CABLES S.A. and its subsidiaries have been recognised, the latter of which are statute-barred between fiscal years 2007 and 2009. Deferred tax against tax losses have been recognised based on the current financial development of these companies and on the pre-estimations that have been made for future years.

27. Other operating income – expenses (net)

Amounts in Euro

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Other income				
Grants of the fiscal year	20.612	44.525	-	-
Income from incidental activities	226.306	1.770.721	2.707.716	1.105.373
Interest income (operating activity)	-	6.494	-	-
Depreciation of subsidies received	731.666	1.011.017	26.818	92.222
Foreign exchange differences	34.207.757	847.905	512.873	489.809
Other income (as analysed below)	1.574.154	1.982.986	-	-
Total other income	**36.760.495**	**5.663.649**	**3.247.407**	**1.687.404**
Other expenses				
Impairment of holdings and other financial assets	-	-	-1.275.534	-413.891
Foreign exchange differences	-33.243.954	-941.116	-741.645	-478.654
Other income (as analysed below)	-2.601.985	-3.134.843	-659.336	-146.321
Total	**-35.845.939**	**-4.075.959**	**-2.676.515**	**-1.038.866**
Profits/(losses) from the sale of fixed assets	**155.814**	**-**	**85.798**	**137.040,81**
Profits/(losses) from the sale of holdings	**39.955**	**-**	**39.955**	**-**
Other operating income - expenses (net)	**1.110.323**	**1.587.690**	**696.645**	**785.579**

28. Cash flows from operating activities

Amounts in Euro

	CONSOLIDATED FIGURES 2005	CONSOLIDATED FIGURES 2004	COMPANY FIGURES 2005	COMPANY FIGURES 2004
Profits of the period	5.004.957	16.861.932	9.536.591	14.384.986
Adjustments for:				
Tax	7.501.247	-3.969.055	4.734.133	-1.593.751
Depreciation of tangible fixed assets	20.312.784	17.632.956	7.796.747	7.480.144
Depreciation of intangible fixed assets	1.161.299	1.237.929	210.077	426.428
Impairments	531.802	0	0	0
(Profits)/losses from the sale of tangible fixed assets (see below)	-155.814	0	-85.798	-137.041
(Profits)/losses from the sale of holdings (see below)	-39.955	0	-39.955	0
(Profits)/losses from the reasonable value of derivatives	1.565.566	0	1.607.527	0
(Income) from interest	-376.211	-327.437	-168.123	-109.424
Interest charges	13.374.612	13.414.540	6.383.982	6.315.520
(Income) from dividends	-21.437	-43.990	-1.765.412	-322.541
(Depreciation) of subsidies	-731.666	-1.011.017	-26.818	-92.222
(Profits)/losses from affiliated companies	14.496	-1.142.074	0	0
Foreign exchange (profits)/losses from loans	0	-399.087	0	0
Loss from the destruction of fixed assets	129.320	9.771	0	0
Other (please clarify)	15.718	-19.862	-24.849	146.055
	48.286.716	**42.244.607**	**28.158.101**	**26.498.154**
Changes in working capital				
(Increase)/decrease in inventories	1.416.987	-64.544.555	14.261.329	-28.292.155
(Increase)/decrease in receivables	-42.822.477	-41.568.944	-11.426.530	-27.582.266
Increase/(decrease) in liabilities	11.784.782	6.536.418	12.137.549	1.904.575
Increase/(decrease) in provisions	1.564.364	5.334.027	261.981	5.015.627
Increase/(decrease) in personnel retirement benefits	356.724	200.227	193.617	35.060
	-27.699.620	**-94.042.826**	**15.427.947**	**-48.919.159**
Net cash flows from operating activities	**20.587.096**	**-51.798.219**	**43.586.048**	**-22.421.005**

29. Commitments

Amounts in Euro

1. Contractual commitments

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2005	**2004**	**2005**	**2004**
Tangible fixed assets	6.389.659	5.608.924	-	-
	6.389.659	**5.608.924**	**-**	**-**

Contractual liabilities concern the commitments of SOFIA MED AD regarding the purchase of mechanical equipment.

2. Liabilities from operating leases

Up to 1 year	544.724	343.490	351.757	332.489
From 1-5 years	1.422.999	1.624.103	1.143.894	1.099.346
More than 5 years	47.424	-	-	-
	2.015.148	**1.967.593**	**1.495.651**	**1.431.835**
Burden on results	**694.969**	**699.187**	**349.049**	**353.266**

The Group leases fork-lift vehicles, pallet carriers and commercial vehicles. Rents vary in duration but no lease may exceed 5 years from the date the relative contract is concluded. During the year that ended on 31 December 2005 expenses in the amount of Euro 349,094 (2004: Euro 353,266) were recorded in the Company's Profit and Loss Statement.

