ANNUAL REPORT 2007

MYTILINEOS® HOLDINGS S.A.

Chairman's Statement

Dear Shareholders,

The year 2007 was yet another year during which we continued to build on solid foundations for our future growth. The changes in the business environment, especially in the energy sector, were quite significant, but we managed to meet successfully and consistently the goals that we had set. Our aspirations were fulfilled, and we continue with the same sense of responsibility to seek the opportunities that will boost further our efforts for international growth.

In the sector of EPC Projects, the significant progress and successful strategic planning of METKA were vividly reflected in the company's financial results, confirming its establishment as one of the major players in the sector of EPC projects in the wider region of Southeastern Europe.

Metallurgy remains very much a significant part of our business, maintaining a consistently good record despite adverse conditions in the international market. We continue at a fast pace to carry out investments to improve our productivity and protect the environment, anticipating our performance to improve in the immediate future.

In the Energy Sector, we led developments in Greece through the creation of Endesa Hellas in association with the Endesa energy giant. The progress made by the new company so far demonstrates that it satisfies all requirements that will allow it to evolve into the largest independent energy producer in Greece and will spearhead its expansion in the wider region of Southeastern Europe, through a broad power-generation base utilising thermal and renewable energy sources.

Aware of our role as a **Force of Responsible Growth**, we move into this year and press on with our efforts, undeterred by adverse conditions in the international market. We are confident that the coordinated efforts of both the Management and our employees, as well as the transparency and spirit of cooperation in our relations with all of our stakeholders, serve as guarantees for yet another year of sustained progress that will lead to corresponding benefits for our shareholders, who have been honouring us with their confidence all these years.

Evangelos Mytilineos

Board of Directors

EVANGELOS MYTILINEOS	Chairman and Chief Executive Officer (Executive Member)
IOANNIS MYTILINEOS	Vice President (Non Executive Member)
GEORGE KONTOUZOGLOU	Executive Director (Executive Member)
NIKOLAOS MOUSAS	Member (Non Executive)
CHRISTOS DIAMANTOPOULOS	Member (Non Executive)
APOSTOLOS GEORGIADIS	Member (Independent – Non Executive)
DIMITRIOS DASKALOPOULOS	Member (Independent – Non Executive)

Contents

1. Summary of Financial Figures

1.1 Financial Figures of Mytilineos Holdings S.A.

I. Summary of Financial Figures (amounts in ths €)

	2005* IFRS	2006* IFRS	2007 IFRS
Turnover	164,91.00	137,050.00	3,256.00
Gross Operating Profits	12,492.00	19,622.77	2,430.00
Operating Expenses	13,030.00	(21,423.66)	(24,564.80)
Financial Results	46,239.00	65,054.67	187,091.87
EBITDA	(218.00)	3,401.71	4,371.23
Net Income	45,700.00	52,632.31	161,073.24
Net Income for Distribution	44,834.00	52,632.31	161,073.24
Dividends	16,208.00	24,312.00	59,662.01
Profit Carried Forward	(27,246.00)	281,638.13	297,455.07
Total Gross Fixed Capital	14,800.00	14,680.45	14,693.15
Depreciation	3,118.00	3,077.37	3,557.32
Total Net Fixed Capital	11,682.00	11,603.08	11,135.84
Total Current Assets	130,264.00	120,212.91	76,574.94
Total Assets	38,384.00	885,149.48	937,007.63
Total Equity	236,249.00	622,825.30	586,146.33
Total Liabilities	147,635.00	262,324.18	350,861.30

* It is pointed out that the financial results for 2005 and 2006 (up to 30.06.2006) also include entries for the separated ferrous and non-ferrous mines Trade Segment. In terms of accounting management, separation of this segment and its transfer to "THORIKI PRODUCTION & TRADE OF METALS A.V.E.E." was effected on 30.06.2007, and thus as of 01.07.2006 the items the results of this segment are recognised in the Financial Statements of the Group's subsidiary "THORIKI PRODUCTION & TRADE OF METALS A.V.E.E." and in the Consolidated Financial Statements of "MYTILINEOS HOLDINGS S.A.".

1.2 Consolidated Financial Figures of Mytilineos Holdings S.A.

II. Summary of Consolidated Financial Figures (amounts in ths €)

	2005 IFRS	2006 IFRS	2007 IFRS
Turnover	746,628.00	837,039.00	912,597.00
Gross Operating Profits	163,607.00	208,744.18	163,603.71
Operating Expenses	25,499.00	(59,873.35)	(82,994.53)
Negative Goodwill Profit	137,466.00	19,242.08	–
Financial Results	19,117.00	25,703.13	143,518.07
EBITDA	158,419.00	187,226.69	153,706.66
Net Income	294,691.00	157,333.62	29,671.99
Net Income for Distribution	256,200.00	152,381.41	193,601.16
Reformed Profit (P.D. 348/85)	–	–	–
Profit Carried Forward	165,687.00	220,481.92	288,926.82
Total Gross Fixed Capital	903,786.00	1,034,293.78	901,009.22
Depreciation	472,782.00	493,333.48	513,355.21
Total Net Fixed Capital	431,004.00	540,960.30	387,654.00
Total Current Assets	541,872.00	509,445.62	653,973.86
Total Assets	1,175,439.00	1,366,184.82	1,649,718.25
Total Equity	707,834.00	779,137.71	799,851.89
Total Liabilities	467,605.00	587,047.11	789,717.59

2. Information About the Editing of the Annual Report and the Company's Auditors

2.1 General

The present Annual Report contains all information and financial data necessary in order the shareholders, investors, and their consultants to be able to correctly assess the company's property, financial situation, the results of fiscal year 2007, and the company's prospects.

2.2 Annual Report Editors

The editing and distribution of the Annual Report was effected according to the provisions of the current legislation.
Responsible for the editing and accuracy of its information are:

- Mr. Dimou Ioannis, Group Financial Officer, 5-7 Patroklou street, Marousi, 210 6877300.
- Mr. Kalafatas Ioannis, Group Financial Controller, 5-7 Patroklou street, Marousi, 210 6877300.
- Mr. Kontos Nikolaos, Group Investor Relations Officer, 5-7 Patroklou street, Marousi, 210 6877300.
- Mr. Deligeorgis Anastasios Head of Accounting Department, 5-7 Patroklou street, Marousi, 210 6877300.

The Company's Board of Directors states that all of its members are informed of this Report's contents and, together with its editors, affirm that:

- All information and data contained herein are complete and true.
- There are no other data and no events the hiding or omission of which could make misleading the whole or part of the data and information contained in the Annual Report.
- No judicial differences or refereeing are pending against the Company or its subsidiaries which could affect heavily their financial situation, apart from those mentioned in a special paragraph below.

2.3 Regular Certified Auditors – Accountants

The Company is being audited by certified auditors. For the fiscal year ending 31/12/2007 the audit was conducted by the certified auditor Mr. Deligiannis Gergios, citizen of Athens, reg. nr. SOEL 15791 of Grant Thorton company (44 V. Konstantinou str., 116 35 Athens, tel. 210 7280000).
The auditing certificates of the regular certified accountants are included in the Appendix of this Annual Report, under the annual financial statements.

2.4 Tax Auditing

There are no litigations or arbitrations pending against the Group that may have a significant impact on its financial position or operations. The fiscal years that have not been inspected by the tax authorities for each of the Group's companies are as follows:

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

COMPANY	Years not inspected by Tax Authorities
PEPONIAS S.A., Moshato, Athens	2004-2007
FTHIOTIKI ENERGY S.A., Moshato, Athens	2003-2007
YDRIA ENERGY S.A., Moshato, Athens	2005-2007
AIOLIKI MARTINOU S.A., Moshato, Athens	2005-2007
ARGIRI ENERGY S.A., Moshato, Athens	2003-2007
EN.DY. S.A., Moshato, Athens	2003-2007
FOTINOS TILEMAXOS S.A., Moshato, Athens	2003-2007
THESSALIKI ENERGY S.A., Moshato, Athens	2002-2007
IONIA ENERGY S.A., Moshato, Athens	2006-2007
ELECTRONWATT S.A., Moshato, Athens	2006-2007
BUSINESS ENERGY S.A., Alimos, Athens	2006-2007
DELTA RENEWABLE ENERGY SOURCES S.A. Ag. Paraskevi Attikis	2004-2007
ENDESA Hellas S.A.	2007
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	2001-2007
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	2003-2007
NORTH AEGEAN RENEWABLES, Maroussi, Athens	2006-2007
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	2001-2007
AIOLIKI ANDROU TSIROVLIDI S.A.,Maroussi,Athens	2003-2007
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	2003-2007
AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	2003-2007
AIOLIKI PLATANOU S.A., Maroussi, Athens	2003-2007
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	2003-2007
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	2003-2007
AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	2003-2007
HELLENIC SOLAR S.A., Maroussi Athens	2006-2007
SPIDER S.A., Maroussi Athens	2002-2007
GREENENERGY A.E.	2007
BUSINESS ENERGY TPOIZINIA	2007

During the reporting period, tax authorities' inspection assessed tax differences, amounting to ths € 8,884 The assessed tax differences are offset against relevant provisions.

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

2.5 Information

The Annual Report is provided for free to the investors, after the publication of the annual financial statements and in no less than ten (10) working days before the Annual General Meeting of the shareholders. A copy of the Annual Report is submitted to the Capital Market Committee and the Athens Stock Exchange.
For more information, the investors may contact the Company's offices (5-7 Patroklou street, Marousi, 210 68 77 300, E-mail: nikos.kontos@mytilineos.gr, Mr. Nikolaos Kontos – Group Investor Relations Officer) during working days and hours. The Company's site (http://www.mytilineos.gr) contains an electronic form of this Annual Report as well as the ones of the previous two fiscal years, and additional important information for the Company.

3. Important Information for the Company

3.1 Public Offers

During the current and previous financial years, the Company has not submitted any public offers for the acquisition of the shares of another company or for the exchange of its shares with those of another company, nor have similar offers been made by third parties regarding the shares of the Company.

3.2 Acquisitions and Stakes to the Share Capital of other Companies

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

Strategic Alliance with ENDESA

On 28.03.2007, "MYTILINEOS Holdings SA" and "ENDESA Europa" have announced a strategic alliance. In this joint venture, "ENDESA Europa" will have a stake of 50,01% and "MYTILINEOS HOLDINGS SA" the remaining 49.99%. According to the agreement, "MYTILINEOS HOLDINGS SA" will contribute its entire thermal and renewable energy assets and licenses and "ENDESA Europa" will contribute in cash the equivalent of the valuation of these assets. The amount initially agreed for the valuation was set to € 600m. The contribution of the assets is expected to start immediately and be completed in a 12 months period. The scope of the new company includes the construction and operation of thermal power stations (natural gas and coal), renewables (wind parks, hydro and photovoltaic) as well as electricity and CO2 emissions trading.
The asset base of the new venture will include:

- a CHP of 334MW which is expected to start trial operation.
- a 430 MW natural gas fired power plant under construction, which will be completed in June 2009.
- a 440 MW natural gas fired power plant under development in the Volos region, which will be completed in January 2011.
- a portfolio of more than 1000 MW of renewable projects.
- a licence of a new coal - fired power plant of 600MW.
- additional opportunities for the new venture will include a 310MW trading license, additional natural gas fired power plants license and international coal fired power plants.

Within the above framework, the BoD of "MYTILINEOS HOLDINGS SA" agreed to proceed with the construction and operation of a new Merchant Independent Power Production Plant of 430 MW at Agios Nikolaos site in Viotia, for which MYTILINEOS has been granted all necessary Licenses and Permits to start construction. The plant is of combined cycle technology and shall operate with natural gas as prime fuel. The new merchant plant of Agios Nikolaos shall produce 2,500 MWh annually to supply the wholesale market, companies and individual consumers. Total investment is expected to exceed the amount of € 215m. The interconnector pipeline to serve with gas both power stations is underway and expected to be in operation early 2008. The above mentioned investment will eventually be as asset of ENDESA HELLAS, after the completion of the first phase of the agreement of MYTILINEOS HOLDINGS and ENDESA EUROPA.

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

On 10.07.2007 the General Assemblies of "ENDESA Hellas", "MYTILINEOS POWER GENERATION AND SUPPLIES

S.A.” and “MYTILINEOS RENEWABLE ENERGY SOURCES SA” decided the merger by absorption of MYTILINEOS POWER GENERATION AND SUPPLIES S.A. and MYTILINEOS RENEWABLE ENERGY SOURCES SA from “ENDESA Hellas”. The share exchange ratio for the merger was set according to the agreed valuation of the transferred assets of MYTILINEOS POWER GENERATION AND SUPPLIES S.A. and MYTILINEOS RENEWABLE ENERGY SOURCES SA. The above mentioned merger was approved by the Prefecture of Athens (No 10728/25-7-2007) on 25.07.2007.

Group’s Transformations

In the context of the said agreement, the Company’s management, announced on 28.03.2007 the decision to begin transformations and corporate restructurings in order to capitalize on the Group’s energy assets in the most beneficial way trying to maximize benefits and profits for every one in the Group at the level of parent company, subsidiaries, associated companies and by extension for all its shareholders. In particular, the Board of Directors of “MYTILINEOS HOLDINGS S.A.”, “ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A.” and “DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A.” decide:

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

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

On 22.06.2007 the Prefecture of Athens approved the spin off of (i) construction of machinery and metal constructions and (ii) turn Key projects sectors of DELTA PROJECT and their transfer to the 100% subsidiary, “Energy construction Development Western Greece S.A.”.

On 23.07.2007, the Prefecture of Athens approved the merger by absorption of the fully owned subsidiaries of MYTILINEOS HOLDINGS, “MYTILINEOS POWER GENERATION AND SUPPLIES S.A.” and “MYTILINEOS RENEWABLE ENERGY SOURCES S.A.” by “ENDESA HELLAS S.A.”.

On 23.07.2007, Mytilineos Holdings S.A., announced that following the completion of the financial, legal and technical due diligence, has decided not to proceed, with the acquisition of 80% stake in Evroenergiaki S.A. as per the provisions of the initial binding agreement announced at 16.05.2007. The Group and the shareholders of Evroenergiaki S.A. after taking into account the findings of the aforementioned due diligence process failed to reach an agreement regarding the final consideration to be paid and the other terms of the transaction.

In addition, on 10.08.2007 the Prefecture of Athens approved the spin off of the production, construction and trading of alumina, aluminium, mineral materials and ALUMINIUM metals sector of “ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A.”, and its transfer to the 100% subsidiary, “Aluminium S.A.”.

On 18.06.2007 the Board of Directors of “MYTILINEOS HOLDINGS S.A.”, “ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A.” and “DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A.” decided to approve the Draft Merger Agreement regarding the merger by take-over of “ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A.” and “DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A.” from “MYTILINEOS HOLDINGS S.A.”.

On 03.09.2007 the triple merger of MYTILINEOS, ALUMINIUM OF GREECE and DELTA PROJECT was approved by the respective General Assemblies of their Shareholders. On 28.09.2007 the decision of the Minister of Development, by means of which the merger by absorption of ‘ALUMINIUM OF GREECE INDUSTRIAL AND

COMMERCIAL S.A.' and 'DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A.' by 'MYTILINEOS HOLDINGS S.A.' was approved, was registered in the Societe Anonyme Register.
The share exchange ratios, as confirmed by three financial institutions - ALPHA BANK, EUROBANK and NBGI – were as follows:

"MYTILINEOS HOLDINGS S.A." shareholders', to exchange 1 old share for one new share, at the new nominal value of € 2.55,

"ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A." shareholders', to exchange 2,529 old shares for one new share, at the new nominal value of € 2.55, and

"DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." shareholders', to exchange 5,296 old shares for one new share, at the new nominal value of € 2.55

For the completion of the merger procedure a share capital increase for a total amount of € 99,891,977.10 (8,187,172 new shares) has been approved by the General Assembly held at 03.09.2007. Therefore, the Company's new Share Capital shall stand at € 124,204,181.10 divided into 48,707,522 common shares with a new nominal value € 2.55.
The Shareholders' structure of MYTILINEOS HOLDINGS after the merger is as follows:

- MYTILINEOS former shareholders to hold 40,520,340 shares or 83.19% of the new Share Capital.

- ALUMINIUM former Shareholders' (apart from MYTILINEOS S.A.) to hold 7,326,542 shares or 15.04% of the new Share Capital.

- DEPRO former Shareholders, (apart from MYTILINEOS S.A.) to hold 860,640 shares or 1.77% of the new Share Capital.

Participations in Tenders and Projects

On 01.06.2007, Mytilineos Holdings S.A., announced that has been nominated as one of the four companies which are going to participate in the next phase of the tender for the acquisition of "Aluminij d.d. Mostar". "Aluminij d.d. Mostar" is the second largest producer, after Aluminium of Greece, of aluminium in SE Europe. Aluminij d.d. Mostar employs 910 personnel, having a Turnover that reached approximately $256.4 m in 2006. Mytilineos Group in line with the implementation of its strategic development in the segment of basic metals is interested to acquire a 88% stake in Aluminij d.d. Mostar.

In relation to the process of the sale of the 88% of Aluminij d.d Mostar, Mytilineos Holdings S.A. submitted it's final offer on 24.09.2007. The tender commission of Bosnia & Herzegovina received in total three final bits.

On 23 January 2007, METKA signed a € 110 million contract with "THE KARACHI ELECTRIC SUPPLY CORPORATION Ltd" (KESC) for the design, supply and commissioning of a 220 MW power station in Karachi, Pakistan. For this project, METKA cooperated with General Electric Co. (GEC), which will supply the gas turbines, and the Slovakia-based "ISTROENERGO GROUP Inc." (IEG), which will supply the heat recovery steam generator (boiler). The design of the station includes provisions for future expansions, to bring power output up to 250 MW. An additional 15,500 MW of power generation capacity will be added to the system over the next decade by the most conservative estimates, of which 9,500 MW will come from natural gas fired stations. METKA will compete for a considerable share of this EPC market, provided that it completes the Karachi project successfully within the timeframes agreed.

Finally, the BOD of "Public Power Corporation" (PPC) with its 24.07.2007 decision confirmed the results of the tender for the execution of the "Aliveri" project regarding the Engineering Procurement and Construction of a 420 MW gas fired Combined Cycle Power Plant. The BOD sent to the technical preferred bidder a confirmation letter (dated 24.07.2007) awarding the said project to the Group's subsidiary METKA.
According to the contents of the confirmation letter the budget of the projects totals € 219.16m and the completion period is set to be 27 calendar months starting form signing of the contract. The contract signed on 17.10.2007.

Updates on Income Tax Reviews

For the company "MYTILINEOS HOLDINGS S.A." the tax inspection of the fiscal years 2005 and 2006 was completed by 27.09.2007 and the amount of tax difference totals € 7,323 k., for the company "DELTA MACHINERY EQUIPMENT AND TURN KEY PROJECTS COMMERCIAL INDUSTRIAL TECHNICAL S.A." the tax inspection of the fiscal year 2006 was completed by 28.09.2007 and the amount of tax difference totals € 35 k. and for the company "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL S.A." the tax inspection of the fiscal year 2006 was completed by 31.07.2006 and the amount of tax difference totals € 1,526 k.

3.3 Contingent Assets & Contingent Liabilities

Disclosures Related to Contingent Assets

According to the Court of Appeal of Athens irreversible decision, ECIO is obliged to pay to MYTILINEOS S.A. compensation which amounts to € 30.5m and includes, capital, interests, court and other expenses. Up to 31.12.2007 the full amount has been received.

Disclosures Related to Contingent Liabilities

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

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

3.4 Other Contingent Assets & Liabilities

The Group has new accumulated claims amounting to € 1.4m. The outcome of the above mentioned claims is in the stage of finalization by the insurance companies.

In addition, the Group has submitted demands to its construction customers, amounting to € 0.8m for executed work that is not related to Contractual Obligations.

3.5 Share Buyback Program

The Company on 06.06.2007 completed the 3rd phase of its Share Buyback Program through the acquisition of 1,096,293 treasury shares at an average price of € 35.27 on the context of the 16.02.2007 decision of the Board of Directors. During the reported period the company has acquired a total of 2,098,171 treasury shares at an average price of € 34.18. At the same time the company has already completed its 12 month Share Buyback Program for the purchase of treasury shares decided in the Special General Assembly of 14.06.2006.
On 07.12.2007, the Board of Directors of the Company resolved on the commencement of the plan regarding the acquisition of owned shares, in implementation of the decision of the Extraordinary General Meeting of the Company's shareholders of 07.12.2007. In the period from 13.12.2007 until 06.12.2009, the Company will acquire up to 2,522,461 owned shares, at a minimum acquisition price of € 5/share and a maximum acquisition price of € 60/share.

As at 31.12.2007, the Company has overall acquired 5,695,898 (adjusted after split) treasury shares, which corresponds to 4.82% of its new share capital.

4. Information for MYTILINEOS HOLDINGS S.A.

4.1 General Information

Mytilineos Holdings S.A. was founded in 1990 (Gov. Gazette nr. 4422/20.12.1990). The company's headquarters initially were in Athens, 6 Papadiamantopoulou street. In February 2003, headquarters were moved to Kifisia, 11 Georganta street (Gazette 447/10.02.93), and in 1999 headquarters were once again moved to Paradisos of Amarousion, 5-7 Patroklou str., tel. 210 68 77 300 (Gazette 6355/3.8.99). The company is registered to the Record of Joint-Stock Companies of the Ministry of Development, Department of Joint-Stock Companies and Credit, reg. nr 23103/06/B/90/26. Its duration has been set to 50 years and the initial share capital was 400,000,000 GRD (€ 1,173,881.14) fully paid and allocated in 400,000 shares of face value 1,000 GRD (€ 2.93) each.

The Company's purposes are:

- Participation to the share capital of other companies, establishment of subsidiary companies of any legal kind, control and management of those companies, as well as selling of the above stakes.
- Consulting and servicing any natural or legal person in the areas of organization, management, and business administration, risk management, information systems, financial management, as well as in tax and accounting issues of short-term and strategic programming, including the study, acquisition, and maintenance of data and information, and its distribution for profit.
- The Company can function as warrantor in favor of third parties, legal entities or natural persons, which are financially related to it, provided that this facilitates its objectives.
- The purchase, building, and reselling of real estate.

In order to attain its goals, the company may:

a. Sign any kind of agreement with natural or legal persons, native or foreign.
b. Participate in any kind of contests, auctions, etc., granted to the lower or highest bidder.
c. Participate in any business with the same or similar goal, of any type.
d. Cooperate with any natural or legal person.
e. Establish branches or agencies anywhere in Greece or abroad.
f. Represent, manage, act on behalf, and acquire, fully or partly, any business of a natural or legal person, Greek or foreign, having the same or similar goal.

4.2 Background

Mytilineos Holdings S.A. is today one of the biggest industrial Groups internationally, activated in the sectors of Metallurgy, EPC, Energy, and Defense. The Company, which was founded in 1990 as a metallurgical company of international trade and participations, is an evolution of an old metallurgical family business which began its activity in 1908.

Devoted to continuous growth and progress and aiming to be a leader in all its activities, the Group promotes through its long presence its vision to be a powerful and competitive European Group of "Heavy Industry". Towards this goal, the main steps in the Group's growth and evolution were:

Through a series of acquisitions from 1991 to 1994, the Group consolidated all activities of its subsidiary firms into the Parent company, which in 1995 was listed on the Athens Stock Exchange Parallel Market.
The Group's international position was strengthened significantly through a number of strategic agreements

signed with metal, mining, and mineral companies of Southeast Europe from 1996 to 1997.

The 1998 acquisition of Romania's Sometra S.A. and the 1999 acquisition of Cyprus-based Hellenic Copper Mines LTD placed the Group at the forefront of the European metal market.
With the 1999 acquisition of METKA S.A., a major metal construction company in Greece, the Group extends its activity. The Company has experience and know-how in the energy sector and cooperates in matters of construction and maintenance with major Greek businesses, like the Public Electricity Company.

Moreover, METKA possesses equipment and through its participation in defense programs is one of the companies of Southeastern Europe which is specialized in complex and high-quality construction.
In 2000, the Group acquired a 43% of the state-owned vehicle industry ELVO S.A. through a process of privatization, and undertook its management aiming to turn it into a profitable and competitive private company. During 2001-2005 the company made profit after a long period of negative financial results.

In 2001, Mytilineos Group entered the sector of energy production and trade and has already put forward an extended investment program amounting to € 300 million. The goal was to exploit the new possibilities created in Greece after the deregulation of the electric energy and natural gas markets. For this reason, the Group has founded 2 new companies: Mytilineos Power Generation and Supply S.A. and Mytilineos Hellenic Wind Power S.A.

Moreover, in March 2005 Mytilineos Holdings S.A. announced the conclusion of the acquisition of Alcan's Inc. control percentage in the company Aluminum of Greece S.A.

The acquisition of Aluminum of Greece S.A., one of the largest mining, metallurgical, and industrial complexes in Greece is an important step for the further development of Mytilineos Holdings S.A.

Finally, in 2007 the Group moved into a strategic alliance with ENDESA, the largest Spanish electricity company and agreed into the creation of ENDESA Hellas. The new company, with the largest independent portfolio in the pipeline and under construction and a well-balanced mix between thermal and renewals, will become into the largest independent power operator in Greece.

4.3 Sectors of Activity

The sectors of activity of Mytilineos Holdings are: Metallurgy and Mining, Energy and EPC Projects.

4.3.1 Metallurgy and Mining Sector

ALUMINIUM OF GREECE S.A.

As also was the case for the Mytilineos Group of Companies in its entirety, the year 2007 for Aluminium of Greece S.A. (Aluminium S.A.) was a year of important transformations marked by the separation and absorption of the business lines involving production, manufacture and trade of alumina, aluminium, mining materials, metals and electrical power generation and trade (hereinafter "branch") of "Aluminium of Greece S.A."
After 2006, a year in which it posted pronounced surpluses, the global alumina market was relatively balanced in 2007. The slight surplus of the first half of the year evolved into a slight deficit during the second half.
Overall, global production of metallurgical alumina reached 74.3 Mt in 2007 (up by 6 Mt or 9% from 2006), with corresponding demand reaching 74.5 Mt (up by 8.3 Mt or 13% from 2006). Almost all of the increase in production is attributed to China (up by 48% from 2006), which is now the largest alumina-producing country, accounting for 27% of global production.

