

A.KALPINIS – N. SIMOS SA

Companies Register No 7365/06/B/86/32

Interim Financial Statements For the period Starting on January 1st and ending on June 30th 2006

It is hereby certified that the attached Interim Financial Statements are those approved by the Board of Directors of A. KALPINIS – N. SIMOS S.A. on August 22nd, 2006 and have been posted on the internet at the web site **www.kalpinis-simos.gr**. It is specified that the concise financial data published in the press aim at providing the reader with certain general financial data; however, they do not provide the whole image of the financial position and results of the Company and the Group, according to the International Financial Reporting Standards (IFRS). Furthermore, it is specified that for simplicity's sake, some accounts may have been abridged and rearranged in the concise financial data published in the press.

A.KALPINIS – N. SIMOS STEEL PRODUCTS SA

Chairman of the Board of Directors

Panagiotis Simos

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1. Balance Sheet

(Amounts in €)

	Not e	GROUP		COMPANY	
		30.6.2006	31.12.2005	30.6.2006	31.12.2005
ASSETS					
Non-current assets					
Tangible fixed assets	5	46.555.545,02	45.422.728,91	38.948.157,37	37.894.209,33
Investments in property	5	150.789,48	176.526,32	150.789,48	176.526,32
Intangible assets	5	23.983,09	27.000,13	11.879,98	12.421,79
Investments in affiliated companies		5.000,00	5.000,00	4.040.700,00	4.040.700,00
Trade and other receivables	6	177.599,22	41.422,17	170.009,08	34.952,03
Total non-current assets		46.912.916,81	45.672.677,53	43.321.535,91	42.158.809,47
Current assets					
Inventories	7	40.190.811,65	40.420.741,79	31.421.235,67	32.234.337,04
Trade receivables	6	79.802.984,21	69.699.060,82	67.165.808,14	57.523.148,81
Other receivables	6	252.343,33	1.227.107,09	929.571,20	755.295,68
Cash and cash equivalents	8	3.058.107,98	1.976.798,67	1.434.672,39	1.235.893,07
Total current assets		123.304.247,17	113.323.708,37	100.951.287,40	91.748.674,60
Total assets		170.217.163,98	158.996.385,90	144.272.823,31	133.907.484,07
EQUITY					
Capital and reserves paid to the parent company shareholders					
Share capital	9	11.188.800,00	11.188.800,00	11.188.800,00	11.188.800,00
Above par	9	14.900.777,70	14.900.777,70	14.900.777,70	14.900.777,70
Other reserves	9	23.952.943,98	23.847.943,99	23.795.093,73	23.690.093,73
Retained earnings	9	29.386.026,16	26.678.929,96	28.273.278,65	25.927.414,26
Minority interest	9	7.442.779,48	7.161.818,39		
Total equity		86.871.327,32	83.778.270,04	78.157.950,08	75.707.085,69
LIABILITIES					
Long-term liabilities					
Loans	11	35.000.000,00	35.117.814,31	35.000.000,00	35.117.814,31
Deferred income tax	11	1.736.352,72	1.882.428,59	1.128.707,55	1.234.918,46
Provisions for employee benefits	13	457.504,66	492.738,71	392.209,59	430.719,59
Long-term income tax		58.539,89	0,00	0,00	0,00
Other long-term liabilities		1.287,57	0,00	0,00	0,00
Total long-term liabilities		37.253.684,84	37.492.981,61	36.520.917,14	36.783.452,36
Short-term liabilities					
Trade and other payables	10	15.259.740,58	16.628.517,28	9.823.211,93	10.916.946,02
Current tax liabilities		919.729,21	0,00	1.431.321,38	0,00
Short-term loans	11	29.912.682,03	21.096.616,97	18.339.422,78	10.500.000,00
Total short-term liabilities		46.092.151,82	37.725.134,25	29.593.956,09	21.416.946,02
Total liabilities		83.345.836,66	75.218.115,86	66.114.873,23	58.200.398,38
Total Equity and Liabilities		170.217.163,98	158.996.385,90	144.272.823,31	133.907.484,07

2. Profit and loss account

2a. Group's Profit and loss account

(Amounts in €)	Note	1.1 – 30.6.06	1.1 – 30.6.05	1.4 – 30.6.06	1.4 – 30.6.05
Sales	15	73.093.370,57	66.505.695,79	41.508.275,27	31.853.070,03
Cost of sales		-62.164.468,30	-57.086.944,35	34.303.384,66	-28.694.073,60
Gross Profit		10.928.902,27	9.418.751,44	7.204.890,61	3.158.996,43
Other income	16	1.275.527,16	1.035.607,55	728.239,75	574.804,17
Selling expenses		-3.785.678,28	-3.217.225,73	-1.912.446,25	-1.716.151,21
Administrative expenses		-1.964.851,66	-1.581.525,81	-901.414,76	-775.363,96
Other expenses	16	-635.399,69	-448.505,29	-516.964,78	-60.495,71
Other financial income	16	380.162,97	364.429,82	227.478,63	210.918,13
Financial cost	16	-1.189.990,14	-996.481,86	-620.402,36	-490.318,42
Dividends from subsidiaries		0,00	0,00	0,00	0,00
Profits before taxes		5.008.672,63	4.575.050,12	4.209.380,84	902.389,43
Income tax	17	-1.231.855,34	-2.004.131,90	-1.226.193,70	-231.505,91
Net profit for the period		3.776.817,29	2.570.918,22	2.983.187,14	670.883,52
Allocated to					
Parent company's shareholders		3.495.856,20	2.150.117,56	2.736.276,22	427.335,24
Minority interest		280.961,09	420.800,66	235.587,64	243.548,28
Profits per share paid to parent company's shareholders	18	0,281	0,173	0,220	0,034