30. Possible liabilities / receivables

Amounts in Euro

In a study conducted by the European Competitiveness Committee regarding European copper pipe producers, the Committee determined that the rules of competition in the copper irrigation pipe market were being violated. The European Committee imposed fines on seven companies, one of which was HALCOR S.A. HALCOR's fine amounted to Euro 9.16 million. Whereas the company deems that the fine's imposition was unjustified and unfair and that the amount imposed was considerably high, it has filed a recourse against the Committee's decision before the Court of the European Communities. The company's Management, based on the opinion of its legal department with regard to the recourse's validity, deems that the final amount of the aforementioned fine (provided the legality of its imposition is confirmed judicially) will not exceed Euro 5 million, an amount that has burdened the results of fiscal year 2004 as a provision.

SOFIA MED AD with registered offices in Bulgaria and is 100% controlled by HALCOR S.A. has had recourse to the courts claiming the return of Euro 299.5 thousand in Value Added Tax rebates. According to the reports of the company's legal department its management believes there is an extremely high possibility that it shall win the case.

Mortgages of a total amount of Euro 20 million have been filed against the real estate of HELLENIC CABLES S.A., ICME ECAB S.A of Romania.

A lawsuit has been filed against HALCOR S.A. by a former employee thereof regarding illegal contract termination. The amount of indemnification amounts to Euro 150,000.

The Company's tax liabilities and those of its subsidiaries for certain fiscal years, as these are noted in Note 34, have not been audited by the tax authorities, and a s result they have not been finalised for these years.

31. Transactions with affiliated entities

Amounts in Euro

	CONSOLIDATED FIGURES 2005	2004	COMPANY FIGURES 2005	2004
Sale of goods				
Subsidiaries	-	-	98.116.047	84.861.859
Other affiliated entities	53.153.725	57.681.614	27.428.766	32.982.727
	53.153.725	**57.681.614**	**125.544.813**	**117.844.585**
Sale of services				
Subsidiaries	-	-	2.472.251	714.938
Other affiliated entities	8.113.765	6.181.470	623.099	425.519
	8.113.765	**6.181.470**	**3.095.349**	**1.140.457**
Sale of fixed assets				
Subsidiaries	-	-	219.038	243.675
Other affiliated entities	876.492	396.381	-	-
	876.492	**396.381**	**219.038**	**243.675**
Purchase of goods				
Subsidiaries	-	-	24.154.633	12.239.093
Other affiliated entities	50.770.979	57.218.553	6.284.364	17.371.400
	50.770.979	**57.218.553**	**30.438.997**	**29.610.493**
Purchase of services				
Subsidiaries	-	-	3.193.800	2.250.743
Other affiliated entities	9.704.542	7.689.373	4.753.470	3.044.226
	9.704.542	**7.689.373**	**7.947.270**	**5.294.969**
Purchase of fixed assets				
Subsidiaries	-	-	-	-
Other affiliated entities	2.901.460	1.233.665	1.422.357	-
	2.901.460	**1.233.665**	**1.422.357**	**-**
Receivables from affiliated entities:				
Subsidiaries	-	-	11.748.130	11.500.753
Other affiliated entities	9.868.992	14.072.779	2.832.233	4.739.758
	9.868.992	**14.072.779**	**14.580.362**	**16.240.511**
Liabilities to affiliated entities:				
Subsidiaries	-	-	4.325.194	-
Other affiliated entities	10.845.272	3.949.634	1.705.073	1.845.661
	10.845.272	**3.949.634**	**6.030.267**	**1.845.661**

Services to and from affiliated entities as well as sales and purchases of goods are effected pursuant to the pricelists that are apply to non-affiliated entities.
The fees of the members of the Board of Directors and the fees of executives of the Group's companies that burdened fiscal year 2005 amounted to Euro 1,934,074, Euro 1,210,430 of which concern the Company.

32. Profits per share

Amounts in Euro

	CONSOLIDATED FIGURES 2005	2004	COMPANY FIGURES 2005	2004
Profits that correspond to the parent company's shareholders	3.490.957	14.154.258	9.536.591	14.384.986
Weighted average number of shares	96.981.079	96.981.079	96.981.079	96.981.079
Basic profits per share (Euro per share)	**0,036**	**0,146**	**0,098**	**0,148**
Total weighted average number of shares for reduced profits per share	96.981.079	96.981.079	96.981.079	96.981.079
Reduced profits per share (Euro per share)	**0,036**	**0,146**	**0,098**	**0,148**

33. Dividends per share

Amounts in Euro

Pursuant to Hellenic legislation, companies are obligated to distribute to their shareholders a dividend equal to at least 6% of their paid-up capital or 35% of the profits that arise from their accounting books (published financial statements) after the relative income tax and statutory reserve is deducted, provided this is greater than 6% of the paid-up capital. In spite of the above, companies may not distribute dividends following the congruent opinion of their shareholders.
Dividends that were distributed in 2005 (from the profits of 2004) amounted to Euro 4,849,054 or Euro 0.05 per share. The proposed dividend from the profits of fiscal year 2005 amounts to Euro 0.065 per share or Euro 6,303,770.