The abrupt rise in spot prices in late 2006 and early 2007, which from $200/ton rose to nearly $400/ton, was followed by a decline in demand as well as in prices that lasted for several months. Towards the end of the year, demand and prices began to recover, with this recovery continuing into the first months of 2008.
Although the alumina industry is under considerable pressure from the increase of global production costs, the market's long-term prospects remain extremely positive as evidenced by demand forecasts, according to which demand is expected to evolve in direct proportion to aluminium production.

In the short term, however, the risks concerning the production of primary cast aluminium, associated mainly with problems in electricity supply (China, S. Africa, Brazil…), will translate into a potential drop in the corresponding alumina demand and, consequently, in alumina prices.

During the first half of 2007, the stock market price of aluminium remained relatively stable at around $2,700/ton. This was followed by an abrupt adjustment in midsummer, with the new adjusted price levels remaining the same until the end of the year.

This development was more or less in line with the fundamental characteristics of the global market for primary cast aluminium, which posted a slight surplus for 2007. The exceptionally high rate of increase of demand, which rose by 10% to nearly 38.2 Mt, was counter balanced by the even higher increase in production (up by 13% to 37.8 Mt). Both these impressive rates are attributed to China, now established as the largest producer and consumer also in the primary cast aluminium market.

Turnover for Aluminium of Greece S.A. in 2007 grew by 0.10% from 2006, in spite of the rise of the Euro against the US Dollar, which started at 1.30 in the beginning of the year and climbed to 1.46 by the year-end. Earnings before tax and results from financial transactions dropped by 33.09% from 2006 due to the significant increase in the prices of raw materials, which were particularly affected by the rise in oil and transport costs and the decline in the USD/Euro parity. Earnings after tax also posted a significant drop by 44.91% from 2006.

Production of hydrated alumina for 2007 reached 788,900 tons (versus 780,000 tons in 2006), with production of primary cast aluminium for 2007 reaching 166,000 tons (versus 165,000 tons in 2006). Sales of non-hydrated alumina in 2007 stood at 444,800 tons (versus 443,600 tons in 2006), while sales of aluminium products in 2007 stood at:

– 118,800 tons in piles (versus 111,700 tons in 2006).

– 46,000 tons in plates (versus 47,700 tons in 2006).

– 1,300 tons in sows (versus 3,800 tons in 2006).

The € 260 million investment programme announced for the 3-year period 2006-2008 is progressing according to schedule. Construction of the Cogeneration Power Plant has been completed; the first phase of the Wagstaff investment for the qualitative/quantitative upgrade of the production of aluminium piles has also been completed, and the investment has now entered its second phase; implementation of the investment to increase the production of the Electrolysis facility has been launched; and the study for expansion of the annual production capacity for alumina from 0.8 Mt to 1.1 Mt is under way.
The year 2008 is expected to be a relatively difficult year for the Metallurgy industry, due to the significant increase in the prices of raw materials and transport costs and to the devaluation of the US Dollar against the Euro, which compensates for the high aluminium prices in $/ton. Finally, demand in the markets where Aluminium of Greece S.A. is active shows a normal yet perceptible decline, with gradual recovery expected after the first half of 2008.

DELPHI DISTOMON METALLURGICAL S.A.

For Delphi-Distomon S.A., the year 2007 was also a year of important transformations, with the merger by absorption of Aluminium of Greece S.A. by Mytilineos Holdings S.A., which is now the company's major shareholder.

Bauxite sales in 2007 reached 725,934 tons, down 18.19% from 887,347 tons in 2006. This drop is due to the reduced demand for bauxite by the Aluminium – Alumina plant of Aluminium of Greece S.A.
Bauxite was sourced exclusively from underground sites and production in 2007 reached 744,889 tons, down 11.56% from 842,269 tons in 2006.
For 2008, bauxite sales are forecasted at 740,000 tons (up 1.20% from 2007), driven by the increased demand for bauxite by the Aluminium – Alumina plant of Aluminium of Greece S.A.

SOMETRA

During 2007, the Group carried out $3 million of investments that also involved the zinc and lead production plant in Copsa Mica, Romania. It should be noted that during 2006 the Group had also carried out significant investments of a total value of $6 million for upgrading the plant facilities, improving the protection of the environment, and increasing annual production capacity to 62,000 tons for zinc and 18,000 tons for lead. This is especially important today, considering the high prices for metals in the international markets.
Production of zinc and lead in 2007 was increased compared to 2006 when the upgrading projects were launched, and reached 58,000 tons (2006: 40,000 tons) and 15,000 tons (2006: 10,000 tons), respectively.

4.3.2 The Energy Sector

The year 2007 was a landmark year for MYTILINEOS HOLDINGS S.A., marked by the conclusion of the strategic alliance in Greece with the Spain-based Endesa energy giant, with prospects for expansion into Southeastern Europe. The new company, with the largest independent power generation capacity and a balanced production base of thermal and renewable sources, will be the largest independent energy producer in Greece.

The financial capabilities of the new company, the know-how of Endesa (one of the largest privately-owned multinationals, actively present in more than 15 countries in Europe, the American continent, and Africa), and the industrial dimension and crucial role of MYTILINEOS HOLDINGS S.A. in Greece and in the wider region, will allow the new company to carry out successfully this ambitious investment and development plan.

In particular, on 28 March 2007 MYTILINEOS HOLDINGS S.A. and Endesa Europa announced the conclusion of a strategic alliance. Endesa Europa will hold a 50.01% stake in the new company, with the remaining 49.99% held by MYTILINEOS HOLDINGS S.A. As provided for in the agreement, MYTILINEOS HOLDINGS S.A. will contribute all of its energy assets (thermals, renewables and available licences), while Endesa will make a contribution in cash equal to the amount to be agreed as the result of the valuation of these assets. The amount initially agreed as a valuation figure for all the assets contributed by MYTILINEOS HOLDINGS S.A. amounts to €600 million. The purposes of the new company include construction, development and operation of thermal power stations (natural gas fired and coal fired), renewable energy projects (wind, hydroelectric and photovoltaic farms), and trading of electrical power and carbon dioxide (CO2) emissions.

The assets contributed by MYTILINEOS HOLDINGS S.A. to the new company comprise the following:

- One 334 MW cogeneration station, soon expected to enter into trial operation.
- One 430 MW combined cycle natural gas fired power station under construction in the region of Viotia, scheduled for completion in June 2009.
- One 440 MW combined cycle natural gas fired power station under development in the Volos Industrial Area, scheduled for completion in January 2011.
- Power generation capacity in excess of 1,000 MW in renewables.
- A licence of a new coal - fired power plant of 600MW.
- One supply licence for 310 MW of electrical power.
- Additionally, the new company has the capability to exploit new production licences for combined cycle natural gas and coal stations, but also for CRS stations (also through hybrid stations) in the wider region.

In the framework of the above association, the Management of the Group decided to proceed immediately with its investment plan regarding construction and operation of an independent commercial power station in Agios Nikolaos (Viotia). Construction and operation of the Independent Commercial Power Station was initially undertaken by the Group's subsidiary "MYTILINEOS POWER GENERATION AND TRADE S.A." that had obtained all necessary permits and approvals, which were subsequently transferred to Endesa Hellas as part of the completion of the first phase of the agreement. This combined cycle, natural gas fired station will have an annual power generation capacity of approximately 2,500 GWh, which it will supply to the wholesale electricity market, to suppliers and opting customers, while the total investment is expected to exceed €240 million. The unit will be constructed next to the Combined Heat and Power (CHP) Station. The 29km-long, 20inch-wide natural gas transmission pipeline that will supply natural gas to both stations has been completed since early 2008. The above investments were incorporated in the assets of Endesa Hellas with the completion of Phase I of the agreement between MYTILINEOS HOLDINGS S.A. and Endesa Europa on 23.07.2007.

With this project, the Group concludes the first phase of the Agios Nikolaos Energy Centre, which it had presented in 2005. The Energy Centre, with a total power generation capacity of 760 MW, located within the country's southern system, will until 2009 contribute gradually additional power into the national power system. The Centre's total annual production capacity represents around 10% of total consumption in the interconnected system, and around 35% of consumption in Attica. In this sense, the Centre will help stabilise the southern part of the power system, whose resources are already significantly taxed, while lowering considerably the risk of a black out.

Furthermore, in 2007 Endesa Hellas submitted an application for the renewal of the installation licence for the Volos natural gas fired power station. The station will have a power output of 440 MW and will be constructed in the Volos Industrial Area. The preliminary feasibility study for the plant was carried out by Germany's Fichtner Consultants, and the Environmental Impacts Study by Athens-based Exergia S.A.

The Public Gas Corporation (DEPA) and Endesa Hellas will cooperate for the construction of a new feeder pipeline to the Station, an activity that will result in new customers for natural gas in the region and will contribute further to the development of the region's industry.

Endesa Hellas has also decided to construct two more natural gas power stations with similar power capacities in the next five-year period, is looking for appropriate locations and prepares relevant proposals.

Within the next five years, Endesa Hellas is expected to be generating more than 1,600 MW of electrical power through natural gas stations, becoming one of Greece's largest consumers of natural gas for power generation purposes.

Finally, on 28.03.2007 MYTILINEOS HOLDINGS S.A., in association with Endesa Europa, announced the submission of an Application for a Power Production Licence for a 600 MW Coal Power Station. Total investment for this station, including infrastructure works, is forecasted at €890 million.

Endesa Hellas follows a strategic positioning approach that is driven by the development of new business activities in the Greek energy sector and relies on its power generation capacity, the largest independent one in Greece, and its balanced production base of thermal and renewable sources.

The company has already made its firs business moves, aiming to have secured by 2015 a share of more than 16% of the market for the production of electrical power in Greece. With a start-up capital of € 1.2 billion, the company will be Greece's largest independent energy producer, with significant potential for expansion into other markets of Southeastern Europe.

4.3.3 Energy Procurement and Construction (EPC)

In the EPC Projects Sector, the Group is active through METKA S.A. and its subsidiaries. During 2007, METKA developed significant activities in the Energy, Defence and Infrastructure sectors. In particular, the METKA Group of Companies undertook or continued from the previous year the following projects:

Main Projects during 2007 – development New Activities

Energy Projects

Energy Projects continued into 2007.

Lavrio Steam Power Station (SPS), Attica

METKA was appointed lowest bidder in the relevant tender procedure conducted by the Public Power Corporation (PPC) and undertook as EPC Contractor the study, supply, transport, installation and commissioning of the 377.66 MW combined-cycle, single-axis, natural gas fired Unit V. The contract for the project was signed on 02.01.2004 for a total contractual price of € 194 million. In parallel, a € 19.8 million contract was signed for the long-term maintenance of the gas turbine for an initial six-year period, with the option for the PPC to extend the maintenance period for another six years at an additional cost of € 18.9 million.
The contractor's obligations include the following: design, study, manufacture, construction, supply, factory tests, transport and storage at the project site, assembly, installation, on-site testing and commissioning of the equipment; supply of spares; provision of all types of technical and other services as required; design and construction of related civil works and of all required auxiliary premises; demolition, dismantling and removal of old constructions and equipment; connection to the natural gas distribution network of the Public Gas Corporation (DEPA); and connection to the 400 kV Substation.

A very important project because of its demanding and specialised requirements and short completion deadline, Unit V of the Lavrio SPS presented a challenge which METKA met with the know-how and experience of an internationally competitive company, and a project contributing to the solution of the energy problem in our country. Unit V was first ignited in February 2006, entering into commercial operation in late April 2006. The provisional acceptance protocol was signed in 2007, and the warranty period for the Unit has started in 2007 and will expire at the end of June 2008.

The project's turnover for 2007 was € 5.15 million.

Cogeneration (CHP) Power Plant, ALUMINIUM OF GREECE S.A.

METKA S.A. was assigned as EPC contractor by Aluminium of Greece (AOG) the timely, workmanlike, complete, economical, and safe implementation of AOG's Cogeneration Project, which includes the Study, Supply, Transport, Installation and Commissioning of a 316 MW / 252 MWth natural gas fired Cogeneration Power Plant.

The contract was signed in July 2005. The Cogeneration Plant will cover the requirements for power and heating (by steam) of the existing aluminium and alumina production plant in Agios Nikolaos (Viotia).
In particular, the above project, scheduled for completion within 25 months of contract signature and budgeted at € 180 million, consists of the following activities: design, study, manufacture, construction, supply, factory tests, transport, assembly and installation of the equipment; provision of all types of technical and other services as required; design and construction of related civil works; connection to the natural gas distribution network; and connection to the electrical power transmission network though a 150 kV Substation.

The key project components are the following:

- Two (2) Gas turbines, complete with their power generators and auxiliary installations.

- Two (2) exhaust gas heat recovery Boilers, complete with four (4) chimneys (including bypass chimneys).
- One (1) Steam turbine with bleeding, complete with its power generator and compressor and all accessories.

- One (1) dual-fuel Boiler.

- Full cooling, steam, water supply, condensate, de-ionised water production, compressed air, chlorination, fire-protection and detection, and air-conditioning systems.

- One (1) 150kV Substation, as well as the construction of the necessary premises for installation of the electrical equipment.

- Plant Automation and Control System.

- All necessary connections with existing networks and installations.

Construction of the Unit was completed during 2007, and the Unit is expected to enter into commercial operation during 2008.

The project's turnover for 2007 was €40.88 million.

Replacement of Filters, Megalopoli SPS

The project was completed during 2007 and the final acceptance protocol was signed.
The project's turnover for 2007 was €267,000.

Electrostatic Fly Ash Filters, Agios Dimitrios SPS

Following a successful bid submitted in an international tender procedure conducted by the Public Power Corporation (PPC), the "METKA S.A. – ALSTOM POWER SWEDEN A.B." Consortium was appointed lowest bidder, and in September 2004 undertook the project for "Upgrading of the existing Electrostatic Fly Ash Filters and addition of new ones in Units I, II, III, and IV of the Agios Dimitrios SPS".
The METKA-ALSTOM Consortium has already executed successfully a similar project which concerned the supply, installation and commissioning of Electrostatic Fly Ash Filters in Units III and IV of the Kardia SPS.
The project –with a total contractual value of €130 million, of which €89 million are METKA's budgeted participation– consists of the design, study, manufacture, supply, assembly, on-site installation and commissioning of all equipment (Electrostatic Filters, exhaust gas ducts, fly ash removal system, exhaust gas heat recovery system, electrical equipment, control systems etc.), and the design and construction of the required civil works. According to the provisions of the contract, the above contractual price is subject to revision.
The project also includes dismantling and relocation of the existing installations which are operating in the area of installation of the new equipment, as well as the upgrading of the existing Electrostatic Fly Ash Filters and the supply of spares.

With a participation percentage of nearly 68.5%, METKA has the leading role in the Consortium and has also assumed, among others, the following responsibilities:

- Representation of the Consortium to the Project Owner (the PPC).

- Design and construction of civil works.

- Study, design and supply of the largest part of the mechanical equipment, including basic components such as exhaust gas suction fans etc.

- Study, design and supply of the electrical equipment and control systems.

- Installation and commissioning of all equipment.

On-site works began in October 2004 with the dismantling of the existing equipment and the related excavations. Today, the works concerning the filters of Units I and II have been completed, and these Units have entered into commercial operation. Unit IV was connected to the power grid during 2007. Unit III is scheduled for connection to the power grid during 2008, when completion of the project is also expected.

The project's turnover for 2007 was € 14.66 million.

TITAN – Zlatna Panega Cement Plant Works, Bulgaria

The project was completed during 2007.

The project's turnover for 2007 was € 1.83 million.

Ilarion Hydroelectric Power (HEP), Small Ilarion HEP and Small Papadia HEP Projects

METKA was appointed lowest bidder in the relevant tender procedure conducted by the PPC, and undertook as EPC Contractor the study, construction, assembly, erection, testing and commissioning of the hydropower units of the Ilarion HEP (2x77.45 MW units), Small Ilarion HEP (one 4.2 MW unit), and Small Papadia HEP (one 0.57 MW unit), totalling 159.67 MW of installed power capacity. The contract was signed on 31.07.2006, for a total contractual price of € 28.1 million.

The contractor's obligations include the following: design, study, manufacture, construction, supply, factory tests, transport and storage at the project site, assembly, installation, on-site testing and commissioning of hydro-turbines, turbine speed regulators, valves, power generators, transformers, 150 kV substation equipment, medium voltage panels, gantry cranes, lock gates and auxiliary electromechanical equipment for the Ilarion HEP, Small Ilarion HEP and Small Papadia HEP; supply of spares; and provision of all types of technical and other services, as required.

This is a demanding project, which confirms the specialised know-how that METKA has acquired in hydroelectric works during the last 20 years.

Completion of the works is scheduled for late 2012.

Conveyor Belt Stations, Kardia and Mavropigi Mines

METKA was appointed lowest bidder in the relevant tender procedure conducted by the PPC, and in October 2006 undertook the project for the "Supply, Installation and Testing of Conveyor Belt Stations for motorised movement of conveyor belts using squirrel-cage electric motors and frequency converters at the Pedio Kardias and Mavropigi Mines of the West Macedonia Lignite Centre".

The project, with a contractual price of € 26.4 million, includes the following: design, study, manufacture, construction, supply, factory tests, transport and storage at the project site, assembly, installation, on-site testing and commissioning of equipment; supply of spares; and provision of all types of technical and other services as required, for a total of sixty-one (61) Conveyor Belt Stations and corresponding conveyor belt motors.

The purpose of the project is to source the necessary means for motorised movement of the new conveyor belts put in place by the PPC at the Pedia Kardias and Mavropigi Mines. Of the conveyor belt stations already in operation, only six will be replaced by the new ones to be acquired through the project.
Full completion of the project, which involves erection on-site of the remaining equipment and the corresponding testing and commissioning activities, is scheduled for late 2008.

The project's turnover for 2007 was € 25.55 million.

Repair of Unit IV, Ptolemaisda SPS

The project was completed during 2007.

The project's turnover for 2007 was € 3.01 million.

Power Station in Karachi, Pakistan

METKA, as the lowest bidder in an international tender procedure conducted by the Karachi Electricity Supply Company Ltd (KESC), was appointed Contractor for the project "Design, Study, Manufacture and Supply of two (2) GELM6000 open cycle gas turbines and two (2) GE LM6000 combined cycle gas turbines with dual fuel (natural gas and oil) capability, including one steam turbine, one exhaust capture boiler and all the necessary equipment, with a total installed power capacity of 220 MW", in the city of Karachi, Pakistan.
The award took place on 22.12.2006 and the Contract for the project was signed on 23.01.2007 for a contractual price of € 110 million.

According to the Contract, the commissioning date scheduled for the Combined Cycle turbine is 22.12.2008. This project is METKA's first attempt at expanding its activities into a country with great prospects in the energy market. The successful conclusion of the project may lead to a series of similar projects in Pakistan, a market of 160,000,000 inhabitants characterised by serious shortages but also by continuously rising demand for the electrical power. At the same time, this project presents a challenge for METKA and for its personnel, who –drawing on their experience of successfully completing similar energy projects in Greece– are now called upon to meet the demands of the global energy market.

The project's turnover for 2007 was € 86.36 million.

New projects awarded to METKA during 2007

Signature of EPC Contract for the 430.13 MW Agios Nikolaos Combined Cycle Gas Turbine (CCGT) Power Station.

METKA S.A. undertook the timely, complete, economical and safe implementation of the 430.13 MW Combined Cycle Unit Project, which involves the Study, Supply, Transport and Commissioning of the Power Station.
The Contract for the Project was signed in June 2007.

In particular, the key components of the above project, budgeted at €232 million, are the following:

- Gas turbine, complete with auxiliary installations.
- Steam turbine, complete with auxiliary installations.
- Power generator, complete with auxiliary installations.
- Heat Recovery Boiler, complete with auxiliary installations.
- Sealed-type GIS 400kV Substation.
- Plant Automation and Control System.
- Full cooling, steam, water supply, condensate, de-ionised water, compressed air, fire-protection and detection, aeration and air-conditioning systems.
- Electrical equipment and systems.

Signature of EPC Contract for the PPC Project "Aliveri SPS – Study, Supply, Transport, Installation and Commissioning of the 416.95 MW (net) Natural Gas Fired Combined Cycle Unit 5"

The Contract for the Project was signed in October 2007.

The Project budget is € 219.16 million.

With this Contract, METKA S.A. undertook the timely, workmanlike, complete, economical and safe implementation of the Project, which includes, but is not limited to, the following activities:
Design, study, manufacture, construction, supply, factory tests, transport and storage at the project site, assembly, installation, on-site testing and commissioning of the equipment; supply of spares; provision of all types of technical and other services as required; design and construction of related civil works and of all required auxiliary installations; demolition, dismantling and removal of old constructions and equipment; connection to the natural gas distribution network of the Public Gas Corporation (DEPA) at the point of delivery to the PPC; connection to the 150/400 kV Substation; connection with the other networks of the Aliveri SPS; and delivery of one 416.95 MW (net) natural gas fired Combined Cycle Unit.

The key components of Project are the following:

- Gas turbine, complete with auxiliary installations.

- Heat Recovery Boiler, complete with auxiliary installations.
- Steam turbine, complete with auxiliary installations.
- Power generator, complete with auxiliary installations.

Study – Supply of Equipment and Erection of One (1) Sealed-type, Gas Insulated (GIS) 400kV/150kV Ultra-High Voltage (UHV) Centre in Aliveri (Evia)

The Contract for the Project was signed in January 2008. The Project budget is € 32.37 million.

With this Contract, METKA S.A. undertook the timely, workmanlike, complete, economical and safe implementation of the Project for the "Study – Supply of Equipment and Erection of One (1) Sealed-type, Gas Insulated (GIS) 400kV/150kV Ultra-High Voltage (UHV) Centre in Aliveri (Evia), contained entirely inside a building".

The Project includes, but is not limited to, the following activities:

Design, development of all supporting studies, manufacture, construction, supply, factory tests, transport and storage at the project site, assembly, installation, on-site testing and commissioning of the equipment; supply of spares; provision of all types of technical and other services, as required; design and construction of related civil works and of all required auxiliary installations; and in general all other activities as required for the safe, complete and workmanlike construction of the Project.

The GE/METKA Consortium was appointed lowest bidder in the international tender procedure in which other participants included Siemens, Alstom and A-TEC (using Mitsubishi technology).

Construction of a 860 MW Energy Centre in Romania

The contract for this project was signed in March 2008.

The budgeted participation of METKA in the Project amounts to €210 million.

Project Owner: Petrom S.A.

Petrom S.A. is the largest oil and gas Group of SE Europe, owned by 51% by the OMV multinational giant.
Project Contractor: GE/METKA Consortium.

Key technical characteristics: Natural gas fired plant with a power output higher than 860 MW and an efficiency rate higher than 57%.

Commercial Operation Start: 2nd half of 2001.

This success of METKA is aligned with the company's strategic choice and efforts for balancing its business growth in the traditional Greek market and the international market.

Defence Projects

Upgrade of Neptune-Class Submarines

Production operations in connection with the upgrade of the Neptune-Class Submarines continued into 2007, under the contract signed on 26.01.2004 with HDW (HOWALDTSWERKE-DEUTSCHE WERFT).
Project turnover for 2007 was € 310,000.

Joint Production of LEOPARD 2-Hel Tanks

A. Joint production with KMW (Krauss Maffey Wegman) of the 170 Leopard 2-Hel Tanks for the Hellenic Armed Forces continued into 2007. The € 125.36 million contract for this project will ensure long-term production for the Volos Factory. During 2007, a total of 44 tank towers and 54 tank hulls, together with the corresponding mechanical packages, were delivered to the client on time. Turnover from this programme for 2007 was € 39.78 million.

B. Finally, a contract has been signed under the above Programme with Rheinmetall Waffe Munition for the joint production of 170 armoured firearm stands for the Leopard 2-Hel Tank. Turnover from this contract for 2007 was € 334,000.

Various Projects

Residential Complex, Volos

Construction of a residential complex on a Volos seafront plot began in early 2003, after the relevant building permit was obtained, and was finished in early 2007. The plot had been purchased by METKA at € 2.35 million through a share capital increase.
During 2006 four (4) apartments were sold for a total price of € 851,027, while during 2007 five (5) apartments were sold for a total price of € 1,518,483.

Maintenance Works, Aluminium of Greece Plant

METKA S.A. was assigned by Aluminium of Greece S.A. the annual maintenance of its Plant and facilities in Agios Nikolaos (Viotia). Turnover for 2006 was 17.1 million. Turnover from the provision of these services for 2007 was € 6.42 million.

Various Projects

In addition to the projects already mentioned, during 2007 METKA carried out various projects – for which contracts have already been signed – with a total turnover in excess of € 5 million.

4.4 Human Resources

Mytilineos Holdings S.A. attracts highly qualified people and invests in their continuous training and individual development. The average working status distribution of our personnel over the past 2 years is exhibited below:

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
Full Time Employees	1,778	2,360	78	60
Part Time Employees	1,109	1,154	–	3
Total	2,887	3,514	78	63

Mytilineos Holdings S.A. main priority is to secure a working atmosphere that promotes mutual trust, cooperation and recognition. We recognise that individual and Group success requires individuals to continue to develop themselves. Therefore we support a wide range of learning and development opportunities in order to encourage creativity and enable our staff to fulfil their personal and professional goals.

4.5 Fixed Assets – Guarantees and Real Securities

4.5.1 Tangible Assets

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

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

GROUP

Amounts in €	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	260,832,361	556,552,816	19,834,887	66,774,591	903,994,655
Accumulated depreciation and/or impairment	(39,471,939)	(416,694,055)	(16,673,077)	–	(472,839,071)
Net Book value as at 01.01.2006	221,360,422	139,858,761	3,161,810	66,774,591	431,155,584
Gross Book value	268,440,292	608,001,598	21,326,968	136,524,921	1,034,293,779
Accumulated depreciation and/or impairment	(42,533,052)	(433,347,537)	(17,452,894)	–	(493,333,483)
Net Book value as at 31.12.2006	**225,907,239**	**174,654,061**	**3,874,074**	**136,524,921**	**540,960,296**
Gross Book value	265,361,347	571,536,814	21,816,774	42,294,281	901,009,217
Accumulated depreciation and/or impairment	(46,158,439)	(448,560,388)	(18,636,387)	–	(513,355,213)
Net Book value as at 31.12.2007	**219,202,909**	**122,976,427**	**3,180,387**	**42,294,281**	**387,654,004**

Amounts in €	Land & Buildings	Vehicles & mechanical equipmens	Furniture and other equipment	Tangible assets under construction	Total
Book value as at 01.01.2006	221,360,422	139,858,761	3,161,810	66,774,591	431,155,584
Additions	741,319	42,320,366	1,409,699	86,820,151	131,291,535
Additions from acquisition/ consolidation of subsidiaries	6,027,994	11,610,343	401,064	14,845,330	32,884,731
Sales-Reductions	(11,278,268)	(1,955,021)	(283,388)	–	(13,516,677)
Depreciation	(3,081,187)	(17,072,148)	(819,646)	–	(20,972,982)
Reclassifications	269,090	115,365	1,071	(31,915,151)	(31,529,625)
Net foreign exchange differences	11,867,926	(223,661)	3,464	–	11,647,729
Net Book value as at 31.12.2006	225,907,296	174,654,004	3,874,074	136,524,921	540,960,295
Additions from acquisition/ consolidation of subsidiaries	2,399,258	3,336,967	666,342	252,905	6,655,472
Additions	13,612,752	12,552,043	817,807	51,632,164	78,614,765
Sales-Reductions	(6,154,063)	(56,862,730)	(988,554)	(139,722,840)	(203,728,187)
Sales-Reductions	(3,629,405)	(15,801,332)	(1,189,247)	–	(20,619,984)
Depreciation	1	5,930,776	–	(5,930,776)	1
Net foreign exchange differences	**(12,932,872)**	**(833,358)**	**(35)**	**(462,093)**	**(14,228,357)**
Net Book value as at 31.12.2007	**219,202,966**	**122,976,369**	**3,180,387**	**42,294,281**	**387,654,004**

COMPANY					
Amounts in €	**Land & Buildings**	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Gross Book value	13,240,590	634,064	1,114,408	–	14,989,061
Accumulated depreciation and/or impairment	(1,852,074)	(504,610)	(799,541)	–	(3,156,225)
Net Book value as at 01.01.2006	**11,388,516**	**129,454**	**314,866**	**–**	**11,832,836**
Gross Book value	13,263,321	168,477	1,248,652	–	14,680,449
Accumulated depreciation and/or impairment	(2,089,844)	(104,339)	(883,183)	–	(3,077,366)
Net Book value as at 31.12.2006	**11,173,477**	**64,137**	**365,469**	**–**	**11,603,083**
Gross Book value	13,192,907	179,171	1,321,076	–	14,693,155
Accumulated depreciation and/or impairment	(2,388,095)	(122,175)	(1,047,047)	–	(3,557,317)
Net Book value as at 31.12.2007	**10,804,812**	**56,996**	**274,029**	**–**	**11,135,837**
Book value as at 01.01.2006	**11,388,516**	**129,454**	**314,866**	**–**	**11,832,836**
Additions	22,731	240,981	260,634	–	524,346
Additions from acquisition/ consolidation of subsidiarie	–	–	–	–	–
Sales-Reductions	–	(386,412)	(87,632)	–	(474,044)
Depreciation	(237,771)	(22,411)	(123,471)	–	(383,653)
Reclassifications	(1)	102,526	1,071	–	103,596
Net foreign exchange differences	–	–	–	–	–
Net Book value as at 31.12.2006	**11,173,476**	**64,137**	**365,469**	**–**	**11,603,082**
Additions from acquisition/ consolidation of subsidiarie					
Additions	16,627	11,713	226,462	700	255,502
Sales-Reductions	(87,041)	(1,018)	(154,037)	(700)	(242,797)
Depreciation	(298,251)	(17,836)	(163,864)	–	(479,951)
Reclassifications	1	–	–	–	1
Net foreign exchange differences	–	–	–	–	–
Net Book value as at 31.12.2007	**10,804,812**	**56,996**	**274,029**	**–**	**11,135,837**

5. Information Concerning Equity, Shareholders, the Administration and the Personnel of the Company

5.1 Share Capital Development

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

As of December 31, 2007, the share capital of the Parent company amounts to € 125,080,916.71 consisted of 116,898,053 common shares with a nominal value of € 1,07 each.

Development of the Company's Share Capital during the reporting period:

As of January 1, 2006, the share capital of the Parent company amounted to € 24,312,204 consisted of 40,520,340 common shares with a nominal value of € 0,60 each.

The 1st Repeat Extraordinary General Assembly of Shareholders of 03.09.2007 approved the merger by absorption of the anonymous companies ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A. by the Company and decided the concurrent and parallel:

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

b) change of the nominal value of each Company share from € 0.60 € 2.55,
c) the issuance of 8,187,182 registered shares of a nominal value of € 2.55, which shall be distributed to the shareholders of the merged companies, as per the exchange ratios set forth in the Draft Merger Contract of 18.08.2007, which was approved by the Company's 1st Repeat Extraordinary General Assembly of Shareholders of 03.09.2007.

Subsequently, the total amount of the share capital increase amounts to 99,891,977.10 Euro and the Company's share capital amounts to € 124,204,181.10 Euro divided into 48,707,522 intangible, common, registered voting shares of a new nominal value € 2.55 each.

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

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

(b) increase of the Company's share capital through capitalization of share premium reserve amounting to € 876,735.61 for rounding purposes of the new par value of the shares.
Following the above, the share capital of the Company amounts to € 125,080,916.71, divided into one 116,898,053 incorporeal common registered shares of a par value of € 1,07 each.
In accordance with the Board of Directors resolution of 05.12.2007, following the exercise by senior executives of the Company and of companies of Mytilineos group of stock option rights granted to them on the basis

of the Stock Option Plans that have been approved by resolutions dated 14.06.2006 and 03.09.2007 of the General Meeting of Shareholders, the share capital was increased by € 92,324.95 with cash payments and issuance of 86,285 new registered voting shares, nominal value of € 1.07 each. Share price was € 12,70 according to the relevant stock option plan. The resulted par value difference of € 1,003,495 was transferred to share premium.

Following the exercise of the call options, the Company's share Capital amounts to € 125,173,241.66, divided into 116,984,338 ordinary shares of nominal value € 1.07.

5.2 Total Equity

Statement of Changes in Equity (Group)

	Attributable to the group's shareholders								
Amounts in €	**Share Capital**	**Share Capital above par**	**Revaluation Reserves**	**Other Reserves**	**Translation Reserves**	**Profit(Loss) carried forward**	**Total**	**Minorities**	**Total**
Opening Balance 01.01.2006, according to IFRS -as published-	24,312,204	187,520,764	15,167,655	18,894	(3,266,881)	165,730,937	389,83,572	318,350,300	707,833,872
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	74,811,851	201,666,266	–	–	–	(46,717,790)	229,760,327	(229,760,327)	–
Adjusted Opening Balance 01.01.2006, according to IFRS from application of IAS 8	99,124,055	389,187,030	15,167,655	18,894	(3,266,881)	119,013,147	619,243,899	88,589,973	707,833,872
Change in equity for the period 01.01 - 31.12.2006	–	–	–	–	–	–	–	–	–
Translation reserve of foreign Subsidiaries	–	–	–	–	(6,576,748)	–	(6,576,748)	(350,004)	(6,926,752)
Capitalization taxes	–	–	–	(1,241,547)	–	–	(1,241,547)	(10,531)	(1,252,078)
– Available for sale financial assets	–	–	–	–	–	–	–	–	–
Profit (Loss) from revaluation recognized directly in equity	–	–	4,512,663	–	–	–	4,512,663	5,072,432	9,585,095
Minus: Profit (Loss) transferred to income statement due to sales	–	–	(3,048,849)	–	–	–	(3,048,849)	(3,427,040)	(6,475,889)
Profit (Loss) from revaluation recognized directly in equity	–	–	(28,973,601)	–	–	–	(28,973,601)	(32,567,607)	(61,541,208)
Profit (Loss) transferred to income statement due to sale	–	–	8,678,908	–	–	–	8,678,908	9,755,476	18,434,383
Taxes recognised directly in Equity	–	–	4,653,924	–	–	–	4,653,924	5,231,216	9,.885,141
Net profit(loss) recognized directly in Equity	–	–	(14,176,955)	(1,241,547)	(6,576,748)	–	(21,995,250)	(16,296,059)	(38,291,309)
Dividents distribution	–	–	–	–	–	(16,208,126)	(16,208,126)	(21,981,725)	(38,189,852)
Subsidiaries' Treasury Shares	(150,072)	(6,403,494)	–	–	–	–	(6,553,566)	–	(6,553,566)
Distribution approval 2005	–	–	–	34,704,502	–	(34,704,502)	–	–	–
Impact from acquisition of share in subsidiaries	–	–	–	–	–	–	–	(27,888,903)	(27,888,903)
Impact from sale of share in subsidiaries	–	–	–	–	–	–	–	24,543,078	24,543,078

Amounts in €	Share Capital	Share Capital above par	Revaluation Reserves	Other Reserves	Other Reserves	Profit(Loss) carried forward	Total	Minorities	Total
Impact from subsidiaries share capital increase	–	–	–	–	–	–	–	350,772	350,772
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	–	–	–	–	–	–	–	–	–
Net profit(loss) for the period 01.01-31.12.2006	–	–	–	–	–	152,381,406	152,381,406	4,952,214	157,333,620
Total Recognised Profit(Loss) for the period	(150,072)	(6,403,494)	(14,176,955)	33,462,955	(6,576,748)	101,468,777	107,624,463	(36,320,622)	71,303,841
Closing Balance at 31.12.2006, according to IFRS	98,973,983	382,783,536	990,700	33,481,849	(9,843,629)	220,481,923	726,868,362	52,269,350	779,137,712
Opening Balance 01.01.2007, according to IFRS -as published-	24,162,132	181,117,270	990,699	33,481,850	(9,843,629)	220,481,924	450,390,245	328,747,467	779,137,712
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	74,811,851	201,666,266	–	–	–	–	276,478,117	(276,478,117)	–
Adjusted Opening Balance 01.01.2007, according to IFRS from application of IAS 8	98,973,983	382,783,535	990,699	33,481,850	(9,843,629)	220,481,924	726,868,362	52,269,350	779,137,712
Change in equity for the period 01.01 - 31.12.2007	–	–	–	–	–	–	–	–	–
Translation reserve of foreign Subsidiaries	–	–	–	–	(25,473,682)	–	(25,473,682)	(1,652,318)	(27,126,000)
Taxes recognised directly in Equity	–	–	–	(2,880,041)	–	(34,879,620)	(37,759,661)	–	(37,759,661)
Dividents distribution	–	–	–	–	–	(22,975,769)	(22,975,769)	(32,193,027)	(55,168,796)
Transfer to reserves	–	–	–	48,091,597	–	(46,882,608)	1,208,988	(1,208,988)	–
– Available for sale financial assets	–	–	–	–	–	–	–	–	–
Profit (Loss) from revaluation recognized directly in equity	–	–	(16,500,484)	–	–	–	(16,500,484)	–	(16,500,484)
Minus: Profit (Loss) transferred to income statement due to sale	–	–	–	–	–	–	–	–	–
– Cash Flow hedging reserve	–	–	–	–	–	–	–	–	–
Profit (Loss) recognized directly in equity	–	–	47,291,863	–	–	–	47,291,863	–	47,291,863
Profit (Loss) transferred to income statement due to sale	–	–	15,858,632	–	–	–	15,858,632	–	15,858,632
Net profit(loss) recognized directly in Equity	–	–	46,650,011	45,211,556	(25,473,682)	(104,737,997)	(38,350,113)	(35,054,333)	(73,404,445)
Treasury stock sales/purchases	(5,880,339)	(65,827,092)	–	–	–	–	(71,707,431)	–	(71,707,431)
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	24,944,642	(88,468,879)	–	–	–	(10,769,308)	(74,293,545)	74,293,545	–
Share capital increase from split	876,736	(876,736)	–	–	–	–	–	–	–
Equity mavement from split	135,481	(4,621,436)	–	–	–	–	(4,485,955)	–	(4,485,955)
Equity movement from Stock Option Plan	92,325	1,003,495	–	160,777	–	–	1,256,596	–	1,256,596
Minorities decrease from Subsidiaries Treasury Shares cancelation	–	–	(11,918,060)	31,670,161	–	(9,648,961)	10,103,141	(51,107,704)	(41,004,563)
Impact from acquisition of share in subsidiaries	–	–	–	–	–	–	–	(6,265,695)	(6,265,695)
Impact from sale of share in subsidiaries	–	–	–	–	–	–	–	5,653,678	5,653,678
Net profit(loss) for the period 01.01-31.12.2007	–	–	–	–	–	193,601,160	193,601,160	17,070,830	210,671,990
Total Recognised Profit(Loss) for the period	20,168,845	(158,790,649)	34,731,952	77,042,493	(25,473,682)	68,444,895	16,123,853	4,590,321	20,714,174
Closing Balance at 31.12.2007, according to IFRS	119,142,828	223,992,887	35,722,651	110,524,343	(35,317,312)	288,926,819	742,992,215	56,859,671	799,851,886

Statement of Changes in Equity (Company)

Amounts in €	Share Capital	Share Capital above par	Other reserves	Profit(Loss) carried forward	Total
	Attributable to the Parent's shareholders				
Opening Balance at 01.01.2006 according to GR Gaap	24,312,204	183,906,926	783,427	27,246,309	236,248,866
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	111,688,120	10,524,786	67,918,432	228,253,790	418,385,128
Opening Balance at 01.01.2006 according to IFRS	**136,000,324**	**194,431,712**	**68,701,859**	**255,500,099**	**654,633,994**
Adjustments in Shareholders Equity for the period 01.01-31.12.06	–	–	–	–	–
Treasury Stock Purchases	(30,277,519)	(6,403,494)	–	–	(36,681,013)
Profit distribution 2006	–	–	3,898,559	(3,898,560)	(0)
Dividents	–	–	–	(17,208,126)	(17,208,126)
Adjustments in Shareholders Equity due to acquisition	(7,480,756)	(11,873,874)	(5,809,635)	(5,387,595)	(30,551,860)
Net Profit for the period 01.01-31.12.2006	–	–	–	52,632,308	52,632,308
Total recognised profit(loss) for the period	**(37,758,275)**	**(18,277,368)**	**(1,911,075)**	**26,138,027**	**(31,808,692)**
Closing balance at 31.12.2006	**98,242,049**	**176,154,344**	**66,790,784**	**281,638,126**	**622,825,302**
Opening Balance at 01.01.2007 according to GR Gaap	24,162,132	177,503,432	4,591,987	53,624,538	259,882,088
Equity movement for the accounting of the merger of Aluminium of Greece and Delta Project based on IAS 8	74,079,917	(1,349,088)	62,198,797	228,013,588	362,943,214
Opening Balance at 01.01.2007 according to IFRS	**98,242,049**	**176,154,344**	**66,790,784**	**281,638,125**	**622,825,302**
Adjustments in Shareholders Equity for the period 01.01-31.12.2007	–	–	–	–	–
Treasury Stock Purchases	(5,880,339)	(65,827,092)	–	–	(71,707,431)
Share Capital increase from stock	26,688,796	(36,018,946)	11,606,142	(106,601,607)	(104,325,615)
Stock Options fair value	92,325	1,003,495	–	–	1,095,820
Εύλογη αξία Stock Options	–	–	160,777	–	160,777
Profit distribution 2007	–	–	15,678,918.20	(38,654,687.00)	(22,975,769)
Dividents	–	–	–	–	–
Net Profit for the period 01.01-31.12.2007	–	–	–	161,073,243	161,073,243
Total recognised profit(loss) for the period	**20,900,782**	**(100,842,543)**	**27,445,837**	**15,816,949**	**(36,678,975)**
Closing balance at 31.12.2007	**119,142,831**	**75,311,801**	**94,236,621**	**297,455,075**	**586,146,327**

5.3 Share Book Value

According to the financial statements of 31.12.2007, which conform to the International Financial Recording Standards, the Parent company's own capital were € 586,146,327 and the Group's € 799,851,886. Based on the total share number (116,984,338 on 31.12.2007), the book value per share came up to € 5 for the Parent company and € 6.8 for the Group.

5.4 Shareholders

On 31.12.2007 there were 26,082 shareholders. According to the Company's records, main shareholders on 31.12.2007 were:

SHAREHOLDERS	No. OF SHARES	(%)
EVANGELOS MYTILINEOS	17,027,112	14.57
IOANNIS MYTILINEOS	18,051,876	15.44
MYTILINEOS S.A. (Treasury Stock)	5,635,898	4.82
FOREIGN INSTITUTIONAL INVESTORS	34,769,035	29.74
DOMESTIC INSTITUTIONAL INVESTORS	13,325,565	11.49
RETAIL	28,088,567	23.94
TOTAL	**116,898,053**	**100.00**

The Company's shares are nominal and highly floated. According to the above information, the free float percentage was 65.17%. We should also stress the especially increased percentage of the foreign and Greek institutional investors, which is a result of the efforts of the Management and the Investor Relations Department to offer complete information to the Investing community regarding the company's activities and prospects.

SHARE DISTRIBUTION	
Shareholders with less than 100 shares	4,421
Shareholders with 100 up to 500 shares	12,687
Shareholders with 500 up to 1,000	3,581
Shareholders with 1,000 up to 2,000	2,492
Shareholders with 2,000 up to 5.000 shares	1,809
Shareholders with more than 5.000 shares	1,092
TOTAL	**26,082**

5.5 Shareholders Rights

The rights of Company Shareholders stemming from possession of Company shares are proportional to the percentage of the Company's share capital corresponding to the paid up value of such shares. Each share grants all entitlements provided by the law and the Company's Articles of Association, and in particular the following:

- The right to the dividend on Company profit achieved annually or upon liquidation. A percentage of 35% of net profit after deduction of ordinary reserves only is distributed to the shareholders as first dividend, while payment of an additional dividend is decided by the General Assembly in accordance with the law and with the Company's Articles of Association. The method, time and place of payment are announced by the Company through the Media provided for in Law 3556/2007 and in the relevant decisions of the Hellenic Capital Market Commission. The right to collect the dividend is forfeited by limitation and the respective amount is enured to the State after the lapse of five (5) years from the end of the calendar year in which distribution of the dividend concerned was approved by the General Assembly.

- The right to withdraw, upon the Company being wound up, their contribution or the amortised capital corresponding to the share, respectively, provided that the General Assembly so resolves.

- The pre-emption right for the acquisition of new shares against contribution in cash, in connection with every increase of the Company' share capital.

- The right to obtain copies of the financial statements and of the reports of the Auditors and of the Board of Directors of the Company.

- The right to participate in the General Meeting, further broken down into individual rights concerning the following: legalisation, attendance, participation in the deliberations, submission of motions on the items of the agenda, entry of views in the Minutes, and vote.

- The General Assembly of the Company's Shareholders reserves all its rights during the liquidation procedure, as per article 33, paragraph 4 of the Company's Articles of Association.

The liability of the Company's shareholders is limited to the par value of the shares in their possession.

5.6 Board of Directors and Management Executives' Remuneration

	GROUP	COMPANY
Amounts in €	**31.12.2007**	**31.12.2007**
Short term benefits to key Management and Board Members	–	–
– Wages and Salarie	8,913,165.01	5,512,757.16
– Insurance service cost	174,753.33	94,483.21
– Bonus	378,909.00	378,909.00
– Other remunerations	4,678,396.23	34,228.48
	14,145,223.57	**6,020,377.85**
Pension Benefits:	**31.12.2007**	**31.12.2007**
– Defined benefits scheme	348,330.85	–
– Defined contribution scheme	1,618,410.37	358,912.52
– Other Benefits scheme	563,700.00	–
	–	–
Payments through Equity	160,776.65	160,776.65
Total	**16,836,441.44**	**6,379,290.37**

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

5.7 Participation of the BOD Members and Main Shareholders to the Share Structure and the BOD of Other Companies

The members of the BOD and the Company's shareholders with a percentage at least 10%, have a minimum 10% stake and are members of the BOD of the following companies:

PARTICIPATIONS OF BOD MEMBERS AND COMPANY'S MAIN SHAREHOLDERS

BOD MEMBERS OR MAIN SHAREHOLDERS	COMPANY	BOD POSITION	STAKE PERCENTAGE (%)
EVANGELOS MYTILINEOS	GENIKI VIOMICHANIKI S.A.	CHAIRMAN / CHIEF EXECUTIVE OFFICER	50
	ENDESA HELLAS S.A.	CHAIRMAN	–
	DEFENSE MATERIAL INDUSTRY S.A - MYTILINEOS AND Co	ADMINISTRATOR	–
	ALUMINUM OF GREECE S.A	VICE PRESIDENT	–
IOANNIS MYTILINEOS	GENIKI VIOMICHANIKI S.A.	VICE PRESIDENT / MANAGING DIRECTOR	50
	FELTEX HOLDINGS LTD	REPRESANTATIVE	–
	METKA S.A.	CHAIRMAN	4,80
	ELIA STUD FARM S.A	MEMBER / NON EXECUTIVE	–
	SERVICESTEEL S.A.	CHAIRMAN	4,80
	OIKODOMIKI KALYBION S.A.	MEMBER / NON EXECUTIVE	–
	OIKODOMIKI AIMILIANOU S.A.	MEMBER / NON EXECUTIVE	–
	DEFENSE MATERIAL INDUSTRY S.A. MYTILINEOS AND Co	ADMINISTRATOR	–
	OMEGA LTD	CO-ADMINISTRATOR	–
GEORGE KONTOUZOGLOU	SOMETRA S.A.	VICE PRESIDENT	–
	THORIKI S.A.I.C.	CHAIRMAN	–
NIKOLAOS MOUSAS	ELEMKA S.A.	MEMBER	–
	MYTILINEOS POWER GENERATION AND SUPPLIES S.A.	MEMBER	–
	MYTILINEOS AIOLIKI ENERGEIAKI S.A.	MEMBER	–

The members of the BOD and the Company's shareholders with a percentage at least 10%, declare that they

do not participate to the BOD or share capital of other companies with a percentage over 10%, neither have administrative influence or any relation with other companies except the above and those mentioned in Chapter 7 concerning the Affiliated Companies.
Also, there is no business relation among the Company and the ones in which the BOD members and the Company's main shareholders participate, except those mentioned in Chapter 8 concerning the Affiliated Companies.

5.8 Insiders

The company is fully governed by the provisions of the Hellenic Capital Market Commission concerning Manipulating the market and access to privileged information, as such is defined by Decision No: 347/12.07.2005 and Law 3340/2005, and has disclosed to the Investment community the list of liable individuals, namely individuals who have access to privileged information. The list of insiders of Mytilineos Holdings S.A. are:

Board of Directors

- Evangelos Mytilineos: Chairman and Chief Executive Officer (Executive Member).
- Ioannis Mytilineos: Vice President (Non Executive Member).
- George Kontouzoglou: Executive Director (Executive Member).
- Nikolaos Mousas: Member (Non Executive).
- Christos Diamantopoulos: Member (Non Executive).
- Apostolos Georgiadis: Member (Non Executive Independent).
- Dimitrios Daskalopoulos Member (Non Executive Independent).

Administration:

- Benroubi Dinos: Zinc & Lead Division Director.
- Gavalas Christos: Group Treasurer.
- Giannakopoulos Stamatis: Corporate Secretary.
- Deligeorgis Anastasios: Head of Accounting Department.
- Desipris Ioannis: Energy Division Director.
- Diakopoulos Dimitris: Head of Legal Department.
- Dimou Ioannis: Group Chief Financial Officer.
- Kalafatas Ioannis: Group Financial Controller.
- Karaindros Elenos: Strategy, Mergers & Acquisitions Manager.
- Kasdas Spiridon: Aluminium Metallurgy & Bauxite Mining Division Director.
- Katsikadakou Ioulia: Shareholder Service Department.
- Kontos Nikos: Group Investor Relations Officer.
- Mousas Baslis: Legal Advisor.
- Papageorgiou Antonis: Chief Audit Executive.
- Papadopoulos Dimitrios: Executive Director.
- Pallas Georgios: EPC Division Director.
- Philipi Maria: Press Office.
- Sotou Konstantina: Group Human Resources Director.

Auditors

- Deligiannis George
- Paraskevopoulos George, deputy

The company informs, based on the law, the Capital Market and the Investment Community for possible changes.