34. Unaudited fiscal years

Amounts in Euro

The table below presents the unaudited fiscal years of the companies that are consolidated by HALCOR either with the integrated consolidation method or net worth method..

Corporate name	Country	Holding percentage	Method of consolidation	Unaudited fiscal years
HALCOR S.A.	GREECE	Parent	Integrated Consolidation	2002-2005
HELLENIC CABLES S.A.	GREECE	79.65%	Integrated Consolidation	2003-2005
FITCO A.E.	GREECE	50.32%	Integrated Consolidation	2003-2005
STEELEMT S.A.	GREECE	53.10%	Integrated Consolidation	2003-2005
AKRO S.A.	GREECE	84.50%	Integrated Consolidation	2003-2005
EVITE S.A.	GREECE	100.00%	Integrated Consolidation	2003-2005
SOFIA MED SA	BULGARIA	100.00%	Integrated Consolidation	2005
METAL AGENCIES LTD	UN. KINGDOM	93.28%	Integrated Consolidation	2005
BELANTEL HOLDINGS LTD	CYPRUS	100.00%	Integrated Consolidation	1999-2005
METAL GLOBE DOO	SERBIA	53.89%	Integrated Consolidation	2002-2005
COPPERPROM LTD	GREECE	71.86%	Integrated Consolidation	2003-2005
SYLLAN S.A.	GREECE	75.16%	Integrated Consolidation	2005
OGWELL LIMITED	CYPRUS	100.00%	Integrated Consolidation	2005
DIAPEM TRADING S.A.	GREECE	33.33%	Net Worth	2003-2005
ELKEME S.A.	GREECE	25.00%	Net Worth	2003-2005
VECTOR S.A.	GREECE	33.33%	Net Worth	2003-2005
S.C. STEELMET ROMANIA S.A	ROMANIA	40.00%	Net Worth	2002-2005
TEPRO METALL AG	GERMANY	31.79%	Net Worth	1992-2004
ENERGY SOLUTIONS SA	BULGARIA	38.60%	Net Worth	2005
THISVI POWER GENERATION PLANT S.A.	GREECE	20.00%	Net Worth	2004-2005
VIEXAL LTD.	GREECE	26.67%	Net Worth	2003-2005

There are also other companies that may be obligated to pay income taxes due to unaudited fiscal years.

35. Significant events that took place after the balance sheet date

Amounts in Euro

The Boards of Directors of HALCOR S.A. and FITCO S.A., during their meetings of 30 January 2006, decided to proceed in their merger with the absorption of the latter company by the former company. The share exchange ratio shall be announced immediately after two auditing firms complete their regarding the valuation of the value of each company.
The date of transformation has been set for 31 January 2006. the merger shall be realised pursuant to the provisions of Law 2166/93 and Law 2190/1920.

On 1 February 2006, a customer of TECHNOTHERM S.A. stated that it was unable to settle its debts. The total amount due amounted to Euro 654,906.62, which was comprised of cheques in the amount of Euro 500,000 and an open balance account in the amount of Euro 154,906.62. During the fiscal year that ended on 31 December 2005, the company formed a provision that reduced the results of the fiscal year and amounted to 20% of the aforementioned amount due, which it is very likely that it will not be collected as an insurance indemnification.

In February 2006, the Board of Directors of the subsidiary of HELLENIC CABLES S.A., TELECABLES S.A. issued an invitation for the convention of an Extraordinary General Meeting during which the matter of a share capital reduction, due to a surplus capital, with the return of cash to shareholders, would be discussed.

Auditors Report

To the Shareholders of HALCOR METALWORKS S.A.

We have audited the accompanying Financial Statements and Consolidated Financial Statements (the "Financial Statements") of HALCOR METALWORKS S.A. ("the Company") which comprise the balance sheet as at 31 December 2005 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. These financial statements 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 the Greek Auditing Standards which are aligned with the International Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 presentation of the financial statements and the consistency of the content of the Board of Directors' Report with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company and the Group as of 31 December 2005 and the results of operations, the changes in equity and the cash flows for the year then ended, in accordance with the International Financial Reporting Standards which have been adopted by the European Union and the content of the Board of Directors' report is consistent with the accompanying Financial Statements.

Without qualifying our audit report, we draw attention to Note 34 to the Financial Statements which explains that the tax obligations of the Company and its subsidiaries have not been audited by the tax authorities for certain years and therefore have not been conclusively decided for these years. The outcome of the tax audits cannot be predicted at this point in time.

Athens, 14 March 2006

KPMG Kyriacou Certified Auditors A.E.

Michael Kokkinos, Certified Auditor Accountant
AM SOEL 12701

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