6. Corporate Governance - Internal Audit

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

6.1 Board of Directors

The Board of Directors of MYTILINEOS HOLDINGS S.A. is the guardian of the Group's Corporate Governance Principles. It is composed of two (2) executive and five (5) non-executive members. Of the non-executive members, two (2) meet the requirements of Law 3016/2002 on Corporate Governance for their designation as "independent".
According to the Company's Articles of Association, the Board of Directors is composed of three (3) to nine (9) persons, elected for a term of office of five years. The current Board of Directors was elected by the Regular General Meeting of the Shareholders of 23.05.2005 and, after a new member was elected by resolution of the Board taken on 29.10.2007 in replacement of a resigned member, is now composed of the following persons:

1. Evangelos Mytilineos, father's name George, Businessman, resident in Maroussi, Attica (5-7 Patroklou Street), born in Athens in 1954, holder of Police Identity Card No. Π 082392 issued by Athens Security Precinct KD on 17.05.1972, registered with Tax Authority Office (DOY) PSYCHIKO under Tax Registration No. (AFM) 15250950, Executive Member, Chairman and Chief Executive Officer.
2. Ioannis Mytilineos, father's name George, Civil Engineer, resident in Maroussi, Attica (5-7 Patroklou Street), born in Athens in 1955, holder of Police Identity Card No. Σ 683930 issued by the Erithrea Security Precinct on 02.04.1998, registered with Tax Authority Office (DOY) H ATHENS under Tax Registration No. (AFM) 14950864, Non-Executive Member, Vice-Chairman.
3. George – Fanourios or Fanarios Kontouzoglou, father's name Stamatios, Economist, resident in Maroussi, Attica (5-7 Patroklou Street), born in Athens in 1946, holder of Police Identity Card No. Π 073899 issued by the Psychiko Security Precinct on 26.02.1991, registered with Tax Authority Office (DOY) PSYCHIKO under Tax Registration No. (AFM) 002701137, Executive Member, Executive Director.
4. Nikolaos Mousas, father's name Dimosthenis, Lawyer, resident in Filothei, Attica (4 Distomou Street), born in Athens on 30 September 1962, holder of Police Identity Card No. Σ 095216 issued by the Psychiko Security Precinct on 16.04.1996, registered with Tax Authority Office (DOY) KA ATHENS under Tax Registration No. (AFM) 042191127, Non-Executive Member.
5. Christos Diamantopoulos, father's name Panagiotis, University Professor, resident in Kifissia (2 Gounari Street), born in Athens on 21.11.1950, holder of Police Identity Card No. X 679216 issued by the Kifissia Security Precinct on 13.10.2004, registered with Tax Authority Office (DOY) KIFISSIA under Tax Registration No. (AFM) 042311062, Non-Executive Member.
6. Apostolos Georgiadis, father's name Stavros, University Professor, resident in Athens (35 Omirou Street), born in Kalamata, Messinia, on 05.03.1935, holder of Police Identity Card No. N 086522 issued by the Athens Security Precinct KD on 13.01.1986, registered with Tax Authority Office (DOY) PSYCHIKO under Tax Registration No. (AFM) 005631591, Independent Non-Executive Member.
7. Dimitrios Daskalopoulos, father's name Aristidis, Businessman, resident of Kifissia, Attica (50 Esperou Street), born in Athens in 1951, holder of Police Identity Card No. M 289326 issued by the Kifissia Security Precinct in 1980, registered with Tax Authority Office (DOY) KIFISSIA under Tax Registration No. (AFM) 015207892, Greek national, Independent Non-Executive Member.

The term of office of the Board of Directors expires on 30 June 2010.

In its Meeting of 20.07.2007, the Board of Directors resolved to grant the following powers and authorities regarding the representation of the Company to the persons below:

1. To the Chairman and Chief Executive Officer Evangelos G. Mytilineos

1.(a) To manage and administrate all tasks and affairs of the Company, to represent and bind the Company before any and all third parties, i.e. before any Greek or foreign Public, Municipal or Community, Administrative, Military, Professional, Consular, Ecclesiastical or other Authority, and before Greek or foreign Public Organisations, Institutions, Banks and in general legal persons under public or private law, as well as before any third person, natural or legal, Greek or foreign, in connection with all acts provided for by the law and the articles of association and before any Greek or foreign court, of whatever degree and jurisdiction, including the Supreme Court and the State Council.

1.(b) The Board hereby transfers all of its powers to the Chairman and Chief Executive Officer and grants to him the mandate, proxy, authorisation and competence to act, to represent legally the Company before the above mentioned bodies, and to bind the Company by his signature alone, placed under the corporate seal bearing the Company's full name and the address of its offices, regarding all company acts or actions whereby the Company shall assume obligations in general and shall acquire general rights against any third person, natural or legal, to direct and coordinate all phases of the Company's development activities, and to conclude cooperation or representation agreements with other companies in Greece or abroad, the Chairman and Chief Executive Officer having the right to make decisions and take action towards third parties based on his judgement and without any limitation.

2. In parallel with the above unlimited power of the Chairman and Chief Executive Officer Mr. Evangelos Mytilineos, which remains in effect, the following persons shall also bind the Company:

2.(a) Mr George – Fanourios or Fanarios Kontouzoglou, Executive Director, regarding the issue or endorsement of securities, irrespective of the amount thereof, and the assumption on behalf of the Company of the respective liabilities arising from them, binding the Company by his signature, placed under the corporate seal bearing the Company's full name and the address of its offices,

2.(b) Mr George – Fanourios or Fanarios Kontouzoglou, Executive Director, in addition to his powers as above, Mr Ioannis Dimou, Group Chief Financial Officer, Mrs Constantina Sotou, Group Human Resources Director, and Mr Spiridon Kasdas, Metallurgy & Mining Division Director, regarding all the above powers of the Chairman and Chief Executive Officer, the Company being bound by the signatures of two (2) of the above four (4) persons, placed jointly, with the exception of the actions listed below, for which the prior approval of the Board of Directors is required.

More specifically, prior approval of the Board of Directors is required for the following:

(a) Provision by the Company of financial guarantees to third parties.

(b) Establishment of collateral securities (as pledge and/or mortgage prenotation) on the Company's real estate or movable property.

(c) Establishment by the Company of loans or credits for any purpose whatsoever with a value higher than €15,000,000 in each individual case.

(d) Granting of Company loans to third parties for any purpose whatsoever, with the exception of Company personnel.

(e) Purchase or sale of shares of other companies and of securities of any form and amount.

(f) Purchase by the Company of fixed assets with a value in excess of €5,000,000 in each individual case, and sale by the Company of fixed assets whose value –at the time of their acquisition– was higher than €1,000,000.

(g) Assignment to third parties of Company rights on its fixed assets.

(h) Signature of contracts, offers or other documents, and establishment in any way whatsoever of Company liabilities in excess of € 5,00,000, with the exception of the unlimited power of Mr George Kontouzoglou to issue or endorse securities of any amount and to assume on behalf of the Company the respective liabilities arising from them.

(i) Establishment of Company branches abroad.

(j) Establishment of subsidiaries in Greece or abroad, or participation of the Company in other companies.

(k) Hiring or dismissal of executives reporting directly to the Chief Executive Officer.

The Board of Directors further resolved to grant a special authorisation to Mrs Constantina Sotou, Group Human Resources Director, to represent exceptionally the Company in connection with the following matters regarding personnel and human resources management, acting alone and without the cooperation of another person: recruitment of personnel and termination of personnel employment contracts; keeping of personnel records; entries in the new-recruits register; keeping of personnel leaves register; conduct of personnel payroll payments; personnel training; subscriptions to all types of information updates on labour- or other personnel-related matters; preparation and submission of statements, documents and lists submitted to the Social Security Bodies (Social Insurance Institute [IKA], Supplementary Insurance Fund for Salaried Employees [TEAM], Engineers and Public Constructors Pension Fund [TSMEDE], Lawyers' Fund etc.), to the Greek Manpower Employment Organisation (OAED) and to the Labour Inspectorate; all types of social security contributions and all their accompanying documents, and processing of the correspondence concerning these.

It should be noted that Mr Evangelos Mytilineos, Executive Member of the Board, Chairman and Chief Executive Officer, and Mr Ioannis Mytilineos, Non-Executive Member of the Board and Vice-Chairman, are brothers; and Mr George Kontouzoglou, Executive Member of the Board, is their stepbrother.

6.2 Management

The top executives of MYTILINEOS HOLDINGS S.A. are the following:

- **Benroubi Dinos.** Born in 1954. Holds a BSc and an MSC in Mechanical Engineering from Rice University (USA), and an MSc in Management from Troy University (USA). Was C.E.O. of ELVAL S.A. and Cement Division Director in TITAN S.A. Works for the Mytilineos Group almost 3 years and as a Zinc & Lead Division Director since October 2007.

- **Desypris Ioannis.** Born in 1952. Holds a BSc in Chemical Engineering from South Bank University, London (UK), and a PhD in Fuels and Energy Engineering from Leeds University (UK). Has worked in Greece and abroad, mainly in the Public Petroleum Company Group, (today Hellenic Petroleum S.A.). Was Managing Director of ASPROFOS S.A., a subsidiary of Hellenic Petroleum S.A., and a member of the Interministerial Committee for executive monitoring of all projects implemented across the country. Has also served as member on the Board of Directors of ASPROFOS, the Management Board of Hellenic Petroleum S.A., the Board of Directors of the Public Gas Corporation (DEPA), and the Monitoring Committee of the National Operational Programme for Energy, as Project Manager for cutting-edge design projects in Balkan countries, and member on the Board of Directors of private-sector enterprises. Works in the Mytilineos Group since 2000.

- **Diakopoulos Dimitrios.** Born in 1964. Holds a Degree in Law from the Law School of the University of Athens, and a DEA in Private Law from Paris V University (France). Has worked as a free lance lawyer for more than 14 years. Works in the Mytilineos Group as Head of the Legal Department since July 2006.

- **Dimou Ioannis.** Born in 1960. Holds a Degree in Business Administration and Accounting from the Athens University of Economics and Business (formerly the Athens School of Economics Business – ASOEE). Works in the Mytilineos Group since June 2005, and was Finance Manager in Aluminium of Greece S.A. Has served as General Manager (Professional Refrigeration Branch) in the Frigoglass Group, and as Finance Manager (Industrial Branch) and Internal Auditor in Coca-Cola HBC S.A. He was also Internal Auditor with Procter & Gamble Hellas S.A., and an Auditor and Business Consultant with PriceWaterhouseCoopers.

- **Giannakopoulos Stamatis**. Born in 1943. Holds a Degree in Mining Engineering & Metallurgy from the National Technical University of Athens (NTUA). Started his career in the Mining Directorate of the Public Power Corporation S.A., and was also General Manager in Michaniki S.A. Works in the Mytilineos Group since 2000. Is a Member of the Delegation of the Technical Chamber of Greece (TEE), a Member of the Board of Directors of the Hellenic Federation of Enterprises (SEV), and a Member of the Board of Directors of the Greek Mining Enterprises Association (SME).

- **Karaindros Elenos**. Born in 1971. Holds a Degree in Economics from the Department of Economic of the Athens University of Economics and Business (formerly the Athens School of Economics Business – ASOEE), and an MSc in Shipping, Trade & Finance from the Cass Business School, City University, London (UK). Has extensive experience of the investment banking sector, having served as Head of HSBC's Investment Banking Advisory Team for Greece. Works in the Mytilineos Group since March 2006.

- **Kasdas Spyridon**. Born in 1946. Holds a Degree in Electrical Engineering from the National Technical University of Athens (NTUA). Started his career in Aluminium of Greece S.A. (AOG), where he served as Aluminium Production Manager, and then as Primary Aluminium Research Manager for the Pechiney Group in France. In 1985 he assumed the Management of the AOG Plant. Continued his career in the Pechiney Group as General Manager of the Tomago aluminium production company in Australia, and as Technology Manager for the Primary Aluminium Branch of the Pechiney Group and Alcan Group. Works in the Mytilineos Group since June 2005.

- **Pallas George**. Born in 1956. Holds a Degree in Mechanical-Electrical Engineering from the National Technical University of Athens (NTUA). Is C.E.O. of METKA S.A., a subsidiary of Mytilineos Holdings S.A. Works in the Mytilineos Group since January 2000.

- **Papadopoulos Dimitrios**. Born in 1961. Holds a BA in Economics from George Washington University (USA) and an MBA in Finance from the American University, Washington D.C. (USA). Started his career in 1988 in the Banking sector, as a Capital Markets executive in the Hellenic Industrial Development Bank (ETVA). Was Head of Investment & Private Banking for Société Générale in Greece for more than six years, before moving to SIGMA AXEPEY, to head the company's Business Development and Corporate Finance activities. In 1998 was appointed General Manager and Executive Director of ASPIS AXEPEY, and in 2000 Managing Director and Executive Vice-President of the Investment Bank of Greece. Before joining the Mytilineos Group in 2006, he held the position of Managing Director of the Real Estate Investment subsidiary of the Hellenic Public Real Estate Corporation (KED). Has served as member on the Boards of Directors of many companies and Investment Committees. Works in the Mytilineos Group for the last 2 years.

- **Papageorgiou Antonis**. Born in 1956. Began his career in auditing firms in Greece and abroad. Was Quality Officer and Chartered Auditor of many companies active in industry, trade and constructions. Has extensive experience in areas such as Risk Management, as he was responsible for risk management issues in PricewaterhouseCoopers Greece. Is a member of the Greek Association of Certified Auditors – Accountants (SOEL) and a Fellow Member of the Association of Chartered Certified Accountants of UK and Ireland.Works in the Mytilineos Group for almost 2 years.

- **Sotou Constantina**. Born in 1957. Holds a Degree in Law from the Law School of the University of Athens. Started her career as Human Resources Assistant Director in Piraiki-Patraiki S.A., and has served as Human Resources Manager in Schimatari plant of Coca-Cola 3E S.A. and as Human Resources Director in the Plias Group of Companies as well as in Friesland Hellas S.A. Works in the Mytilineos Group since June 2007.

All members of the Company's Board of Directors and all Company executives are Greek citizens.
None of the Board members and executives of the Company has been convicted for dishonourable acts or financial crimes, and none is involved in pending litigations for bankruptcy, criminal offence, and prohibition to practice:

- A business activity,
- Stock market transactions,
- The profession of investment consultant, management executive in banks and insurance companies, share issues underwriter, executive in brokerage companies etc.

Finally, no loans have been granted to the members of the Company's Administration and Management.

6.3 Internal Audit Division

Internal audit division is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Key principles governing the operation of the Internal Audit Division

The Company's Internal Audit Division has the direct overall responsibility for internal control operations in the Company and in the non-listed subsidiaries.

For the Division to cooperate with the respective Division of a subsidiary listed on the Stock Exchange, the prior approval of the Audit Committee of the subsidiary concerned is required.

In exercising their duties, the internal auditors enjoy independence, do not come under the hierarchical authority of any of the Company's departmental units and are supervised by the Audit Committee of the Company's Board of Directors.

The Company's Internal Audit Division reports the results of its work to the Audit Committee and to the Board of Directors.

The Chief Audit Executive is appointed by the Company's Audit Committee, and is a person with adequate qualifications and experience.

The Internal Audit Division examines and assesses the adequacy and effectiveness of the internal control systems, and the quality of the efficiency of the other mechanisms and systems involved in the attainment of the specified Company's goals.

The primary objective of internal control is to provide the shareholders with reasonable assurance regarding the attainment of the Company's operational goals.

Internal auditors exercise their duties according to the Code of Conduct of the Institute of Internal Auditors, which means that internal auditors are bound by the principles of independence, impartiality and confidentiality. In addition, the activities of internal auditors conform to the International Standards for the Professional Practice of Internal Auditing, and to the policies and procedures of the Company.

The Internal Audit Division has full access to all books and data, employees, premises and activities of the Company which are necessary in carrying out its auditing work.

The Management of the Company provides the Internal Audit Division with every information and data which is necessary in carrying out its tasks, and cooperates with it during the audit itself as well as in connection with the implementation of the submitted recommendations on improvements.

The Internal Audit Division is responsible for safeguarding fully the secret nature of the data and confidentiality in general. The members of the Board of Directors work with the internal auditors, supplying them with information and in general facilitating their work in every possible way.

Responsibilities of the Internal Audit Division

The responsibilities of the Internal Audit Division include the following:

- Recording, critical review and audit of the Company's internal control system.
- Review of the system used to provide financial and management information to the Management of the Company.

- Confirmation of the application of the policies and procedures adopted towards attainment of the Company's operational goals.
- Compilation of regular and ad hoc inventories.
- Audit of the Company's accounting systems and EDP systems in general.
- Review of the means in place for safeguarding the Company's assets.
- Conduct of ad hoc audits after approval by the Audit Committee or by the Board of Directors in general.
- Follow-up of the application of, and continuous compliance with, the Company's operation regulations, as these have been determined by the Board of Directors through the Internal Regulation of Operations and the Statutes of the Company, and the legislation concerning the Company and especially the stock market legislation and the legislation on Société Anonyme companies.
- Confirmation of the adherence to the commitments contained in the Prospectuses issued by the Company regarding the use of capital raised through the Stock Exchange.
- Audit of the legality of the remunerations paid and benefits of all types extended to the members of the Management, against the decisions taken by the competent Company bodies.
- Audit of the relations and transactions of the Company with its affiliated companies.
- Timely identification and assessment of potential operational risks.
- Confirmation of the effective and efficient use of the resources available.
- Reporting to the Audit Committee of any cases of conflicts of interest involving the private interests of the members of the Company's Board of Directors or of its Management Executives, as it ascertains these in the exercise of their duties.
- Submission of written reports at least once every quarter to the Audit Committee and/or to the Board of Directors on the audits conducted, and attendance at the General Meetings of the Company's Shareholders.
- Provision, after obtaining the approval of the Board of Directors, of any information as may be requested in writing by the regulatory authorities, cooperation with such authorities and facilitation in every possible way of their monitoring, audit and supervision tasks.

Staffing of the Internal Audit Division

Staffing of the Internal Audit Division is such as to assure the Audit Committee that the internal auditors possess technical skills and educational background that are suitable for the audits to be conducted.

The Chief Audit Executive, with the full cooperation of the Audit Committee, specifies the appropriate educational qualifications and professional experience criteria for filling internal auditor vacancies, giving appropriate emphasis to each auditor's scope of work and level of responsibility.

6.4 Audit Committee

The key task of the Audit Committee is to support the Company's Board of Directors in the fulfilment of its mission to safeguard the effectiveness of the accounting and financial management systems, audit mechanisms and business risk management systems, and to ensure compliance with the legal and regulatory framework and effective application of the Corporate Governance Principles.

The Audit Committee is appointed by the Company's Board of Directors and is composed of non-executive members of the Board of Directors.

Following a motion by the Chairman, the Board of Directors approves unanimously the establishment of an Audit Committee, and specifies its purpose, composition, authorities and responsibilities as follows:

1. PURPOSE

The key task of the Audit Committee is to assist the Board of Directors in the fulfilment of its supervisory responsibility, by:

- Reviewing the financial statements before any approval thereof by the Board of Directors.
- Ensuring the effectiveness and efficiency of the System of Control Mechanisms instituted by the Management and the Board of Directors.
- Ensuring the Company's compliance with the legal and regulatory framework governing its operations, and with the Code of Ethics.
- Supervising the auditing function and assessing the work of the Internal Audit Division and of the external auditors, to ensure the coordination of the auditing work and the quality, independence and efficiency of the auditors.

2. COMPOSITION

The Audit Committee is composed of at least three Non-Executive members of the Board of Directors (where possible, these should be Independent members), appointed by the Board. One of these members is appointed Chairman.

Between them, the Committee members have adequate knowledge of, and experience in, financial reporting, accounting and/or auditing. The term of office of the Committee's members is analogous to that of the Board of Directors.

The duties of Committee Secretary are assigned to a Company executive who does not belong to any Company service under direct audit.

The Committee's members are entitled to a special remuneration, the amount of which is determined by the Board of Directors.

3. AUTHORITIES – RESPONSIBILITIES

The Committee has the authority to investigate itself or delegate to others the investigation of any matter under its responsibility.

In conducting these investigations, other than the assistance of the Internal Audit Division, the Legal Department and the External Auditors, the Committee may also request the assistance of external consultants.

In particular, the Committee has the following authorities and responsibilities:

A. Internal Audit Framework

With respect to the Internal Control Framework, the Committee is responsible for:

- Examining and assessing the efficiency and effectiveness of the Internal Control Framework. This assessment focuses on the Company procedures for the identification of major risks and on the measures that the Management has taken in order to manage them.

- Examining and assessing, in cooperation with the Management and the Internal and External Auditors:

1. The effectiveness or weaknesses of the Internal Control Framework, including the adequacy of Information Systems security and audits.

2. The key findings and recommendations of the Internal and External Auditors.

B. Financial Statements

The Committee:

- Examines, together with the Management and the Internal and External Auditors, the Company's six-monthly and annual financial statements prior to their publication.

- Examines, together with the Management, the quarterly financial statements.

- Assesses the financial statements in terms of their completeness and consistency.

- Reviews, upon completion of the annual audit, together with the Management and the Internal and External Auditors, the issues that arose during the audit and the audit results, including any difficulties they faced in performing their work.

C. External Audit

The Committee:

- Submits to the Board of Directors a recommendation on the proposals to be submitted to the General Meeting of the Shareholders concerning the selection of the External Auditors, the determination of their fee and their release from liability.

- Examines, together with the External Auditors, the auditing framework and approach of the annual audit, ensures the External Auditors' independence and assesses their performance.

- Examines the potential scope and cost and expresses its opinion on the assignment or otherwise of non-auditing services to the External Auditors.

D. Internal Audit

The Committee supervises the operation of the Internal Audit function, which comes under its operational responsibility, and ensures that:

- The Internal Audit has been adequately organised, has available all the means required for completing its task, and operates effectively and efficiently, in accordance with its Regulation of Operations.

- The Internal Auditors have full and unimpeded access to all Company information and records which are necessary in the exercise of their duties.
  With respect to the Internal Audit function, the Committee has in particular the following responsibilities:

- Approves the selection of the Group Internal Audit Manager and participates in the evaluation procedure concerning the Internal Audit executives.

- Assesses the procedure followed by the Internal Audit for the development of the annual audit plan, and recommends its approval to the Board of Directors.

- Is informed, when it so deems necessary, on the progress of the auditing work, and examines the implementation report of the annual audit plan.

- Examines and reviews, together with the Management:

a. Any difficulties which may arise during the audits, such as restrictions of the scope of the auditing work or of the access to the information required.

b. The amendments required to be made in the annual audit plan and in the corresponding budgeted costs, also in relation to the structure of the audit services in terms of human resources.

c. Important findings which have arisen during the audits, also checking the degree of implementation of the recommendations made.

4. MEETINGS

The Meetings of the Audit Committee are distinguished into:

- Regular meetings, which take place at least twice annually, upon the issue of the six-monthly and annual financial statements and prior to their publication.

- Extraordinary meetings, which take place as deemed necessary.

The Committee is in quorum and convenes lawfully when at least two of its members are present.
An agenda is prepared for every one of the Committee's Meetings. This contains all necessary information, so as to ensure provision to the Committee members of adequate and timely information on the forthcoming Meeting.

The Committee's Meetings are minuted by the Committee's Secretary, and the Minutes are approved by the participants. The Secretary is responsible for distributing the Minutes to the persons named in the list of recipients that the Committee specifies by a relevant decision or to the persons for whom the Committee deems this to be advisable.

An invitation to attend the Meetings of the Committee without the right to vote may be extended to members of the Company's Management, to Internal and External Audit executives or to other Company executives, as the Committee deems necessary.

5. CHANGES IN THE COMPOSITION OF THE COMMITTEE

The Board of Directors reserves the right to make from time to time such changes in the Committee's composition, responsibilities and functioning as in its judgement are required for the fulfilment of the Committee's tasks.

6.5 Investor Relations Department

The Athens Stock Exchange's announcements, the Quality Criteria of Publicity of the Stock Exchange Companies, and the existing legislation – in particular the Code of Ethics of the Stock Exchange Companies – as well as the need to create a two-way communication among the Stock Market Company and the Investors, the Supervising Authorities and all other interested and involved parties, lead to the creation of the Investor Relations Department of Mytilineos Group.

The main goal of the Investor Relations Department is to program and realize all necessary actions for informing the structural investors, domestic or foreign, and to take care for a timely and proper information and servicing of the shareholders of all the Group's companies, according to the clauses of the regulating organizations (Athens Stock Exchange, Capital Market Committee, etc), assuring their proper, immediate and equal information, in line with a proper and lawful operation of the Group.

Head of the Investor Relations Department of the Mytilineos Group is Mr. Nikolaos Kontos.

6.5.1 Corporate Announcements Service

The corporate announcements service is responsible for monitoring the company's obligations towards the Capital Market Committee and the Athens Stock Market. More specifically, it is responsible for the company's conformity with the following obligations (article 14 of Behavior Regulation).

6.6 Business Risk Management

6.6.1 Financial Risk Factors

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

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group.
The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, FX spot and forwards, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

6.6.2 Market Risk

(i) Foreign Exchange Risk

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

The Group's sensitivity analysis on USD/Euro exchange parity indicates that an increase/decrease of the parity by 5 bps, without the hedging effect, causes a decrease/increase in net profit and equity by € 7.5m, while when taking into consideration the hedging effect then the change causes to an increase/decrease of € 0.6m in net profit and a decrease/increase of € 0.4m in equity.

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

(ii) Price Risk

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

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

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

The Group, through the appropriate sensitivity analysis has determined that, excluding the hedging effect, an increase/decrease by 100$/ton in the Aluminum price will cause an increase/decrease by € 8.9m in the Group's net profit and equity, while considering the hedging effect of 2007 the effect equals to a decrease/increase in net profit by € 1.4m and a decrease/increase by € 21.7m in equity respectively. It is noted that the amount above represents the difference from the valuation of the open positions, the result of which will be settled with revenue from normal sales of metal.

Concerning Zinc and Lead an increase/decrease by 100$/ton causes an increase/decrease by € 1m for Zinc and € 0.5m for Lead in the Group's net profit and equity.

Finally, concerning oil, an increase/decrease by 50$/ton causes accordingly a decrease/increase by € 5.2m in the Group's net profit and equity.

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

(iii) Interest Rate Risk.

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

The sensitivity analysis indicates that an interest rate increase by 50 bps causes equally a decrease in net profit and equity by € 1.3m.

6.6.3 Credit Risk

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

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

6.6.4 Liquidity Risk

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

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

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

	2006							
	GROUP				COMPANY			
Amounts in €	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	up to 6 months	6 to 12 months	1 to 5 years	after 5 years
Liquidity Risk Analysis - Receivables								
Customers	23,520,648	–	–	–	–	–	–	–
Checks receivable	99,986,082	45,686,799	1,819,689	–	11,238,869	–	–	–
Total	**123,506,730**	**45,686,799**	**1,819,689**	**–**	**11,238,869**	**–**	**–**	**–**

Liquidity Risk Analysis - Liabilities								
Short Term Liabilities	155,993,054	17,564,120	37,282,603		108,920,240	8,778,695	12,550,000	–
Leasing liabilities	11,431	–	138,403	–	–	–	–	–
Trade and other payables	71,763,992	19,989,493	11,684,807	–	65,752	–	–	–
Other payables	19,262,106	9,168,715	–	–	40,710,353	–	–	–
Derivatives	27,162,057	14,136,817	3,555,701	–	–	–	–	–
Total	**247,030,583**	**46,722,328**	**49,105,813**	**–**	**149,696,345**	**8,778,695**	**12,550,000**	**–**

6.6.5 Hedging Accounting

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

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

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

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

There are three kinds of hedges.

6.6.6 Fair Value Hedging

Fair value hedging is regarded when hedging the exposure in the fluctuations of the fair value of a recognized asset, liability, contingent liability or part of them that could have a negative impact on results.
When hedging accounting, concerning fair value hedge, is followed then any profit or loss from revaluation is recognized in profit and loss.

6.6.7 Cash Flow Hedging

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

On revaluation of open positions, the effective part of the hedging instrument is recognized directly in Equity as "Hedging Reserve" while the ineffective part is recognized in Profit & Loss. The amounts recognized in Equity are transferred in profit and loss at the same time as the underlying.
When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all

accumulated profit or loss recognized in Equity, stays in Equity until the final settlement of the underlying. If the underlying is not expected to be settled then any profit or loss recognized in Equity is transferred to profit and loss account.

6.6.8 Hedging of a Net Investment

Hedging of a foreign investment is regarded for accounting purposes in a way similar to cash flow hedging. The effective part of the hedging result is recognized directly in Equity while any ineffective part is recognized in profit and loss. Accumulated profit or loss recognized in Equity is transferred in profit and loss account at the time of disposal of the investment.

6.6.9 Determination of Fair Value

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

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

7. Share Price Movement

7.1 Earnings per Share

The following table shows the earnings per share for the period 2006-2007:

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Profit attributable to Shareholders of the Parent	193,601,160	152,381,406	161,073,243	52,632,308
Weighted average number of shares	113,084,743	97,211,748	113,084,743	97,211,748
Basic earnings per share	1.71	1.57	1.42	0.54
Continuing Operations	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Profit attributable to Shareholders of the Parent	198,147,399	151,011,302	161,073,243	52,632,308
Weighted average number of shares	113,084,743	97,211,748	113,084,743	97,211,748
Basic earnings per share	1.75	1.55	1.42	0.54
Discontinuing Operations	31.12.2007	31.12.2006	–	–
Profit attributable to Shareholders of the Parent	(4,546,239)	1,370,104	–	–
Weighted average number of shares	113,084,743	97,211,748	–	–
Basic earnings per share	(0.04)	0.01	–	–

To determine the earnings per share, the number of shares used was their average weighted number over the number of total outstanding (common) shares plus the new shares issued as a result of the merger of the Group's subsidiaries ALUMINIUM OF GREECE and DELTA PROJECT.

7.2 Stock Price Movement

The company was initially listed on the Parallel Market of the Athens Stock Exchange (ASE) in July 1995. In August 1997 the company proceeded with a share capital increase through a public offering and its shares have been transferred to the ASE Main Market. The company's shares are subject to free trading on the ASE, and are highly marketable. The closing price on 31.12.2007 was € 14.36 per share.

The average trading volume for fiscal year 2007 reached 187,796 shares per day (01.01.2007 – 31.12.2007). Mytilineos common stock is included in the following indices:

Athens Stock Exchange Large Capitalization Index (ASE), Non Ferrous Metals, FTSE/ASE 20, FTSE/ASE 140, FTSE Med 100, MSCI Small Cap., HSBC Small Cap, EPSI 50.

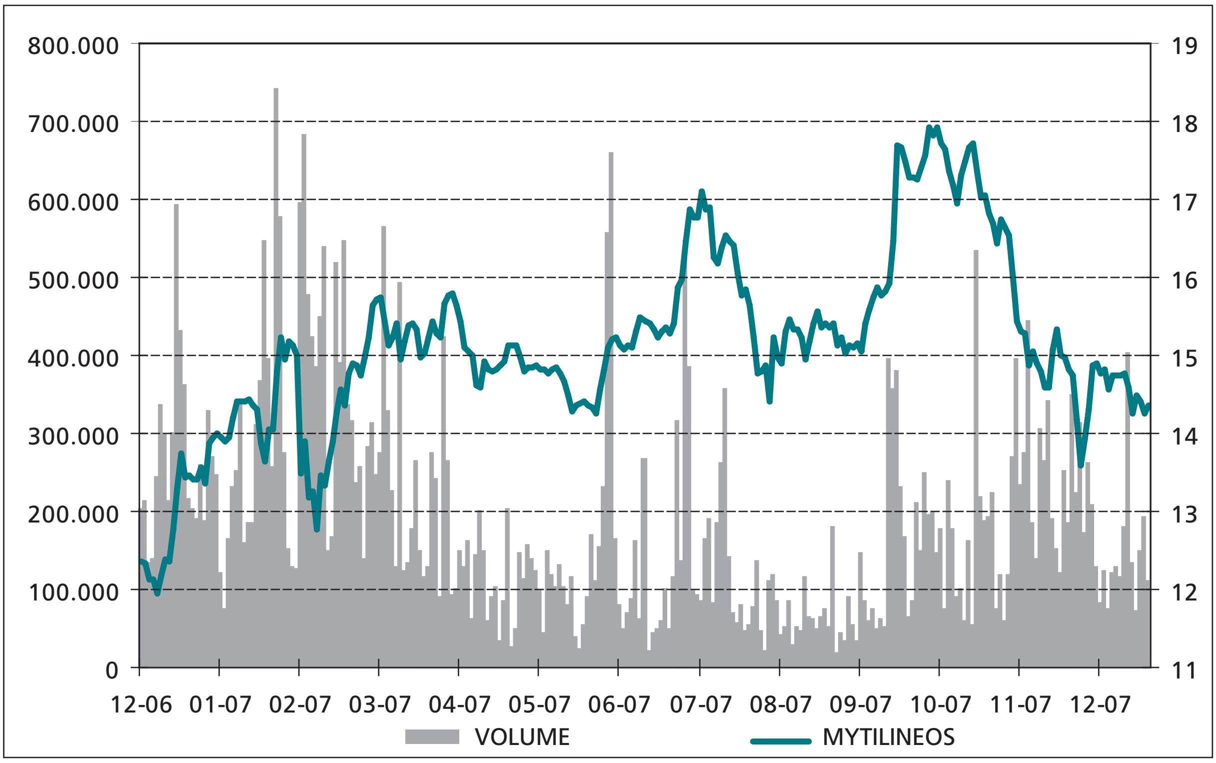
The summarized statistical data regarding the share price movement during 01.01.2007 – 31.12.2007 are shown in the following table and charts.

STOCK MARKET DATA FOR 2007

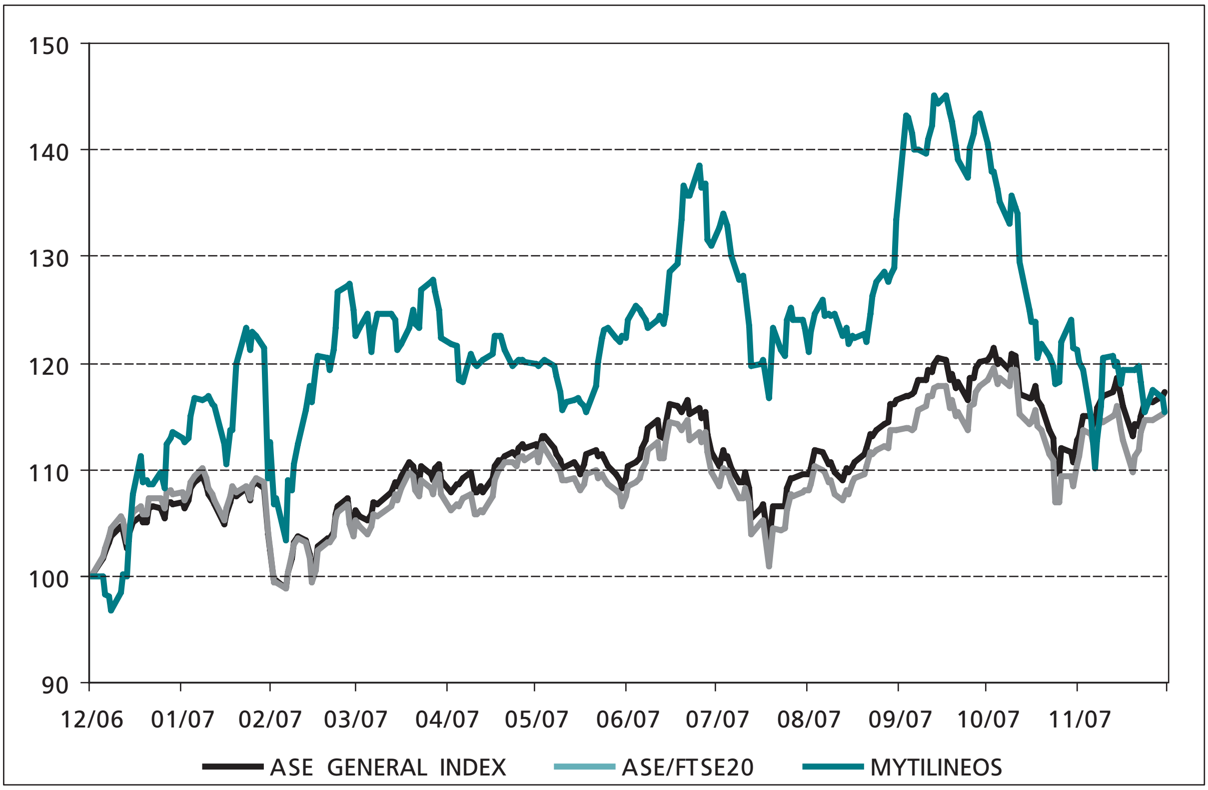
Average Price	€ 14.76
Minimum Price	€ 12.19
Maximum Price	€ 18.17
Average Daily Trading Volume	187,796 shares
Average Daily Trading Value	€ 6,653,623
Net Dividend per Share for 200	€ 0.51

7.3 Graphs

Share Price Movement and Trading Volume Development (01.01.2007 - 31.12.2007)



Mytilineos' Share Price in Comparison with the General Index and FTSE/ASE 20 (01.01.2007 - 31.12.2007)



7.4 Presentations to Institutional Investors

Mytilineos S.A., meeting the conditions for the qualitative criteria of the Athens Stock Exchange, implemented a series of presentations both to the domestic and to the international investment community during 2007

Date	TYPE OF EVENT	COUNTRY	ORGANISATION
08.01.2007	Roadshow	U.S.A,	NBGI
10.01.2007	Roadshow	Lyon	Proton
24.01.2007	Roadshow	Italy - Germany	HSBC
01.02.2007	Roadshow	G. Britain	UBS
04.02.2007	Roadshow	Switzerland	HSBC
27.02.2007	Conference Call	Greece	Mytilineos S.A.
05.03.2007	Roadshow	G. Britain	HSBC
28.03.2007	Conference Call	Greece	Mytilineos S.A.
29.03.2007	Roadshow	France	HSBC
15.05.2007	Roadshow	Belgium	HSBC
21.05.2007	Roadshow	France	HSBC
23.05.2007	Roadshow	G. Britain	Marfin
24.05.2007	Conference Call	Greece	Mytilineos S.A.
29.05.2007	Roadshow	G. Britain	Marfin
04.07.2007	Roadshow	Switzerland - Italy – Scotland - G. Britain	Credit Suisse
02.08.2007	Conference Call	Greece	Mytilineos S.A.
24.09.2007	Roadshow	U.S.A.	Credit Suisse
08.10.2007	Roadshow	G. Britain	HSBC
29.11.2007	Roadshow	Finland - Sweden - Netherlands - Denmark	Alpha Finance
19.11.2007	Roadshow	Portugal	Credit Suisse
17.12.2007	Roadshow	U.S.A.	Auerbach Grayson

7.5 Corporate Actions Calendar 2008

Mytilineos Holdings S.A. presents in the following table the Schedule of Intended Corporate Actions and 2008 Financial Calendar:

Announcement of the Full Year 2007 Financial Results:	Wednesday, 26 March 2008
Publication of the Full Year 2007 Results and Annual Conference Call with Analysts:	Thursday, 27 March 2008
Ordinary General Meeting of Shareholders:	Thursday, 8 May 2008
Ex - Dividend Date 2007:	Monday, 12 May 2008
Date of Commencement of Dividend Payment 2007:	Tuesday, 20 May 2008
Announcement of the First Quarter 2008 Results:	Tuesday, 20 May 2008
Publication of the First Quarter 2008 Results & Conference Call with Analysts:	Wednesday, 21 May 2008
Analysts Presentation and Institutional Investors – "Association of Greek Institutional Investors":	Friday, 20 June 2008
Announcement of the First Half 2008 Results:	Monday, 4 August 2008
Publication of the First Half 2008 Results & Conference Call with Analysts:	Tuesday, 5 August 2008
Announcement of the Nine Month 2008 Results:	Wednesday, 5 November 200
Publication of the Nine Month 2008 Results & Conference Call with Analysts:	Thursday, 6 November 2008

(*) MYTILINEOS S.A. reserves the right to alter the aforementioned dates and inform public accordingly.

8. Affiliated Companies

8.1 Group Structure

Group companies, included in the consolidated financial statements are:

Company	Consolidation Method	% of Parent's Stake
MYTILINEOS S.A. Maroussi, Athens		Parent
METKA S.A., N. Heraklio, Athens	Full Consolidation	51.49%
SERVISTEEL, Volos	Full Consolidation	51.48%
E.K.M.E. S.A. Municipality of Ehedorou, Thessaloniki	Full Consolidation	20.59%
RODAX A.T.E.E., N.Heraklio, Athens	Full Consolidation	51.49%
ELEMKA S.A., N.Heraklio, Athens	Full Consolidation	42.99%
DROSCO HOLDINGS LIMITED, Cyprus	Full Consolidation	42.99%
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	Full Consolidation	32.24%
ENERGY CONSTRUCTION DEVELOPMENT WESTERN GREECE S.A., Agrinio Aitoloakarnanias	Full Consolidation	51.49%
DELFI DISTOMON A.M.E.	Full Consolidation	100.00%
ALOUMINION S.A.	Full Consolidation	100.00%
COGENERATION OF ELECTRICITY AND HEAT S.A.	Full Consolidation	100.00%
ELVO, Thessaloniki	Equity	43.00%
SOMETRA S.A., Sibiu Romania	Full Consolidation	92.79%
MYTILINEOS FINANCE S.A., Luxemburg	Full Consolidation	99.97%
STANMED TRADING LTD, Cyprus	Full Consolidation	99.97%
MYTILINEOS ELGRADO D.O.O., Serbia	Full Consolidation	99.97%
MYVEKT INTERNATIONAL SKOPJE	Full Consolidation	99.97%
RDA TRADING, Guernsey Islands	Full Consolidation	99.97%
DEFENSE MATERIAL INDUSTRY S.A.-MYTILINEOS AND Co, Maroussi, Athens	Full Consolidation	100.00%
INDUSTRIAL RESEARCH PROGRAMS ''BEAT'', Halandri, Athens	Equity	35.00%
GENIKI VIOMICHANIKI, Maroussi, Athens	Full Consolidation	Common Mng
THORIKI S.A.I.C., Maroussi, Athens	Full Consolidation	100.00%
THERMOREMA S.A., Moshato, Athens	Full Consolidation	84,10%
KASTANIOTIKO S.A., Moshato, Athens	Full Consolidation	90,00%
POUGAKIA S.A., Moshato Athens	Full Consolidation	95,10%
DELTA PROJECT CONSTRUCT SRL, Boucouresti, Romania	Full Consolidation	95.01%
KALOMOIRA S.A., Moshato, Athens	Equity	20.00%
DELTA ENERGY S.A., Moshato, Athens	Full Consolidation	90.00%
FOIVOS ENERGY S.A., Amfiklia Fthiotidas	Full Consolidation	90.00%
YDROXOOS S.A., Moshato, Athens	Full Consolidation	90.00%

Company	Consolidation Method	% of Parent's Stake
PEPONIAS S.A., Moshato, Athens	Full Consolidation	56.25%
FTHIOTIKI ENERGY S.A., Moshato, Athens	Equity	31.50%
YDRIA ENERGY S.A., Moshato, Athens	Full Consolidation	90.00%
AIOLIKI MARTINOU S.A., Moshato, Athens	Full Consolidation	90.00%
ARGIRI ENERGY S.A., Moshato, Athens	Full Consolidation	90.00%
EN.DY. S.A., Moshato, Athens	Full Consolidation	90.00%
FOTINOS TILEMAXOS S.A., Moshato, Athens	Full Consolidation	90.00%
THESSALIKI ENERGY S.A., Moshato, Athens	Full Consolidation	90.00%
IONIA ENERGY S.A., Moshato, Athens	Equity	49.00%
ELECTRONWATT S.A., Moshato, Athens	Equity	10.00%
BUSINESS ENERGY S.A., Alimos, Athens	Equity	24.92%
DELTA RENEWABLE ENERGY SOURCES S.A. Ag. Paraskevi Attikis	Full Consolidation	100.00%
ENDESA Hellas S.A.	Equity	49.99%
MYTILINEOS POWER GENERATION & SUPPLIES S.A., Maroussi, Athens	Full Consolidation	100.00%
MYTILINEOS RENEWABLE WIND POWER S.A, Maroussi, Athens	Full Consolidation until 30.07	100.00%
NORTH AEGEAN RENEWABLES, Maroussi, Athens	Full Consolidation until 30.07	100.00%
MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	Full Consolidation until 30.07	80.00%
AIOLIKI ANDROU TSIROVLIDI S.A.,Maroussi,Athens	Full Consolidation until 30.07	80.20%
AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI PLATANOU S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	Full Consolidation until 30.07	80.20%
HELLENIC SOLAR S.A., Maroussi Athens	Full Consolidation until 30.07	100.00%

Company	Consolidation Method	% of Parent's Stake
SPIDER S.A., Maroussi Athens	Full Consolidation until 30.07	100.00%
GREENENERGY A.E.	Equity	39.99
BUSINESS ENERGY TPOIZINIA	Equity	49,00%

During the reporting period, the Group:

Amounts in €

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

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

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

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

a) acquired an indirect 47.31% (1,200 shares) stake in the share capital of the company "ALUMINION S.A." former "IOANNOU & KONSTANTI S.A." for € 15k. and through this acquisition, the Group indirectly acquired shares on the subsidiary company "PANEGYRIC LIMITED". The Group consolidated the above companies from 28.03.2007, as this was the date that control was deemed to be acquired. Acquisition cost was less than the share in the company's net assets, the Group recognized in the income statement a profit of € 36k. On 30.09.2007 the Group completed the procedures for the cease of operation of the company "PANEGYRIC LIMITED", recognizing in the income statement a loss of € 53,600.

b) acquired an indirect 47.31% (102,000 shares) stake in the share capital of the company "COGENERATION OF ELECTRICITY AND HEAT" former "AGRICULTURAL, CONSTRUCTIVE, DEVELOPMENTAL & TRADING S.A." for € 53k. The Group consolidated the above company from 28.03.2007, as this was the date that control was deemed to be acquired. The effect from the above acquisition was a goodwill of € 11k, which was recognized directly in the income statement after the impairment test (IAS 36 "Impairment of assets").

c) acquired an indirect 63.14% stake in the share capital of the company "ENERTEC S.A." for € 1m. The Group consolidated the above company from 04.01.2007, as this was the date that control was deemed to be acquired. The effect from the above acquisition was a goodwill of approximately € 145k. It is noted that consequently the above company was acquired (100% stake in the share capital) by "ENDESA Europa" and was renamed to "ENDESA Hellas S.A.". This is the company to which, "MYTILINEOS HOLDINGS SA" will contribute its entire thermal and renewable energy assets and licenses according to the Strategic Agreement signed between the two Groups. (For more detailed analysis see next paragraph).

d) acquired an indirect 100% (600 shares) stake in the share capital of the company "DELTA RENEWABLE ENERGY SOURCES" former "I. & E. Gratsias S.A." for € 79,800. The Group consolidated the above company from 19.06.2007, as this was the date that control was deemed to be acquired. The effect from the above acquisition was a goodwill of € 36,248.47, which was recognized directly in the income statement after the impairment test (IAS 36 "Impairment of assets").

e) On 04.09.2007, METKA, on the grounds of MYTILINEOS Group restructuring and due to the relevant activities of the two companies, acquired from DELTA PROJECT S.A. the 100% of the shares of "Energy construction Development Western Greece S.A." for a total of € 8m.

f) Finally on 23.07.2007, Parent company, in the light of the strategic alliance with "ENDESA Europa", transferred the energy assets held by the 100% subsidiaries "MYTILINEOS POWER GENERATION AND SUPPLIES S.A." and "MYTILINEOS RENEWABLE ENERGY SOURCES SA" to "ENDESA Hellas". As a result of this transaction, Parent Company acquired a 49.99% stake on the share capital of "ENDESA Hellas" and recognized capital gains amounting € 160,142,497 in Parent level and € 159,533,181 in Group level. The capital gains mentioned are analyzed at the following table:

Amounts in €

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

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

9. Financial Results of MYTILINEOS HOLDINGS S.A.

9.1. Basis for Preparation of the Financial Statements

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

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

Basic Accounting Principles

The accounting principles applied in the preparation of the financial statements are consistent with those used to prepare the financial statements for the financial year 2006, and have been consistently applied for all financial years presented.
Where this was considered necessary, data from previous financial years were amended to ensure comparability.

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

During the reported period (28.09.2007), the merger of the subsidiaries "ALUMINIUM OF GREECE S.A." and "DELTA PROJECT S.A." was completed. In order to account for the above mentioned merger in Parent and Group level Financial Statements, the company applied IAS 8 "ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS" (paragraph 10) as the merger between companies being under common control does not fall within the provisions of some standard or interpretation.

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

In line with the above, the Company's individual financial statements reflect the results, assets, net financial position and liabilities of the absorbed companies since 1.1.2006, the beginning of the reporting period presented for comparison purposes, with corresponding adjustments made to the data of every interim reporting period presented. In particular, the results of the parent Company have been adjusted as of 1.1.2006 to also incorporate the respective results of the absorbed subsidiaries, while the parent Company's Equity has also been adjusted to reflect the change in equity which resulted on the basis of the rate of exchange of shares between the absorbed companies. Finally, the parent Company's asset and liability items have been augmented to incorporate the respective items of the absorbed subsidiaries.

The above changes are detailed in the tables that follow:

Amounts in €			31.12.2006		
BALANCE SHEET - PARENT COMPANY	MYTILINEOS S.A.	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS S.A.
ASSETS	(before merger)	after spin off of Metallurgy Segment	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger
Non-Current Assets					
Tangible Assets	11,445,768		157,315		11,603,083
Intangible Assets	47,381	–	172,640	–	220,021
Investments in Subsidiary Companies	365,810,620	461,216,438	22,253,189	117,645,914	731,634,333
Investments in associate companies	15,920,830	–	–	–	15,920,830
Deferred tax receivables	4,623,678	775,000	–	–	5,398,678
Financial assets available for sale	39,384	–	–	–	39,384
Other Long-term Receivables	107,092		13,150		120,241
	397,994,752	461,991,438	22,596,293	–	764,936,570
Current Assets					
Trade and other receivables	10,707,436	–	531,433	–	11,238,869
Receivables from subsidiaries	35,567,188				35,567,188
Other receivables	20,764,997	45,452,057	1,025,961	–	67,243,015
Other current assets	85,019	–	–	–	85,019
Financial assets at fair value through profit or loss	3,024,669	–	–	–	3,024,669
Cash and cash equivalents	**2,301,371**	**–**	**752,776**	**–**	**3,054,147**
	72,450,681	**45,452,057**	**2,310,170**	**–**	**120,212,908**
Total Assets	**470,445,432**	**507,443,496**	**24,906,463**		**885,149,478**
EQUITY AND LIABILITIES					
Equity attributable to Parent's shareholders					
Share capital	24,162,132	180,889,296	4,250,000	(111,059,380)	98,242,049
Share premium	177,503,432	170,725	5,066,722	(6,586,534)	176,154,344
Other reserves	4,591,987	60,474,393	1,724,404	–	66,790,784
Retained earnings	53,624,538	225,569,629	2,443,959	–	281,638,126
Total Equity	**259,882,088**	**467,104,043**	**13,485,085**	**–**	**622,825,302**
Non-Current Liabilities					
Long-term debt	21,328,695	–	–	–	21,328,695
Derivatives	5,345,713	–	–	–	5,345,713
Deferred tax liability	13,949,573	–	183,122	–	14,132,695
Liabilities for pension plans	650,123	–	21,156	–	671,279
Other long-term liabilities	–	–	59,124	–	59,124
Provisions	–	3,100,000	–	–	3,100,000

Amounts in €			31.12.2006		
BALANCE SHEET - PARENT COMPANY	MYTILINEOS S.A.	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS S.A.
EQUITY AND LIABILITIES	(before merger)	after spin off of Metallurgy Segment	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger
Total Non-Current Liabilities	41,274,104	3,100,000	263,401	–	44,637,505
Current Liabilities					
Trade and other payables	–	–	65,752	–	65,752
Tax payable	12,462,072	37,239,453	177,949	–	49,879,474
Short-term debt	98,331,867	–	10,588,373	–	108,920,240
Current portion of non-current liabilities	17,564,120	–	–	–	17,564,120
Liabilities to subsidiaries	39,138,463	–	–	–	39,138,463
Derivatives	546,731	–	–	–	546,731
Other payables	1,245,987	–	325,903	–	1,571,890
Total current liabilities	169,289,240	37,239,453	11,157,977	–	217,686,670
Total liabilities	210,563,344	40,339,453	11,421,378		262,324,175
Total Equity and Liabilities	470,445,432	507,443,496	24,906,463	–	885,149,478

Amounts in €			31.12.2007		
INCOME STATEMENT - PARENT	MYTILINEOS S.A.	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS S.A.
	(before merger)	(after spin off of Metallurgy Segment)	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger)
Sales	889,543	2,100,000	866,075	(600,000)	3,255,618
Cost of sales	–	(400,771)	(424,847)	–	(825,618)
Gross profit	**889,543**	**1,699,229**	**441,228**	–	**2,430,000**
Other operating income	25,583,052	5	36,730	–	25,619,786
Distribution expenses	(2,594)	–	(161,933)	–	(164,527)
Administrative expenses	(20,506,870)	–	(1,469,800)	600,000	(21,376,671)
Research & Development expenses	–	–	(691)	–	(691)
Other operating expenses	(2,921,308)	(45,551)	-56,055	–	-3,022,914
Financial income	15,063,252	748,197	1,339	–	15,812,787
Financial expenses	(16,453,924)	–	-456,786	–	-16,910,710
Other financial results	185,727,335	–	2,462,458	–	188,189,793
Profit before income tax	187,378,484	2,401,879	796,489	–	190,576,852
Income tax expense	(25,956,844)	(3,567,209)	20,444	–	(29,503,609)
Profit for the period	**161,421,640**	**(1,165,330)**	**816,933**	–	**161,073,243**
Earnings before income tax,financial results, depreciation and amortizationv	**3,882,012**	**1,653,683**	**(1,164,465}**	–	**4,371,230**
(-) depreciation and amortization	(840,190)	–	(46,057)	–	(886,247)
Earnings before income tax and financial results	**3,041,822**	**1,653,683**	**(1,210,522)**	–	**3,484,983**

Amounts in €			31.12.2006		
INCOME STATEMENT - PARENT	MYTILINEOS S.A.	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS S.A.
	(before merger)	(after spin off of Metallurgy Segment)	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger)
Sales	132,329,416	–	4,720,397	–	137,049,813
Cost of sales	(113,451,184)	–	(3,975,860)	–	(117,427,044)
Gross profit	18,878,232	–	744,537	–	19,622,769
Other operating income	3,716,021	–	1,069,327	–	4,785,348
Distribution expenses	(5,259,396)	–	(199,899)	–	(5,459,295)
Administrative expenses	(7,624,408)	–	(483,638)	–	(8,108,046)
Research & Development expenses	–	–	(83,591)	–	(83,591)
Other operating expenses	(7,305,078)	–	(467,653)	–	(7,772,731)
Financial income	1,745,651	–	90,768	–	1,836,419
Financial expenses	(7,693,522)	(45,333)	(314,075)	–	(8,052,930)
Other financial results	60,765,095	10,506,083	–	–	71,271,178
Profit before income tax	57,222,594	10,460,750	355,775	–	68,039,120
Income tax expense	(10,827,679)	(4,240,985)	(338,148)	–	(15,406,812)
Profit for the period	46,394,915	6,219,765	17,627	–	52,632,308
Earnings before income tax,financial results, depreciation and amortizationv	2,741,602	–	660,106	–	3,401,707
(-) depreciation and amortization	(336,231)	–	(81,023)	–	(417,255)
Earnings before income tax and financial results	2,405,370	–	579,083	–	2,984,453

Amounts in €			31.12.2006		
CASH FLOW - PARENT	MYTILINEOS S.A.	ALUMINIUM OF GREECE	DELTA PROJECT	ADJUSTMENTS	MYTILINEOS S.A.
	(before merger)	(after spin off of Metallurgy Segment)	(after spin off of Construction and Turn key project Segment)	For the application of "Pooling of Interest" method)	(after merger)
Net Cash flows from operating activities	68,201,583	14,506,958	(3,024,360)	–	79,684,182
Net Cash flow from investing activities	(87,339,911)	15,620,488	(6,785,517)	–	(78,504,940)
Net Cash flow financing activities	(39,810,974)	(30,127,447)	(4,069,801)	–	(74,008,222)
Net Cash flow	(58,949,301)	–	(13,879,679)	–	(72,828,980)

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

Amounts in €

01.01.2006	Share Capital	Share Capital above par	Other reserves	Profit(Loss) carried forward	Total Equity
Equity before merger with the application of "Pooling of Interest" method - 01.01.2006	**24,312,204**	**183,906,926**	**783,427**	**27,246,309**	**236,248,866**
Increase with capital of the absorbed companies					
ALUMINIUM OF GREECE	210,585,182	230,489	66,596,314	224,036,104	501,448,089
DELTA PROJECT	4,250,000	4,974,806	1,322,118	4,217,686	14,764,610
Decrease according to the Parent's stake to the share capital					
ALUMINIUM OF GREECE	(100,446,883)	–	–	–	(100,446,883)
ΔΕΛΤΑ PROJECT	(2,700,180)				(2,700,180)
Adjustement in reserves - share capital above par	–	5,319,492	–	–	5,319,492
Total adjustments	**111,688,120**	**10,524,787**	**67,918,432**	**228,253,790**	**418,385,129**
Equity after merger with the application of "Pooling of Interest" method - 01.01.2006	**136,000,324**	**194,431,713**	**68,701,859**	**255,500,099**	**654,633,994**
Equity before merger with the application of "Pooling of Interest" method - 01.01.2007	24,162,132	177,503,432	4,591,987	53,624,538	259,882,088
Increase with capital of the absorbed companies					
ALUMINIUM OF GREECE	180,889,296	170,725	60,474,393	225,569,629	467,104,043

Amounts in €

01.01.2006	Share Capital	Share Capital above par	Other reserves	Profit(Loss) carried forward	Total Equity
DELTA PROJECT	4,250,000	5,066,722	1,724,404	2,443,959	13,485,085
Decrease according to the Parent's stake to the share capital					
ALUMINIUM OF GREECE	(108,359,200)	–	–	–	(108,359,200)
DELTA PROJECT	(2,700,180)				(2,700,180)
Adjustement in reserves - share capital above par	–	(6,586,534)	–	–	(6,586,534)
Total adjustments	74,079,917	(1,349,088)	62,198,797	228,013,588	362,943,214
Equity after merger with the application of "Pooling of Interest" method - 01.01.2007	98,242,049	176,154,344	66,790,784	281,638,126	622,825,302

In parallel, to reflect in the Consolidated Financial Statements for the accounting period presented the completion of the merger on 28.09.2007, at which date the minority shareholders of the absorbed companies become shareholders of the parent Company, the Group reversed the accumulated balance of Minority Rights as at 31.12.2007 under the Consolidated Equity account. In addition, to maintain continuity and comparability of the Financial Statements, the balance of Minority Rights under the Consolidated Equity account was also reversed for 01.01.2006, 31.12.2006, 01.01.2007 and 31.12.2007. Furthermore, to reflect the economic scope of the merger whereby the shareholders of its absorbed subsidiaries become shareholders of the parent Company, the Group then reversed the minority rights on results for the period from 01.0.2007 to 31.12.2007, as well as for the period from 01.01.2007 to 31.12.2007 in keeping with the requirement for continuity and comparability of financial data.

It is pointed out that other than the above adjustments, no other adjustments affecting other accounts of the consolidated Financial Statements for the current period or for previous periods have been made.

In more detail, the adjustments made are as follows:

Adjustments in Equity

Amounts in €	ALUMINIUM OF GREECE	DELTA PROJECT	TOTAL
Minority Interests 01.01.2006	(74,388,802)	95,257	(74,293,545)
(Reverse on share Capital (increase because of merger)	(24,849,385)	(95,257)	(24,944,642)
Reverse on retained earnings	10,769,308	–	10,769,308
Reverse on reserves (Above par)	88,468,879	–	88,468,879
Minority Interests 01.01.2007	218,529,201	11,231,125	229,760,327
Reverse on share Capital (increase because of merger)	(73,195,703)	(1,616,149)	(74,811,851)
Reverse on retained earnings	46,693,387	24,404	46,717,790
Reverse on reserves (Above par)	(192,026,886)	(9,639,380)	(201,666,266)

Adjustments in Results

Minority Interests Reversed from Income Stetement	01.01.-31.12.2007	01.01.31.12.2006
ALUMINIUM OF GREECE	19,628,965	(46,777,926)
DELTA PROJECT	(2,111,163)	(24,404)
TOTAL MINORITY INTERESTS REVERSED	17,517,802	(46,802,329)

New Accounting Principles and Interpretations of IFRIC

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

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

- ***IFRS 7, Disclosures of Financial Instruments***

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 for the annual financial statements 01.01 - 31.12.2007.

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

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

- ***IFRIC 8 "Scope of IFRS 2"***

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

- ***IFRIC 9 "Reassessment of Embedded Derivatives"***

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

- ***IFRIC 10 "Interim Financial Reporting and Impairment"***

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

Until the date of approval of the financial statements, new Standards as well as Interpretations and Amendments of currently applicable Standards were issued, with mandatory effect for financial years beginning on 1 January 2008 or later. With regard to the impact of the application of these new Standards and Interpretation, the Company's Management estimates the following:

- ***IAS 1, Presentation of Financial Statements – Revised.***

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

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

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

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

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

- ***IFRS 8. Operating Sectors***

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 01.01.2009 and is expected to be adopted by the Group.

- ***IFRS 23. (amendment) Borrowing Cost***

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

- ***IAS 32 and IAS 1 Puttable Financial Instruments - Amendment***

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

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

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 01.01.2007 and is not expected to affect the Group's financial statements.

- ***IFRIC 12 Service Concession Agreements***

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 01.01.2008 and is not expected to affect the Group's financial statements.

- ***IFRIC 13 Customer Loyalty Programmes***

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

Important Accounting Decisions, Estimations and Assumptions

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

Accounting Decisions

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

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

Assumptions and Estimations

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

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

- ***Possible Reductions in Goodwill***

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

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

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

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Appendix A. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations (see paragraph 9.7.1).

- ***Budget of construction contracts***

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

- ***Income Tax***

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

- ***Provisions***

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

- ***Contingencies***

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2007. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

9.2 Board of Directors Management Report

General Review

For the MYTILINEOS GROUP, 2007 was another was another positive year, despite the difficulties caused by USD - Euro exchange parity fluctuations, the decline of the Alumina prices comparing with the 2006 record prices as well as the significant increase of oil prices.
It was a year of important development its highlights being the full consolidation of "Aluminium Of Greece S.A." and "Delta Project S.A." and the strategic alliance with ENDESA.

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

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

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

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

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

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

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

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

Since 2006, Mytilineos Group is a member of the Hellenic Network for Corporate Social Responsibility, which is an effort to cooperate and exchange good practices with other Greek companies.
Concerning the financial results of 2007, the Group increased its turnover by 8.2%, despite the negative effect of USD - Euro exchange parity which fluctuated from 1.30 at the beginning of the year to 1.46 at the end. The Group's turnover was negatively affected by that fluctuation by € 40m approximately. In addition, the Group's profit of after taxes and minority interests increase significantly (83.3%) comparing to 2006 and amounted to € 193m, mainly due to the capital gains derived by the first phase of the agreement with ENDESA Europe in the energy sector and by the consolidation of the total results of ALUMINIO S.A. following the absorption of the minority rights due to the merger.

Finally, the Group's earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 18% and amounted to € 153m (2006: € 188m).

Prospects for the Forthcoming Year (2008)

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

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

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

Significant Post Balance Sheet Date Events

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

On 01.01.2008 ENDESA Hellas announced that has applied for the renewal of the Installation License for the natural gas-fired power plant in Volos. The 440MW CCGT power plant will be constructed on a green field in the industrial zone of Volos region. ENDESA Hellas, which has also decided to build two additional CCGTs of a similar capacity within the next five years, is investigating appropriate sites and is preparing relevant proposals for that purpose.

On 10.01.2008 ENDESA Hellas announced that is in the process of completing the preparations for the commencing of the construction of the new electricity production unit in Volos.

MYTILINEOS Group has proceeded during the period 01.01.2008 to 26.03.2008 to the purchase of 871,170 common shares with an average purchase price of € 9.94.

Factors of Added Value and Performance Evaluation

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

(a) Metallurgy & Mining Sector, where “Aluminium Of Greece”, “Delfi Distomon” and the activity of basic metals of the Groups' subsidiaries “Thoriki S.A.I.C.” and “Sometra S.A.” are incorporated. This sectors accounted for the 63.6% of group's Sales and the 67.7% of the Group's EBITDA.

(b) The Construction Projects Sector operated by the subsidiary METKA and its affiliated companies is another important sector for the Group. In 2007, this sector accounted for the 25.8% of the Group's Sales and the 32.7% of the Group's EBITDA, while in the forthcoming year it is expected to have a significant contribution on the Group's profitability.

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

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary corrective actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

– ROCE (Return On Capital Employed): this ratio divides EBIT with the total Capital Employed if the Group which is the sum of Equity, Total of Bank Loans and Long Term Provisions.

– ROE (Return On Equity): this ratio divides Earning After Tax(EAT) with the Group's Shareholders' Equity.

– EVA(Economic Value Added): this figure is calculated by multiplying the difference of ROCE and Cost of Capital with the Capital Employed as defined above and reflects the amount added to the economic value of the firm. In order to calculate the Cost of Capital the group uses the WACC formula.

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

	31.12.2007	31.12.2006
ROCE	12%	15%
ROE	11%	18%
EVA (in mil €)	43	67

Business Risk Management

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

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

Credit Risk

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

Liquidity Risk

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

Market Risk

Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply.
The Group is price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.). The Group's activities expose it to the fluctuations of the prices of Aluminium (AL), Zinc (Zn), Lead (Pb) as well as to Fuel Oil as a production cost.

Foreign Exchange Risk

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

Interest Rate Risk

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

Corporate Governance

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

The Board of Directors of Mytilineos S.A. is the trustee of the Group's Corporate Governance Principles. It is comprised by 2 executive and 5 non-executive members. From the non-executive members, 2 satisfy the conditions set by law 3016/2002, and can be called "independent".

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

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

Mytilineos Holdings S.A. has an internal audit department since 17.09.2001. Head of the department is Mr. Papageorgiou Antonios. The Head of Internal Audit has a full time employment relationship to our company.

Dividend Policy
Regarding the distribution of dividends the Board Of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, proposes the distribution of dividends of € 0.51/share as opposed to € 0.25/share in 2006 (recalculated for comparability purposes upon the adjusted number of stocks after the split of the stocks). This proposed dividend is subject to the approval of the General Assembly.

Evangelos Mytilineos
Chairman & Chief Executive Officer

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

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

I. Company's Share Capital Structure
The share capital of Mytilineos Holding S.A amounts to € 125,080,916.71, divided into 116,898,053 common registered shares with voting right and a par value of € 1.07 each. Each share provides one voting right

The share capital of the Company during the financial period 01.01.2007 – 31.12.2007 was as follows:

A) The share capital of the company up to 03.09.2007 was € 24,312,204, divided into 40,520,340 common registered shares at par value of € 0.60 each.

B) The 1st Repeat Extraordinary General Assembly of Shareholders of 03.09.2007 approved the merger by absorption of the anonymous companies ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE

ANONYME and DELTA MECHANICAL EQUIPMENT AND INTEGRATED PROJECTS S.A. by the Company and decided the concurrent and parallel:
a) Share capital increase of the Company,
(aa) (i) by the amount of the share capital contributed by ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME amounting € 206,565,872.90 less the amount of € 108,359,199.60 corresponding to the nominal value of the invalidated shares of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME held by the Company, ii) by the amount of the share capital contributed by DELTA MECHANICAL EQUIPMENT & INTEGRATED PROJECTS S.A. amounting to € 4,250,000 less the amount € 2,700,180.04, corresponding to the nominal value of the invalidated shares of DELTA MECHANICAL EQUIPMENT & INTEGRATED PROJECTS S.A. held by the Company, i.e. in total, by the amount of € 99,756,493.26.
(bb) by the amount of € 135,483.84 resulting from capitalization of part of the Company's share premium account, for the purpose of maintaining the share exchange ratio.
b) change of the nominal value of each Company share from € 0.60 € 2.55,
c) the issuance of 8,187,182 registered shares of a nominal value of € 2.55, which shall be distributed to the shareholders of the merged companies, as per the exchange ratios set forth in the Draft Merger Contract of 18.08.2007, which was approved by the Company's 1st Repeat Extraordinary General Assembly of Shareholders of 03.09.2007.

Subsequently, the total amount of the share capital increase amounts to € 99,891,977.10 and the Company's share capital amounts to € 124,204,181,10 divided into 48,707,522 intangible, common, registered voting shares of a new nominal value € 2.55 each.

C) The 2nd Re-iterative General Meeting of the Company's shareholders of 26.11.2007 resolved on the following:
(a) decrease of the nominal value of the Company's shares € 2.55 to € 1.07 with the issuance of 68,190,531 new common registered shares, and the pro bono distribution of 24 new shares of the new par value of € 1.07 each for each 10 old shares of the previous par value of € 2.55 each, to the existing shareholders and
(b) increase of the Company's share capital through capitalization of share premium reserve amounting to € 876,735,61 for rounding purposes of the new par value of the shares.
Following the above, the share capital of the Company amounts to €125,173,241.66, divided into 116,984,338 incorporeal common registered shares of a par value of € 1.07 each.

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

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

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

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

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

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

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

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

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

III. Important Indirect/Direct participations according to articles 9-10 of L.3556/07
The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's Shares are presented in the following table.

NAME	PERCENTAGE
EVANGELOS MYTILINEOS	14.57%
IOANNIS MYTILINEOS	15.44%
MORGAN STANLEY	5.37%

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

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

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

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

VIII. Responsibility of the BoD for the issuance of new shares or acquisition of own shares according to C.L. 2190/1920
A) According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at lease two thirds (2/3) of its total members.
In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

B) On 05.12.2007 the Board of Directors of the Company resolved on the specification of the terms and table of allocation of the stock option plan of the Company pursuant to the provisions of article 13 paragraph. 13 of codified law 2190/1920 as in force, in favor of members of the Board and executive members of the Company and its affiliates, in accordance with the decisions of the General Meeting of shareholders of the Company on 14.06.2006 and 03.09.2007. According to the above decision, there are 28 beneficiaries with up to 41,014 corresponding call options for the current year. The acquisition price of the options was fixed at € 30.47 per share.

C) In accordance with the Board of Directors resolution of 05.12.2007, following the exercise by senior executives of the Company and of companies of Mytilineos group of stock option rights granted to them on the basis of the Stock Option Plans that have been approved by resolutions dated 14.06.2006 and 03.09.2007 of the General Meeting of Shareholders, the share capital was increased by € 92,324.95 with cash payments and issuance of 86,285 new registered voting shares, nominal value of € 1.07 each. Share price was € 12.70 according to the relevant stock option plan. The resulted par value difference of € 1,003,495 was transferred to share premium.

D) According to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920, the listed companies may acquire own shares through the Athens Stock Exchange, according to decision of the General Meeting until the 10% of total shares, in order to support the stock exchange price. In the Meeting held on 14.06.2006 the General Meeting of Shareholders, making use of the above possibility provided by the Law, decide that the Company should acquire, during the period 14.06.2006 - 13.06.2007 no more than 4,054,034 shares, equivalent to 10% of total existing shares, in order to support the stock exchange price of its share, in a price range between € 5 (minimum) and € 35 (maximum). In the Meeting held on 16.02.2006 the General Meeting of Shareholders amended the initial decision in a price range between € 5 (minimum) and € 50 (maximum). In the context of implementing the aforementioned General Meeting decision, the Company's BoD defines by resolution, prior to the start of the individual trading period, the principal trading terms, in particular the maximum number of own shares to be acquired, maximum and minimum price and time period that shares shall be acquired. The company on 06.06.2007 completed the 3rd phase of its Share Buyback Program through the acquisition of 1,096,293 treasury shares at an average price of € 35,27 on the context of the 16.02.2007 decision of the Board of Directors. During the reported period the company has acquired a total of 5,695,898 (adjusted after split) treasury shares which represent 4.82% of share capital

E) On 07.12.2007, the Board of Directors of the Company resolved on the commencement of the plan regarding the acquisition of owned shares pursuant to article 16 par. 1 of codified law 2190/1920, in implementation of the decision of the Extraordinary General Meeting of the Company's shareholders of 07.12.2007, and all acquisitions will be made pursuant to the provisions of Regulation 2273/2003 of the EU Committee. In the period from 13.12.2007 until 6.12.2009, the Company will acquire up to two million five hundred twenty two thousand four hundred sixty one (2,522,461) owned shares, at a minimum acquisition price of five (€ 5) euros per share and a maximum acquisition price of sixty (€ 60) euros per share. Up to 31.12.2007 the Company had not acquired any stocks.

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

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

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

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer
The provisions formed for retirement compensations amounted to € 598 k as at 31.12.2007.

Evangelos Mytilineos
Chairman & Chief Executive Officer

9.4 INDEPENDENT AUDITORS' REPORT

To the Shareholders of **"MYTILINEOS S.A."**

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

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

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

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

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

Athens, 26 March 2008
The Certified Auditor
George Deligiannis
A.M. SOEL. 15791

GrantThornton

44, Vas. Konstantinou Ave.
116 35 Athens
A.M. S.O.E.L.:127
44, Vas. Konstantinou Ave.

9.5 Annual Financial Statements at the Consolidated and Parent Basis

9.5.1 Income Statement

Amounts in €	THE GROUP		THE COMPANY	
	01.01-31.12.07	01.01-31.12.06	01.01-31.12.07	01.01-31.12.06
Sales	912,597,327	837,038,920	3,255,618	137,049,813
Cost of sales	(748,993,617)	(628,294,737)	(825,618)	(117,427,044)
Gross profit	163,603,710	208,744,183	2,430,000	19,622,769
Other operating income	50,454,577	13,917,301	25,619,786	4,785,348
Distribution expenses	(10,288,082)	(12,886,622)	(164,527)	(5,459,295)
Administrative expenses	(50,529,232)	(30,292,082)	(21,376,671)	(8,108,046)
Research & Development expenses	–	–	(691)	(83,591)
Other operating expenses	(22,177,212)	(16,694,645)	(3,022,914)	(7,772,731)
Earnings before interest and income tax	131,063,762	162,788,136	3,484,983	2,984,453
Financial income	17,141,825	3,497,562	15,812,787	1,836,419
Financial expenses	(25,891,422)	(11,832,854)	(16,910,710)	(8,052,930)
Other financial results	152,267,663	34,038,417	188,189,793	71,271,178
Negative goodwill	–	19,242,077	–	–
Share of profit of associates	(193,791)	(4,419,693)		
Profit before income tax	274,388,036	203,313,646	190,576,852	68,039,120
Income tax expense	(59,169,808)	(47,350,130)	(29,503,609)	(15,406,812)
Profit for the period	215,218,229	155,963,516	161,073,243	52,632,308
Result from discontinuing operations	(4,546,239)	1,370,104	–	–
Profit for the period	210,671,990	157,333,620	161,073,243	52,632,308
Attributable to:				
Equity holders of the Parent	193,601,160	152,381,406	161,073,243	52,632,308
Minority interest	17,070,830	4,952,214		
Basic earnings per share	1.71	1.57	1.42	0.54
	Summury of Result		Summury of Result	
Earnings before income tax,financial results,depreciation and amortization	153,706,659	187,226,687	4,371,230	3,401,707
Earnings before income tax and financial results	131,063,762	162,788,136	3,484,983	2,984,453
Earnings before income tax	274,388,036	203,313,646	190,576,852	68,039,120
Earnings for the period	215,218,229	155,963,516	161,073,243	52,632,308

9.5.2 Balance Sheet

Amounts in €	THE GROUP		THE COMPANY	
ASSETS	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Non Current Assets				
Tangible Assets	387,654,004	540,960,295	11,135,837	11,603,083
Goodwill	141,359,317	128,257,177	–	–
Intangible Assets	9,154,551	57,786,478	61,367	220,021
Investments in Subsidiary Companies	–	(0)	670,048,251	731,634,333
Investments in Associate Companies	190,159,396	30,247,173	178,451,784	15,920,830
Deferred Tax Receivables	23,676,349	26,069,199	588,386	5,398,678
Financial Assets Available for Sale	476,783	70,317,907	36,831	39,384
Derivatives	19,273,780	–	–	–
Other Long-term Receivables	1,352,222	3,100,976	110,239	120,241
	773,106,400	856,739,205	860,432,695	764,936,570
Current Assets				
Inventories	180,883,181	203,057,887	–	–
Trade and other receivables	298,984,780	177,395,158	7,823,595	11,238,869
Other receivables	59,612,562	95,379,341	59,994,092	102,810,204
Other current assets	5,539,884	10,502,793	1,750,514	85,019
Financial assets at fair value through profit or loss	6,702,160	7,736,578	2,903,008	3,024,669
Derivatives	17,318,463	–	–	–
Cash and cash equivalents	84,932,830	15,373,860	4,103,726	3,054,147
	653,973,859	509,445,616	76,574,935	120,212,908
Non Current Assets Available for Sale	222,637,992	–	–	–
Total Assets	1,649,718,252	1,366,184,821	937,007,631	885,149,478
EQUITY AND LIABILITIES	–	–	–	–
Equity				
Share capital	119,142,828	98,973,983	119,142,831	98,242,049
Share premium	223,992,887	382,783,535	75,311,801	176,154,344
Fair value reserves	35,722,651	990,699	–	–
Other reserves	110,524,343	33,481,850	94,236,621	66,790,784
Translation reserves	(35,317,312)	(9,843,629)		
Retained earnings	288,926,818	220,481,924	297,455,074	281,638,126
Equity attributable to Parent's shareholders	742,992,215	726,868,362	586,146,327	622,825,302
Minority interests	56,859,671	52,269,350	–	–
Total Equity	799,851,886	779,137,712	586,146,327	622,825,302
Non-Current Liabilities				
Long-term debt	56,854,789	37,421,006	12,550,000	21,328,695
Derivatives	–	6,811,203	–	5,345,713
Deferred tax liability	78,920,832	48,494,888	48,356,487	14,132,695

Amounts in €	THE GROUP		THE COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Liabilities for pension plans	40,596,831	34,647,563	598,188	671,279
Other long-term liabilities	24,093,345	38,231,865		59,124
Provisions	18,156,475	19,771,825	1,268,343	3,100,000
Total Non-Current Liabilities	218,622,272	185,378,350	62,773,017	44,637,505
Current Liabilities				
Trade and other payables	182,781,132	103,438,292		65,752
Tax payable	59,960,787	57,935,003	13,067,260	49,879,474
Short-term debt	295,637,473	156,004,485	228,646,004	108,920,240
Current portion of non-current liabilities	–	17,564,120	–	17,564,120
Liabilities to subsidiaries	–	–	34,864,564	39,138,463
Derivatives	–	38,043,373	–	546,731
Other payables	30,325,491	28,430,821	11,217,865	1,571,890
Current portion of non-current provisions	2,390,431	252,666	292,593	–
Total current liabilities	571,095,314	401,668,759	288,088,287	217,686,670
Total liabilities	789,717,586	587,047,109	350,861,304	262,324,175
Liabilities related to non current assets available for sale	60,148,780	–	–	–
TOTAL EQUITY AND LIABILITIES	1,649,718,252	1,366,184,821	937,007,631	885,149,478

9.5.3 Cash Flow Statement

Amounts in €	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
Cash flows from operating activities				
Cash flows from operating activities	127,622,928	115,659,960	36,243,300	104,549,092
Interest paid	(25,317,243)	(10,199,796)	(16,995,049)	(7,424,780)
Income tax paid	(57,534,624)	(59,942,419)	(48,189,897)	(17,440,130)
Net Cash flows continuing operating activities	44,771,060	45,517,745	(28,941,646)	79,684,182
Net Cash flows discontinuing operating activities	(3,175,330)	(5,205,553)	–	–
Net Cash flows from continuing and discontinuing operating activities	41,595,730	40,312,192	(28,941,646)	79,684,182
Cash flows from investing activities				
Purchases of tangible assets	(14,291,343)	(88,281,074)	(397,705)	(524,346)
Purchases of intangible assets	(2,675,562)	(2,189,601)	(102,110)	(200,283)
Sale of tangible assets	1,478,160	12,951,326	636,167	367,659
Dividends received	541,195	297,856	35,677,860	20,298,792
Loans to related parties	1,703,262	–	–	–
Purchase of financial assets held-for-sale	–	(30,132,625)	–	(2,553)
Purchase of financial assets at fair value through profit and loss	(1,000,157)	(6,487,291)	–	(2,784,291)
Derivatives settlement	–	–	–	–
Acquisition of associates	–	–	–	–
Acquisition/Sale of subsidiaries (less cash)	20,049,499	(47,271,396)	19,981,500	(117,056,063)
Sale of financial assets held-for-sale	947,769	21,415,222	–	15,620,488
Sale of financial assets at fair value through profit and loss	979,216	5,933,627	–	3,939,238
Interest received	17,679,419	3,826,159	15,811,448	1,836,419
Cash received from loans to associates	–	–	–	–
Grants received	184,514	14,068,620	–	–
Other cash flows from investing activities	(29,742)	1,017,993	–	–
Net Cash flow from continuing investing activities	25,566,231	(114,851,184)	71,607,160	(78,504,940)

Amounts in €	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
Net Cash flow from discontinuing investing activities	(94,518,734)	(4,664,839)	–	–
Net Cash flow from continuing and discontinuing investing activities	(68,952,502)	(119,516,023)	71,607,160	(78,504,940)
Cash flow from financing activities				
Proceeds from issue of share capital	1,095,820	1,587,235	1,095,820	–
Sale of treasury shares	(77,701,015)	(6,553,565)	(77,701,015)	(36,681,013)
Tax payments	(2,949,400)	–	–	–
Dividends payed to Parent's shareholders	(60,437,472)	(38,050,707)	(74,764,815)	(17,208,889)
Proceeds from borrowings	321,132,287	49,569,460	22,826,779	1,384,238
Repayments of borrowings	(273,730,783)	(54,739,644)	(26,342,815)	(21,502,558)
Payment of finance lease liabilities	(68,722)	(67,803)	–	–
Other cash flows from investing activities	–	–	–	–
Net Cash flow continuing financing activities	(92,659,285)	(48,255,024)	(154,886,047)	(74,008,222)
Net Cash flow discontinuingt financing activities	6,615,982	4,437,016	–	–
Net Cash flow continuing and discontinuing financing activities	(86,043,303)	(43,818,008)	(154,886,047)	(74,008,222)
Net (decrease) / increase in cash and cash equivalents	(113,400,075)	(123,021,839)	(112,220,533)	(72,828,980)
Cash and cash equivalents at beginning of period	(132,286,127)	(12,678,968)	(112,321,746)	(50,534,724)
Exchange differences in cash and cash equivalents	260,817	(118,694)	–	(66,510)
Net cash at the end of the period	**(245,425,385)**	**(135,819,501)**	**(224,542,279)**	**(123,430,214)**
Overdrafts	**(332,301,261)**	**(151,193,361)**	**(228,646,004)**	**(126,484,361)**
Cash and cash equivalent	**86,875,876**	**15,373,860**	**4,103,726**	**3,054,147**
Net cash at the end of the period	**(245,425,385)**	**(135,819,501)**	**(224,542,279)**	**(123,430,214)**

9.6 Segment Reporting

9.6.1 Primary Reporting Format – Business Segments

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

It is noted that, in the context of the agreement between the Group and "ENDESA Europa", the Group will contribute its entire thermal and renewable energy assets and licenses to the new company. The Group applied IFRS 5 "Non Current Assets Available for Sale & Discontinued Operations" and present separately the assets, liabilities and results which are going to be transferred to the new company for the reporting period and for the respective period of the previous year (Paragraph 9.7.28).

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

Segment's results are as follows:

Amounts in €

01.01-31.12.07	Metallurgy	Constructions	Energy	Others	Discontiniuing operations	Total
Total gross segment sales	1,134,395,542	284,249,204	6,095,293	3,540,618	(6,961,368)	1,421,319,289
Intercompany sales	(452,620,991)	–	–	(1,019,009)	–	(453,640,000)
Inter-segment sales*	–	(55,081,962)	–	–	–	(55,081,962)
Sales	681,774,551	229,167,242	6,095,293	2,521,609	(6,961,368)	912,597,327
Operating profit	95,702,411	47,327,358	(841,648)	(13,176,529)	2,052,170	131,063,762
Financial results	(5,562,377)	(37,556,159)	(2,089,555)	186,897,260	1,828,896	143,518,065
Share of profit/(loss) of associates	(53,460)	–	(127,184)	(140,331)	127,184	(193,791)
Profit from company acquisition	–	–	–	–	–	–
Profit before income tax	90,086,575	9,771,199	(3,058,386)	173,580,400	4,008,249	274,388,036
Income tax	(18,208,112)	(11,433,838)	(558,435)	(29,507,413)	537,990	(59,169,808)
Profit for the period	71,878,463	(1,662,639)	(3,616,820)	144,072,987	4,546,239	215,218,229
Result from discontinu-ing operations	–	–	–	–	(4,546,239)	(4,546,239)
Segment Depreciation	16,820,885	4,980,950	345,708	887,119	(391,765)	22,642,897
Segment EBITDA	112,523,296	52,308,308	(495,940)	(12,289,410)	1,660,405	153,706,659

Amounts in € 01.01-31.12.06	Metallurgy	Constructions	Energy	Others	Discontiniuing operations	Total
Total gross segment sales	986,499,072	291,911,827	6,309,150	2,695,586	(6,769,866)	1,280,645,770
Intercompany sales	(295,093,518)	–	(100,000)	–	–	(295,193,518)
Inter-segment sales*	–	(148,413,332)	–	–	–	(148,413,332)
Sales	691,405,554	143,498,495	6,209,150	2,695,586	(6,769,866)	837,038,920
Operating profit	155,636,157	7,191,097	1,013,678	(11,083)	(1,041,713)	162,788,136
Financial results	28,169,076	(1,977,494)	–	(146,520)	(341,936)	25,703,126
Share of profit/(loss) of associates	–	–	–	(4,419,693)	–	(4,419,693)
Profit from company acquisition	–	–	–	19,242,077	–	19,242,077
Profit before income tax	183,805,233	5,213,603	1,013,678	14,664,781	(1,383,649)	203,313,646
Income tax	(33,413,700)	(14,461,892)	518,738	(6,822)	13,546	(47,350,130)
Profit for the period	150,391,533	(9,248,289)	1,532,416	14,657,959	(1,370,104)	155,963,516
Result from discontinuing operations	–	–	–	–	1,370,104	1,370,104
Segment Depreciation	18,484,403	4,950,951	1,020,511	–	(17,315)	24,438,550
Segment EBITDA	174,120,560	12,142,048	2,034,189	(11,083)	(1,059,028)	187,226,686

* Inter-Segment Sales in the Constructions Segment refer to Sales to another Segment recognised in the financial statements.
Inter-Segment Sales amounts must be taken into account in calculating the total Inter-Company Sales for the Group.

The column "Discontinued Operation", which has been added to the breakdown by segment for the period 01.01-31.12.2006, refers to the amounts of the Energy Segment for the corresponding period of the previous financial year.

Segment's assets and liabilities are as follows:

Amounts in € 31.12.2007	Metallurgy	Constructions	Energy	Other	Total
Assets	876,333,962	317,748,213	385,475,662	70,160,414	1,649,718,251
Unallocated assets	–	–	–	–	–
Consolidated assets	876,333,962	317,748,213	385,475,662	70,160,414	1,649,718,251
Liabilities	594,241,954	191,581,701	60,148,779	3,893,931	849,866,365
Unallocated liabilities	–	–	–	–	–
Consolidated liabilities	594,241,954	191,581,701	60,148,779	3,893,931	849,866,365

Amounts in € 31.12.2006	Metallurgy	Constructions	Energy	Other	Total
Assets	1,049,167,490	186,476,832	97,556,248	13,693,838	1,346,894,408
Unallocated assets	–	–	–	–	19,290,414
Consolidated assets	1,049,167,490	186,476,832	97,556,248	13,693,838	1,366,184,822
Liabilities	413,476,481	86,597,795	73,005,756	-16,946,252	556,133,780
Unallocated liabilities	–	–	–	–	30,913,330
Consolidated liabilities	1,049,167,490	186,476,832	97,556,248	13,693,838	587,047,110

9.6.2 Secondary Reporting Format – Geographical Segments

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

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

Amounts in €	01.01-31.12.07	01.01-31.12.06
Greece	409,663,645	380,427,056
Eurozone	385,798,738	178,294,905
Other countries	117,134,945	278,316,959
Sales from Continued Operations	912,597,327	837,038,920
Sales from Discontinued Operations	6,961,371	6,309,150
Eurozone	–	–
Total	912,597,327	837,038,920

Following there is an analysis of sales per type:

Amounts in €	01.01-31.12.07	01.01-31.12.06
Sales of commodities	292,806,483	173,872,135
Sales of goods produced	394,792,233	396,317,716
Sales of other inventory	2,406,964	3,343,403
Services	11,164,558	15,379,253
Subcontracts	–	–
Sale of Property	1,518,483	851,028
Constructions	209,908,606	247,130,451
Other	–	144,934
Total	912,597,327	837,038,920

9.7 Brief Financial Information

9.7.1 Goodwill

The Group's goodwill is analysed as follows:

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

Amounts in €	Goodwill
Book value as at 01.01.2006	102,273,669
Additions	27,481,381
Sales-Reductions	(1,497,873)
Impairment	–
Καθαρή Λογιστική αξία την 31.12.2006	128,257,178
Additions	33,991,680
Sales-Reductions	(20,889,541)
Impairment	–
Net Book value as at 31.12.2007	141,359,317

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

Amounts in €	Recognized Goodwill as at 31.12.2007
ELEMKA S,A,	634,515
DROSCO HOLDINGS LTD	1,776
ALUMINIUM SA	12,891,167
GENIKH VIOMICHANIKI	4,734
METKA	123,514,020
SOMETRA	4,313,104
Total	141,359,317

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

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

For the other companies, the recoverable amount of the recognized goodwill, was assessed using their value in use.
The "value in use" was determined based on management estimates that were verified by an independent

valuator. For the calculation of the value in use the discounted cash flows method was used.

When the calculated recoverable value is less than the acquisition cost, the difference is recognized as a loss in the result of the year and more specifically in the line of the income statement "Other Financial Results" which is analyzed in paragraph 9.7.25 of the Financial Statements and is presented in the Statement of Cash Flows (paragraph 9.5.3) as Impairment.

9.7.2 Intangible Assets

GROUP

Amounts in €	Software	Internaly generated assets	Licenses	Other intangible assets	Total
Gross Book value	6,398,445	–	–	63,803,841	70,202,286
Accumulated depreciation and/or impairment	(5,385,382)	–	–	(50,286,282)	(55,671,664)
Net Book value as at 01.01.2006	1,013,063	–	–	13,517,559	14,530,622
Gross Book value	6,997,752	–	44,298,049	66,514,654	117,810,455
Accumulated depreciation and/or impairment	(5,688,493)	–	–	(54,335,484)	(60,023,977)
Net Book value as at 31.12.2006	1,309,259	–	44,298,049	12,179,170	57,786,478
Gross Book value	7,115,417	–	–	68,002,688	75,118,105
Accumulated depreciation and/or impairment	(6,237,659)	–	–	(59,725,895)	(65,963,554)
Net Book value as at 31.12.2007	877,758	–	–	8,276,793	9,154,551

GROUP

Amounts in €	Software	Internaly generated assets	Licenses	Other intangible assets	Total
Book value as at 01.01.2006	1,013,063	–	–	13,517,559	14,530,622
Additions	566,111	–	–	1,773,348	2,339,458
Additions from acquisition/consolidation of subsidiaries	37,060	–	44,298,049	975,951	45,311,060
Sales-Reductions	(3,864)	–	–	–	(3,864)
Depreciation	(303,111)	–	–	(4,049,202)	(4,352,313)
Reclassifications	–	–	–	(38,486)	(38,486)
Net foreign exchange differences	–	–	–	–	–
Net Book value as at 31.12.2006	1,309,259	–	44,298,049	12,179,170	57,786,478
Additions from acquisition/consolidation of subsidiaries	38,438	–	–	–	38,438
Additions	106,087	–	–	2,568,464	2,674,550
Sales-Reductions	(26,860)	–	(44,298,049)	(1,080,430)	(45,405,339)
Depreciation	(549,166)	–	–	(5,390,411)	(5,939,576)
Reclassifications	–	–	–	–	–
Net foreign exchange differences	–	–	–	–	–
Net Book value as at 31.12.2007	877,758	–	–	8,276,793	9,154,551

The Group MYTILINEOS S.A. at 31.12.2007 holds Intangible Assets amount to 9,154,551 corresponding mainly to rights of use of tangible assets.

COMPANY

Amounts in €	Software	Internaly generated assets	Licenses	Other intangible assets	Total
Gross Book value	69,073	–	–	–	69,073
Accumulated depreciation and/or impairment	(15,733)	–	–	–	(15,733)
Net Book value as at 01.01.2006	53,340	–	–	–	53,340
Gross Book value	269,356	–	–	–	269,356
Accumulated depreciation and/or impairment	(49,335)	–	–	–	(49,335)
Net Book value as at 31.12.2006	220,021	–	–	–	220,021
Gross Book value	331,554	–	–	–	331,554
Accumulated depreciation and/or impairment	(270,187)	–	–	–	(270,187)
Net Book value as at 31.12.2007	61,367	–	–	–	61,367

COMPANY

Amounts in €	Software	Internaly generated assets	Licenses	Other intangible assets	Total
Book value as at 01.01.2006	53,340	–	–	–	53,340
Additions	200,283	–	–	–	200,283
Additions from acquisition/consolidation of subsidiaries	–	–	–	–	–
Sales-Reductions	–	–	–	–	–
Depreciation	(33,602)	–	–	–	(33,602)
Reclassifications	–	–	–	–	–
Net foreign exchange differences	–	–	–	–	–
Net Book value as at 31.12.2006	220,021	–	–	–	220,021
Additions from acquisition/consolidation of subsidiaries		–	–	–	–
Additions	62,198	–	–	–	62,198
Sales-Reductions	–	–	–	–	–
Depreciation	(220,852)	–	–	–	(220,852)
Reclassifications	–	–	–	–	–
Net foreign exchange differences	–	–	–	–	–
Net Book value as at 31.12.2007	61,367	–	–	–	61,367

The Company MYTILINEOS S.A. at 31.12.2007 holds Intangible Assets amount to 61.367 regarding software.

9.7.3 Investments in Affiliated Companies

THE GROUP		
Amounts in €	**31.12.2007**	**31.12.2006**
Opening Balance (01.01.2007)	30,247,173	31,861,403
Aquisition	–	–
Share of profit/loss (after taxation and minority interest)	(193,791)	(1,020,508)
Foreign exchange differences	–	
Additions*	161,887,585	–
Reversal of received dividends	(1,781,572)	(593,722)
Other Changes in Equity	–	–
Balance at end of period	190,159,396	30,247,173

* Additions on 31.12.2007 refer primarily to the value of the Group's stake in Endesa Hellas.

9.7.4 Deferred Tax

	GROUP				COMPANY			
	31.12.2007		31.12.2006		31.12.2007		31.12.2006	
Amounts in €	**Asset**	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**
Non Current Assets								
Intangible Assets	337,965	(152,329)	989,259	11,554,605	122,853	–	281,867	76,201
Tangible Assets	1,542,010	26,492,592	13,593,003	27,147,346	–	1,171,516	117,676	1,406,731
Financial assets available to sale	–	–	–	257,322	–	–	–	257,322
Long Term Receivables	–	–	840	840	–	–	328	328
Current Assets	–	–					–	–
Stocks	–	–	413,363	205,836	–	–	161,501	80,420
Construction Contracts	8,426,832	9,252,857	7,891,431	11,645,536	–	–	–	–
Receivables	5,573,837	897,874	4,395,555	1,606,979	408,683	–	3,327,825	558,027
Financial assets available to sale	–	51,911	–	70,077	–	51,911	–	70,077
Financial assets at fair value	–	–	–	–	–	–	–	–
Reserves	–	–					–	–
Reserves' defer tax liability	–	10,207,509	309,025	16,048,861	–	8,896,080	120,736	9,045,420
Long-term Liabilities	–	–	–	–	–	–	–	–
Employee Benefits	7,495,023	11,518	6,987,291	–	56,851	–	(6,527)	–
Subsidies	112,583	–	108,351	–	–	–	–	–
Other Long-term Liabilities	3,731,283	734,000	4,814,074	920,800	–	–	803,498	23,800
Short-term Liabilities	–	–					–	–
Provisions	1,473	1,872,304	499	3,529,176	–	1,818,109	–	2,189,816
Contingent Liabilities	–	–	18,161	2,947	–	–	7,096	1,151
Employee Benefits	1,366,244	–	1,707,547	–	–	–	15,186	–
Liabilities from derivatives	3,678,186	–	9,740,533	–	–	–	–	–
Liabilities from financing leases	–	(20,278)	66,443	669,747	–	–	–	–
Other Short-term Liabilities	26,080	1,769,170	1,574,276	36,017	–	–	1,497,307	11,965
Other contingent defer taxes	–	36,418,870	–	1,339,250	–	36,418,870	–	1,339,250
Offsetting	(8,615,167)	(8,615,167)	(26,540,451)	(26,540,451)	–	–	(927,813)	(927,813)
Total	23,676,349	78,920,832	26,069,200	48,494,888	588,386	48,356,487	5,398,678	14,132,695

9.7.5 Financial Assets Available for Sale

	GROUP	
Amounts in €	**31.12.2007**	**31.12.2006**
Balance at beginning of the period (01.01.2007 & 01.01.2006)	70,317,907	42,118,108
Exchange rate differences	–	–
Additions	–	5,797,286
– From acquisition of subsidiary	–	75,000
– Other Changes	–	–
Sales/write-offs	–	–
– Sale of Investment	–	(17,385,028)
– Aluminum of Greece - Treasury Shares	(47,837,928)	39,358,573
Valuation of Treasury Shares at fair value	(22,003,197)	353,968
– Other Changes	–	
Balance at end of the period	476,783	70,317,907
Non-current assets	476,783	70,317,907
Current assets	–	–
Total	476,783	70,317,907

9.7.6 Other Long-Term Receivables

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Customers - Withholding guarantees falling due afet one year (from note 6,9)	534,707	2,354,396	–	–
Given Guarantees	385,566	746,580	110,239	120,241
Other long term receivables	431,949	–	–	–
Total other long-term liabilities	1,352,222	3,100,976	110,239	120,241

These receivables fall due after one year.

9.7.7 Inventories

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Raw materials	45,529,001	78,684,075	–	–
Semi-finished products	51,495,157	46,053,293	–	–
Finished products	30,805,198	26,266,008	–	–
Work in Progress	12,201,351	11,941,474	–	–
Merchandise	1,368,958	1,048,340	–	–
Others	42,273,741	41,484,556	–	–
Total	183,673,407	205,477,746	–	–
(Less)Provisions for scrap,slow moving and/or destroyed inventories:	–	–	–	–
Raw materials	–	–	–	–
Semi-finished products	–	–	–	–
Finished products	–	–	–	–
Merchandise	(1,488,294)	(1,128,294)	–	–
Others	(1,301,931)	(1,291,565)	–	–
	(2,790,226)	(2,419,859)	–	–
Total Net Realizable Value	180,883,181	203,057,887	–	–

9.7.8 Customers and Other Trade Receivables

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Customers	218,049,354	149,935,233	7,823,595	11,238,869
Notes receivable	3,815	3,815	–	–
Checks receivable	16,298,834	23,520,648	–	–
Less:Impairment Provisions	(1,563,376)	(2,411,842)	–	–
Net trade Receivables	232,788,627	171,047,854	7,823,595	11,238,869
Advances for inventory purchases	1,038,121	6,347,304	–	–
Advances to trade creditors	65,158,032	–	–	–
Total	298,984,780	177,395,158	7,823,595	11,238,869
Non-current assets	–	–	–	–
Current assets	298,984,780	177,395,158	7,823,595	11,238,869
Total	298,984,780	177,395,158	7,823,595	11,238,869

Receivables at fair value are as follows:

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Customers	161,226,010	101,934,455	(40,177,184)	(36,761,911)
Receivable from customers for constructional contracts	56,823,344	48,000,778	48,000,779	48,000,780
Notes receivable	3,815	3,815	–	–
Checks receivable	16,298,834	23,520,648	–	–
Less: Impairment Provisions	(1,563,376)	(2,411,842)	–	–
Advances for inventory purchases	1,038,121	6,347,304	–	–
Advances to trade creditors	65,158,032	–	–	–
Total	298,984,780	177,395,158	7,823,595	11,238,869

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

Constructional Contracts	GROUP	
Amounts in €	**31.12.2007**	**31.12.2006**
Realised Contractual Revenues	264,988,054	281,485,284
Realised Contractual Cost & Profits (minus realised losses)	928,397,915	474,604,412
Total realised revenues from Construction Contracts	1,193,385,969	756,089,696
Advances received	(71,700,795)	–
Clients holdings for good performance	6,431,269	278,948,199
Receivables for construction contracts according to the percentage of completion	65,789,157	467,487,196
Liabilities related to construction contracts according to the percentage of completion	(26,477,433)	(173,327)
Total	(25,957,802)	746,262,068

9.7.9 Other Receivables

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Other Debtors	4,431,338	21,955,315	1,841,613	16,538,032
Receivables from the State	40,063,153	68,313,723	15,271,924	50,704,491
Others Receivables	15,676,615	5,131,797	35,990	492
Receivables from Subsidiaries	–	–	42,844,565	35,567,188
Loans given to Subsidiaries	–	–	–	–
Less: Provision for Bad Debts	(558,544)	(21,494)	–	–
Net Receivables	59,612,562	95,379,341	59,994,092	102,810,203
Total	59,612,562	95,379,341	59,994,092	102,810,203
Non-current assets	–	–	–	–
Current assets	59,612,562	95,379,341	59,994,092	102,810,203
	59,612,562	95,379,341	59,994,092	102,810,203

Receivables at Fair Value are as Follows:

Amounts in €	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Other Debtors	4,409,844	21,933,821	1,841,613	16,538,032
Receivables from The State	40,063,153	68,313,723	15,271,924	50,704,491
Others Receivables	15,139,564	5,131,797	35,990	492
Receivables from Related Parties	–	–	42,844,565	35,567,188
Loans Given to Related Parties	–	–	–	–
Total	59,612,562	95,379,341	59,994,092	102,810,203

9.7.10 Other Current Assets

Amounts in €	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Prepaid expenses for construction contracts	1,961,504	–	–	–
Accrued income - Prepaid expenses	3,578,379	10,502,793	1,750,514	85,019
Total	5,539,884	10,502,793	1,750,514	85,019

9.7.11 Derivatives Financial Instruments

Amounts in €	31.12.2007 Assets	31.12.2007 Liabilities	31.12.2006 Assets	31.12.2006 Liabilities
Commoditiy derivatives				
Futures/Forwards	35,028,014	–	–	44,307,846
Currency & interest rates derivatives:				
– Foreign exchange forward	–	–	–	–
– Currency / interest rate swaps	1,564,228	–	–	546,731
– Options	–	–	–	–
– Other	–	–	–	–
Total	36,592,242	–	–	44,854,577

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

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

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

Interest Rate and Cross Currency Swaps: The Group has entered into "interest rate and cross currency swaps" with financial institutions that as at 31st December 2007 were settled generating income of approximately € 5m.

Cash Flow Hedging

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

Commodity Futures

The Group has decided to enter into Cash flow hedging through Commodity Futures and foresees that to be perfectly effective during 2007 and 2008. The net after taxes revaluation of open positions resulted to € 35,028,014.

Currency Forwards

The Group has also decided to enter into Cash flow hedging through Currency Forwards and foresees that to be perfectly effective during 2007 and 2008. The revaluation of open positions resulted in a profit of 6.3m. This amount after the deferred tax deductions amounted to 4.8m and was recognized directly in Equity.
The Group uses Currency Forwards as hedging instruments for mitigating the risk of devaluations in its trade receivables due to fluctuations in the euro/dollar exchange rate and not the fair value risk of the sold commodity.

9.7.12 Financial Assets at Fair Value Through the Income Statement.

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

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Opening Balance	7,736,578	6,519,348	3,024,669	3,598,807
Additions	931,234	6,488,145	(68,923)	2,785,144
Sales	(2,002,577)	(5,353,672)	(52,738)	(3,359,282)
Fair value adjustments	36,925	82,757	–	–
Exchange rate differences	–	–	–	–
Balance at end of the period	6,702,159	7,736,578	2,903,008	3,024,669

9.7.13 Cash and Cash Equivalents

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Cash	20,875,952	5,484,633	13,250	7,771
Bank deposits	64,056,879	9,889,227	4,090,476	3,046,375
Repos	–	–	–	–
Total	84,932,830	15,373,860	4,103,726	3,054,147

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

	31.12.2007		31.12.2006	
Deposits EUR	4.00%	2.06%	–	–
Deposits USD	5.60%	2.69%	–	–

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

9.7.14 Loan Liabilities

Amounts in €	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Long Term Liabilities				
Bank loans	43,798,725	14,256,964		
Loans from Parent Company (Note 32)	–	–	–	–
Leasing liabilities	506,064	898,233	–	–
Bonds	12,550,000	22,265,809	12,550,000	12,550,000
Other	–	–	–	–
Total Long-Term Loans	56,854,789	37,421,006	12,550,000	21,328,695
Short Term Liabilities				
Overdraft	237,042,985	118,536,995	227,923,054	98,331,867
Bank loans	58,513,376	36,310,770	722,951	10,588,373
Bonds	–	–	–	–
Leasing liabilities	81,112	1,156,720	–	–
Loans with quarantee (Note 10)	–	–	–	–
Long term Bank Loan falling due within one year	**0**	**17,564,120**	**0**	17,564,120
Total Short Term Loans	**295,637,473**	**173,568,605**	**228,646,004**	**126,484,360**
Total Loans	**352,492,261**	**210,989,611**	**241,196,004**	**147,813,055**

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

	31.12.2007	31.12.2006
EUR	5.6%	4.0%
USD	6.8%	6.1%

9.7.15 Employee Benefit Liabilities

Amounts in €	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Balance Sheet liabilities for:	–	–	–	–
Pension benefits	40,596,831	34,647,563	598,188	671,279
Medical benefits after retirement	–	–	–	–
Total	**40,596,831**	**34,647,563**	**598,188**	**671,279**
Charges in the results:				
Pension benefits (provisions and payments)	9,433,405	10,045,846	4,514	(2,625)
Medical benefits after retirement	–	–	–	–
Total	**9,433,405**	**10,045,846**	**4,514**	**(2,625)**

The amounts registered in the consolidated balance sheet are the following:

Amounts in €	31.12.2007	31.12.2006
Current employment cost	5,520,873	5,566,465
Financial cost	2,030,174	2,026,306
Anticipated return on assets	(207,521)	(268,968)
Net actuarialy (profits)/ losses realised for the period	(101,635)	–
Past employment cost	2,180,479	2,342,985
Losses from abridgement	11,035	379,058
Amount included in employees' benefits	**9,433,40**	**10,045,84**

The amounts included in the consolidated Income Statement are as follows:

Amounts in €	31.12.2007	31.12.2006
Present value of financed liabilities	19,215,529	16,756,889
Fair value of the plan's assets	(5,179,926)	(5,596,183)
	14,035,603	11,160,706
Present value of non-financed liabilities	26,650,447	23,486,857
Non registered actuarial gain/(losses)	(89,218)	–
Non registered previous employment cost	–	–
	26,561,229	23,486,857
Balance Sheet Liability	**40,596,832**	**34,647,563**

The main actuarial assumption used for accounting purposes are the following::

	31.12.2007	31.12.2006
Discount rate	4.5%	4.5%
Future wage and salary increase	4.0%	4.0%
Future pension increase	0.5%	0.5%
Inflation	2.5%	2.5%

9.7.16 Other Long-Term Liabilities

Amounts in €	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Received guarantees - Grants-Leasing	–	–	–	–
Opening balance	28,504,336	6,528,893	–	–
Received guarantees - Grants-Leasing from Subsidiaries' aquisition	109,021	4,333,796	–	80,283
Additions	184,514	17,994,174	–	–
Returns	–	–	–	–
Transfer at profits/loss	(417,084)	(352,527)	–	(21,159)
Transfer to Short term	25,647	–	–	–
Balance at end of period	**28,406,434,9**	**28,504,336**	–	**59,124**
Other				
Opening balance	469,335	12,969	–	–
Additions	–	873,721	–	–
Returns	–	(416,003)	–	–
Transfer at profits/loss	(1,224)	–	–	–
Exchange differences:	–	(1,352)	–	–
Transfer to Short term	(34,365)	–	–	–
Balance at end of period	**433,746**	**469,335**	–	–
Rights for using Assets acquired through compensative benefits				
Opening balance	3,754,220	9,291,770	–	–
Additions	–	–	–	–
Depreciation for the pariod	(3,047,739)	(2,202,985)	–	–
Transfer to Short term	234,734	(3,334,565)	–	–
Balance at end of period	**941,216**	**3,754,220**	–	–
Advances of customers				
Opening balance	8,838,537	15,725,237	–	–
Additions	94,260,825	–	–	–
Depreciation for the pariod	(39,229,400)	(6,886,700)	–	–
Transfer to Short term	(57,345,094)		–	–
Balance at end of period	**6,524,867**	**8,838,537**	–	–
Total	**36,306,264**	**41,566,428**	–	**59,124**
Long Term Liabilities	24,093,345	38,231,865	–	–
Short Term Liabilities (see paragraph 9.7.20)	–	3,334,565	–	59,124
Total	**24,093,345**	**41,566,430**	–	**59,124**

9.7.17 Provisions

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

	GROUP			
Amounts in €	**Environmental Restoration**	**Tax liabilities**	**Other**	**Total**
01.01.2006	**7,480,511**	**1,200,000**	**3,443,503**	**12,124,014**
Additional provisions for the period	–	–	4,440	4,440
Additional provisions for the period	(24,045)	2,150,000	7,922,681	10,048,636
Unrealised reversed provisions	–	–	(1,512,938)	(1,512,938)
Exchange rate differences	–	–	–	–
Realised provisions for the period	(423,316)	(200,000)	(16,346)	(639,662)
31.12.2006	**7,033,150**	**3,150,000**	**9,841,340**	**20,024,490**
Long Term	–	–	–	19,771,825
Short Term (see note 6,19)	–	–	–	252,665
Additional provisions for the period	–	–	–	–
Additional provisions for the period	–	720,000	3,243,668	3,963,668
Unrealised reversed provisions	(1,260,000)	–	50,599	(1,209,401)
Exchange rate differences	–	–	–	–
Realised provisions for the period	(343,693)	(1,861,657)	(26,500)	(2,231,850)
31.12.2007	5,429,457	2,008,343	13,109,107	20,546,907
Long Term	–	–	–	18,156,475
Short Term	–	–	–	2,390,431

Amounts in €	Environmental Restoration	Tax liabilities	Other	Total
	COMPANY			
01.01.2006	–	–	–	–
Additional provisions for the period	–	3,100,000	–	3,100,000
Unrealised reversed provisions	–	–	–	–
Exchange rate differences	–	–	–	–
Συναλλαγματικές διαφορές	–	–	–	–
Realised provisions for the period	–	–	–	–
31.12.2006	–	**3,100,000**	–	**3,100,000**
Long Term				3,100,000
Short Term	–	–	–	–
Additional provisions for the period	–	–	–	–
Additional provisions for the period	–	–	–	–
Unrealised reversed provisions		–	292,593	292,593
Exchange rate differences	–	–	–	–
Realised provisions for the period		(1,831,657)		(1,831,657)
31.12.2007	–	**1,268,343**	**292,593**	**1,560,936**
Long Term	–	–	–	1,268,343
Short Term	–	–	–	292,593

9.7.18 Suppliers and Other Liabilities

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Suppliers	88,752,246	87,972,084	–	65,752
Notes Payable	–	–	–	–
Cheques Payable	738	838,918	–	–
Customers' Advances	71,842,291	13,926,532	–	–
Liabilities to customers for project implementation	22,185,857	700,758	–	–
Total	**182,781,132**	**103,438,292**	–	**65,752**

9.7.19 Current Tax Liabilities

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Tax Expense for The Period	51,924,964	46,950,189	14,099,301	40,776,249
Tax Audit Differences	8,689,550	4,957,601	8,630,656	4,691,778
Tax Liabilities	(653,727)	6,027,213	(9,662,697)	4,411,448
Total	**59,960,787**	**57,935,003**	**13,067,260**	**49,879,474**

9.7.20 Other Short-Term Liabilities

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Liabilities to Related Parties	1,410,521	–	34,864,564	39,138,463
Accrued expense	6,477,659	6,910,826	–	307,254
Social security insurance	4,319,811	3,855,345	137,848	127,012
Dividends payable	1,698,614	1,139,680	1,135,946	518,984
Deferred income-Grants (from note 6,18)	3,074,183	3,334,565	–	10,861
Others Liabilities	13,344,703	13,190,405	9,944,071	607,779
Total	**30,325,492**	**28,430,821**	**46,082,429**	**40,710,353**

9.7.21 Cost of Goods Sold

	GROUP		COMPANY	
Amounts in €	01.01-31.12.07	01.01-31.12.06	01.01-31.12.07	01.01-31.12.06
Retirement benefits	6,509,661	3,014,089	–	–
Other employee benefits	82,268,517	80,964,268	138,904	420,330
Cost of materials & inventories	436,061,285	277,827,303	–	115,102,912
Third party expenses	40,217,925	77,388,681	265,336	1,405,154
Third party benefits	142,534,623	140,055,074	611	29,221
Assets repair and maintenance cost	399,407	837,945	2,522	31,953
Operating leases rent	509,720	641,946	898	14,047
Taxes & Duties	147,972	257,429	142	3,496
Advertisement	25,251	37,068	–	727
Other expenses	19,904,304	23,968,793	415,751	339,358
Assets depreciation	20,414,952	23,302,139	1,453	79,845
Total	748,993,617	628,294,737	825,618	117,427,044

9.7.22 Administrative / Distribution Expenses

DISTRIBUTION EXPENSES	GROUP		COMPANY	
Amounts in €	**01.01-31.12.07**	**01.01-31.12.06**	**01.01-31.12.07**	**01.01-31.12.06**
Retirement benefits	15,472	82,227	–	–
Other emploee benefits	2,234,337	3,550,429	36,466	1,724,942
Inventory cost	1,120	674	–	–
Third party expenses	4,164,390	4,599,304	80,594	2,043,215
Third party benefits	629,797	1,193,689	22,428	226,371
Assets repair and maintenance cost	15,947	143,138	1,832	43,731
Operating leases rent	159,365	339,323	4,192	196,608
Taxes & Duties	7,636	40,307	1,342	4,898
Advertisement	51,441	49,233	840	30,949
Other expenses	2,853,571	2,536,896	7,216	960,078
Assets depreciation	155,007	351,401	9,617	228,506
Total	10,288,082	12,886,622	164,527	5,459,295

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
Amounts in €	01.01-31.12.07	01.01-31.12.06	01.01-31.12.07	01.01-31.12.06
Retirement benefits	58,683	370,925	–	–
Other emploee benefits	14,599,921	9,573,092	7,058,633	3,379,248
Inventory cost	445	111,967	–	–
Third party expenses	18,838,601	9,281,058	9,306,806	3,004,304
Third party benefits	2,619,857	2,410,536	665,560	290,408
Assets repair and maintenance cost	504,104	517,605	158,217	67,074
Operating leases rent	1,238,775	860,582	543,084	234,828
Taxes & Duties	343,806	314,154	4,731	3,288
Advertisement	999,770	367,280	825,151	46,803
Other expenses	9,743,819	5,483,799	1,873,076	883,033
Assets depreciation	1,581,451	1,001,085	941,413	199,059
Total	50,529,232	30,292,082	21,376,671	8,108,046

RESEARCH EXPENSES	GROUP		COMPANY	
Amounts in €	01.01-31.12.07	01.01-31.12.06	01.01-31.12.07	01.01-31.12.06
Retirement benefits	–	–	–	–
Other emploee benefits	–	–	–	81,693
Inventory cost	–	–	–	–
Third party expenses	–	–	–	1,505
Third party benefits	–	–-	–	–
Assets repair and maintenance cost	–	–	–	–
Operating leases rent	–	–	–	–
Taxes & Duties	–	–	–	13
Advertisement	–	–	–	–
Other expenses	–	–	–	345
Assets depreciation	–	-	691	34
Total	–	–	691	83,591

9.7.23 Other Operating Income / Expenses

	GROUP		COMPANY	
Amounts in €	**01.01-31.12.07**	**01.01-31.12.06**	**01.01-31.12.07**	**01.01-31.12.06**
Other operating income	–	–	–	–
Grants amortization	33,445	38,576	–	–
Income from Subsidies	363,269	579,366	22,540	9,404
Compensations	–	–	–	–
Profit from foreign exchange differences	32,852,099	6,146,536	–	3,514,976
Rent income	666,697	1,499,858	234,414	87,609
Sales commission income	–	–	–	–
Other	14,719,880	3,629,319	25,362,833	1,173,358
Income from reversal of unrealized provisions	1,621,945	284,700	–	–
Profit from sale of fixed assets	197,243	1,738,945	–	–
Total	50,454,577	13,917,301	25,619,786	4,785,348
Other operating expenses				
Losses from foreign exchange differences	15,115,616	8,899,347	–	6,440,133
Provision for Bad Debts	202,994	786,926	4,240	240,965
Loss from sale of fixed assets	94,526	211,130	–	–
Other	6,556,145	6,111,757	2,891,569	479,567
Real estate tax and other taxesı	181,432	666,985	127,106	612,067
Compensations	26,500	18,500	–	–
Total	**22,177,212**	**16,694,645**	**3,022,914**	**7,772,731**

9.7.24 Financial Income / Expenses

	GROUP		COMPANY	
Amounts in €	**01.01-31.12.07**	**01.01-31.12.06**	**01.01-31.12.07**	**01.01-31.12.06**
Interest income from:	–	–	–	–
– Banks	10,958,540	1,666,621	10,489,595	102,687
– Revaluation of currency derivativess	–	–	–	–
– Customer	9,280	91,691	–	–
– Available for sale Investments	–	–	–	–
– Interest rate swaps	1,150,939	1,733,732	1,150,939	1,733,732
– Grants Loans	–	1,538	–	–
– Other	5,023,065	3,980	4,172,253	–
Total	**17,141,825**	**3,497,562**	**15,812,787**	**1,836,419**
Interest expenses from::				
– Discounts of Employees' benefits liability due to service termination	65,598	1,610,777	–	17,522
– Bank Loans	21,583,096	7,785,295	13,966,465	6,149,046
– Bank overdraft accounts	–	154,114	–	–

Amounts in €	GROUP 01.01-31.12.07	GROUP 01.01-31.12.06	COMPANY 01.01-31.12.07	COMPANY 01.01-31.12.06
– Letter of Credit commissions	808,604	103,705	4,672	29,804
– Interest rate swaps	1,097,790	1,663,318	1,097,790	1,663,318
– Factoring	7,982	55,134	7,982	55,134
– Financial Leases	6,093	8,308	–	–
– Other Banking Expenses	2,322,261	452,203	1,833,802	138,105
Total	**25,891,422**	**11,832,854**	**16,910,710**	**8,052,930**

9.7.25 Other Financial Results

Amounts in €	GROUP 01.01-31.12.07	GROUP 01.01-31.12.06	COMPANY 01.01-31.12.07	COMPANY 01.01-31.12.06
Derivatives:	–	–	–	–
Cash Flow Hedging (transfer from Equity	(1,076,360)	5,038,262	(1,076,360)	5,038,262
– Non-hedging derivatives	–	(490,736)	–	–
– Profit / (loss) from fair value of other financial instrument through profit/loss	(699,959)	–	2,462,458	–
– Fair value profit	123,186,092	285,699	123,186,092	285,699
– Profit / (loss) from the sale of financial instruments	27,755,245	29,183,801	27,778,100	45,648,425
– Income from dividends	3,102,644	21,390	35,839,503	20,298,792
Total	**152,267,663**	**34,038,417**	**188,189,793**	**71,271,178**

9.7.26 Income Tax

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

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Income Tax	58,990,517	49,593,685	14,952,072	10,299,321
Tax Audit differences	9,484,435	5,811,809	10,219,704	6,648,763
Deferred taxation	(9,305,144)	(8,055,364)	4,331,833	(1,541,271)
Total	(59,169,808)	(47,350,130)	(29,503,609)	(15,406,812)

	GROUP		COMPANY	
Amounts in €	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Earnings before tax	297,805,494	137,695,628	187,378,484	45,700,376
Nominal Tax rate	25%	29%	25%	29%
Presumed Tax on Income	74,451,374	39,931,732	46,844,621	13,253,109
Adjustments for Nominal Tax Rate changes	–	–	–	–
Adjustments for non taxable income	–	–	–	–
- Non taxable income	–	–	–	–
Tax on Non taxable reserves	(49,048,138)	(18,133,555)	(43,795,736)	(8,273,743)
Elimination on Stocks Intercompany Profit	–	–	–	–
– Profit on acquisitions	–	–	–	–
– Other	–	–	–	–
Adjustments for non deductible expenses for tax purposes	35,923,922	23,794,898	18,424,457	5,952,244
– Goodwill Impairment	–	–	–	–
– Non tax deductible expenses	282,890	–	–	–
– Other	(2,440,240)	1,757,055	8,030,266	4,475,203
Realized Tax on Income	59,169,808	47,350,130	29,503,609	15,406,812

9.7.27 Cash Flows from Operating Activities

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

Amounts in €	GROUP 2007	GROUP 2006	COMPANY 2007	COMPANY Amounts in €
Other	–	–	–	–
	(2,163,369)	(64,675,145)	43,869,818	99,637,163
Net Cash flows operating activities	127,622,928	115,659,960	36,243,300	104,549,092

9.7.28 Discontinued Operations

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

Amounts in €	31.12.2007
ASSETS	
Non Current Assets	
Tangible Assets	161,577,587
Goodwill	6,348,477
Intangible Assets	36,694,902
Investments in Associate Companies	1,345,279
Deferred Tax Receivables	11,768,166
Other Long-term Receivables	1,576
	217,735,987
Current Assets	
Inventories	
Trade and other receivables	31,762
Other receivables	3,768,958
Other current assets	233,929
Cash and cash equivalents	867,356
	4,902,006
Non Current Assets Available for Sale	
Total Assets	222,637,992

Amounts in €	31.12.2007
LIABILITIES	
Non-Current Liabilities	
Long-term debt	4,986,423
Deferred tax liability	9,414,713
Other long-term liabilities	18,794,381
Total Non-Current Liabilities	**33,195,517**
Current Liabilities	
Trade and other payables	12,023,225
Tax payable	215,935
Short-term debt	13,924,999
Current portion of non-current liabilities	329,412
Other payables	459,692
Total current liabilities	**26,953,263**
Total liabilities	**60,148,779**

Amounts in €	01.01-31.12.07	01.01-31.12.06
Sales	6,961,368	6,769,866
Cost of sales	(4,946,104)	(3,388,372)
Gross profit	2,015,263	3,381,494
Other operating income	178,600	924,558
Distribution expenses	(339,871)	(352,435)
Administrative expenses	(3,528,901)	(2,486,660)
Research & Development expenses	(691)	(152,944)
Other operating expenses	(376,570)	(272,300)
Earnings before interest and income tax	(2,052,170)	1,041,713
Financial income	20,013	15,031
Financial expenses	(1,657,243)	(5,909)
Other financial results	(191,665)	332,814
Negative goodwill	–	–
Share of profit of associates	(127,184)	–
Profit before income tax	(4,008,249)	1,383,649
Income tax expense	(537,990)	(13,546)
Profit for the period	(4,546,239)	1,370,103
Basic earnings per share	–	–

Amounts in €	01.01-31.12.07	01.01-31.12.06
	Financial Results Summary	
Earnings before income tax,financial results,depreciation and amortization	(1,660,405)	1,059,028
Earnings before income tax and financial results	(2,052,170)	1,041,713
Earnings before income tax	(4,008,249)	1,383,649
Earnings for the period	(4,546,239)	1,370,103

It is noted that in the following table, for comparison reasons it is presented Profit & Loss Account without the span off commercial sector.

Amounts in €	01.01-31.12.2006 (incl. sector)	Span off Sector	01.01-31.12.2006 (excl. sector)
Sales	187,025,852	185,094,332	1,931,520
Cost of sales	168,712,586	168,712,586	–
Gross Profit	18,313,266	16,381,746	1,931,520
Distribution expenses	(5,794,563)	(3,537,716)	(2,256,847)
Administrative expenses	(7,633,892)	(1,909,484)	(5,724,408)
Other operating expenses	(8,933,986)	(8,044,032)	(889,954)
Other operating income	4,214,271	267,088	3,947,183
Financial income	1,745,651	–	1,745,651
Financial expenses	(7,701,851)	(8,329)	(7,693,522)
Other financial results	53,879,433	(6,885,662)	60,765.095
Profit before income tax	48,088,328	(3,736,389)	51,824,718
Income tax expense	(10,827,679)	(2,299,250)	(8,528,429)
Profit for the period	37,260,649	(6,035.639)	43,296,289

9.7.29 Commitments

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

Amounts in €	GROUP		COMPANY	
Commitments from construction contracts	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Value of pending construction contracts	621,737,322	223,710,867	–	–
Granted guarantees of good performance	162,752,992	111,744,450	–	–
Total	784,490,314	335,455,317	–	–

Commitments from finance lease:	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Until 1 year	566,397	11,431	–	–
1 to 5 years	20,779	138,403	–	–
Total	**587,176**	**149,834**	–	–

9.7.30 Post Balance Sheet Events

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

On 01.01.2008 ENDESA Hellas announced that has applied for the renewal of the Installation License for the natural gas-fired power plant in Volos. The 440MW CCGT power plant will be constructed on a green field in the industrial zone of Volos region. ENDESA Hellas, which has also decided to build two additional CCGTs of a similar capacity within the next five years, is investigating appropriate sites and is preparing relevant proposals for that purpose.

On 10.01.2008 ENDESA Hellas announced that is in the process of completing the preparations for the commencing of the construction of the new electricity production unit in Volos.
MYTILINEOS Group has proceeded during the period 01.01.2008 to 26.03.2008 to the purchase of 871,170 common shares with an average purchase price of € 9.94.

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

9.8 Dividend Policy

The following table shows the Company's dividend policy for the period 2004-2006.

DIVIDEND POLICY TABLE (Amounts in ths €)

	2005	2006	2007
Profit Attributable to Shareholders of the Parent	44,834	52,632	161,073
Total Dividend	16,208	24,312	59,662
Basic Earnings per Share (%)	36.15	46.19	37.04

In the reporting period the Group paid a total amount of € 55,168,796 for Dividends to the Group Companies Shareholders, out of which an amount of € 22,975,769 regards mother company shareholders and the rest regards minority shareholders.

The Board of Directors of the Parent company will propose to the general Assembly the distribution of dividends from 2007 profit amounting € 0.51/per share as opposed to € 0.25/per share for 2006 (recalculated for comparability purposes upon the adjusted number of stocks after the split of the stocks).

9.8.1 Taxation on Dividends

Greek law (2238/1994) states that companies whose shares are listed on the Athens Stock Exchange, with the exception of banks, are subject to income tax amounting to 35% of their taxable profits before any earnings distribution.

Hence, Mytilineos' dividends are distributed after the deduction of income taxes from the company's profits. There is no tax obligation pending for shareholders from the respective total amount of earnings arising from dividend payments.

The date for the acquisition of income from dividend payments is taken to be the date of the acceptance of the company's financial statements at its shareholders' annual general meeting.
According to Greek law, the dividend arising from subsidiary companies' earnings that is to be paid to their

parent company will be paid during the following fiscal period and hence will be included in the parent company's earnings of the following fiscal period, with the exception of pre-dividends payments in the actual fiscal period. Dividends arising form the parent company's earnings, which are partly formed from the distributed earnings of companies in which the parent company has an interest, are paid during the fiscal period following the period of receipt.

Earnings of the parent company arising from dividend payments are subject to tax of up to 5%, which are taxed at a rate of 35% since they were already taxed.

9.9 Related Party Transactions

Intragroup Transactions

Amounts in €	GROUP		COMPANY	
Stock Sales	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries				83,963,046
Associates	426,886	–	–	–
Other Related Parties	–	–	–	–
Total	**426,886**	**–**	**–**	**83,963,046**
Stock Purchases	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	–	50,228,724
Associates	–	–	–	–
Other Related Parties	–	–	–	–
Total	**–**	**–**	**–**	**50,228,724**
Services Sales	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company				
Subsidiaries	–	–	16,862,520	7,323,819
Associates	403,177	170,520	251,377	170,520
Other Related Parties				
Total	**403,177**	**170,520**	**17,113,897**	**7,494,339**
Services Purchases	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	876,325	1,014,756
Associates	201,516	–	–	–
Other Related Parties	14,145,224	–	6,020,378	–
Total			**6,896,702**	**1,014,756**

Amounts in €	GROUP		COMPANY	
Sales of Non Current Assets	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	15,712,045	–
Associates	–	–	–	–
Other Related Parties	–	–	–	–
Total	–	–	**15,712,045**	–
Purchases of Non Current Assets	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	–	–
Associates	–	–	–	–
Other Related Parties	–	–	–	–
Total	–	–	–	–
Loans Given to Related Parties	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	26,860,142	–
Associates	–	–	–	–
Other Related Parties	–	–	–	–
Total	–	–	26,860,142	–
Loans Received from Related Parties	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	34,864,564	39,138,463
Associates	400,021	–	–	–
Other Related Parties	–	–	–	–
Total	**400,021**	–	**34,864,564**	**39,138,463**
Balance from Sales/Purchases of Stock/Services Receivables	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	7,823,918	12,066,269
Associates	123,047	225,551	–	16,911
Other Related Parties	–	1.933,899	–	–
Total	**123,047**	**2,159,450**	**7,823,918**	**12,083,180**
Guarantees granted to related parties	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	47,290,704	26,962.048
Associates	–	–	–	–
Other Related Parties	–	22,040,549	–	–
Total	–	**22,040,549**	**47,290,704**	**26,962,048**

Amounts in €	ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
Guarantees received from related parties	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	–	26,284,999
Associates	–	–	–	–
Other Related Parties		9,750,000		
Total	**–**	**9,750,000**	**–**	**26,284,999**

Balance from Sales/Purchases of Stock/Services Payable	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	–	4,109
Associates	31,608	75,483	–	–
Other Related Parties	97,316	3,642	28,289	–
Total	**128,924**	**79,125**	**28,289**	**4,109**

Balance from Sales/Purchases of Non Current Assets Payable	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	–	–
Associates	–	–	–	–
Other Related Parties	–	–	–	–
Total	–	–	–	–

Balance from Sales/Purchases of Non Current Assets Receivable	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent Company	–	–	–	–
Subsidiaries	–	–	15,712,045	–
Associates	–	–	–	–
Other Related Parties	–	–	–	–
Total	**–**	**–**	**15,712,045**	**–**

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