2b. Company's profit and loss account

(Amounts in €)	Note	1.1 – 30.6.06	1.1 – 30.6.05	1.4 – 30.6.06	1.4 – 30.6.05
Sales	15	62.361.670,06	56.718.015,38	35.084.105,72	26.338.625,25
Cost of sales		-53.356.333,40	-48.706.931,38	-29.174.265,68	-23.904.978,97
Gross Profit		9.005.336,66	8.011.084,00	5.909.840,04	2.433.646,28
Other income	16	1.160.282,40	1.018.760,71	608.352,53	553.595,52
Selling expenses		-3.093.193,97	-2.592.554,03	-1.540.410,12	-1.390.267,62
Administrative expenses		-1.642.763,35	-1.316.391,62	-740.026,27	-622.379,94
Other expenses	16	-614.763,03	-379.258,57	-496.352,91	-50.900,16
Other financial income	16	328.603,88	309.313,21	193.288,24	191.125,04
Financial cost	16	-903.789,12	-827.535,96	-481.342,82	-395.655,37
Dividends from subsidiaries		0,00	0,00	0,00	0,00
Profits before taxes		4.239.713,47	4.223.417,74	3.453.348,69	719.163,75
Income tax	17	-1.105.089,09	-1.947.239,22	-1.026.916,89	-294.357,89
Net profit for the period		3.134.624,38	2.276.178,52	2.426.431,80	424.805,86
Earnings per share	18	0,252	0,183	0,195	0,034

3. Statement of changes in equity

	GROUP		COMPANY	
	30.6.2006	30.6.2005	30.6.2006	30.6.2005
Equity at the beginning of period (1.1.2006 and 1.1.2005 respectively)	83.778.270,04	84.107.243,27	75.707.085,69	76.432.938,81
Minority interest acquisition cost	0,00	-499.950,00	0,00	0,00
Dividends paid	-683.760,00	0,00	-683.760,00	0,00
Profit for the period after taxes	3.776.817,29	2.570.918,27	3.134.624,38	2.276.178,52
Equity at the end of the period	86.871.327,32	86.178.211,54	78.157.950,08	78.709.117,33

4. Cash flow statement

(Amounts in k €)

	THE GROUP		THE COMPANY	
	1.1-30.6.2006	1.1-30.6.2005	1.1-30.6.2006	1.1-30.6.2005
Operating activities				
Profits before taxes	5.008,67	4.575,05	4.239,71	4.223,42
Plus/ less adjustments for:				
Depreciations	786,11	758,57	623,32	601,65
Provisions	129,66	196,54	102,00	191,83
Foreign exchange differences	0,00	103,50	0,00	46,43
Results (income, expenses, profits and losses) from investing activities	-2,14	22,25	-0,71	22,31
Interest charges & related expenses	1.190,00	996,48	903,79	827,53
	7.112,30	6.652,39	5.868,11	5.913,17
Plus/ less adjustments for changes in working capital accounts or related to operating activities				
Decrease/ (Increase) of inventories	229,93	-8.912,57	813,10	-6.969,56
Decrease/ (Increase) of receivables	-9.771,21	-5.912,16	-9.658,63	-4.405,03
(Decrease)/ increase of liabilities (except banks)	-1.930,94	236,85	-1.918,00	-298,37
Less:				
Interest charges & related expenses paid	-1.192,27	-946,52	-882,18	-787,53
Paid taxes	-179,00	-1.487,33	-73,34	-1.382,45
Total inflows/ (outflows) from operating activities (a)	5.731,19	-10.369,34	-5.850,94	-7.929,77
Investing activities				
Acquisition of affiliates, subsidiaries, joint ventures and other investments	0,00	-499,95	0,00	-499,95
Acquisition of intangible and tangible fixed assets	-1.891,19	-804,23	-1.652,01	-671,02
Proceeds from sale of tangible and intangible fixed assets	0,10	25,00	0,10	25,00
Interest received	3,06	0,90	1,63	0,84
Dividends received	0,00	0,00	0,00	0,00
Total inflows/ (outflows) from investing activities (b)	1.888,03	-1.278,28	-1.650,28	-1.145,13
Financing activities				
Proceeds from share capital increase	0,00	0,00	0,00	0,00
Proceeds from bank loans	35.450,00	57.295,25	33.850,00	52.040,25
Repayment of loans	-26.749,47	-50.626,30	-26.150,00	-47.867,22
Dividends paid	0,00	0,00	0,00	0,00
Total inflows/ (outflows) from financing activities (c)	8.700,53	6.668,95	7.700,00	4.173,03
Net increase/ (decrease) on cash and cash equivalents for the period (a) + (b) + (c)	1.081,31	-4.978,67	198,78	-4.901,87
Cash and cash equivalents as at the beginning of the period	1.976,80	6.482,26	1.235,89	5.711,14
Cash and cash equivalents as at the end of the period	3.058,11	1.503,59	1.434,67	809,27

5. *Notes to the Financial Statements*

1. *General Information*

The Company “A. KALPINIS – N. SIMOS STEEL PRODUCTS SA” was established in 1958 as a limited company and in 1965 it was incorporated. Its seat is in the Municipality of Aspropirgos (Diilistirion Avenue, Ag. Ioannis) and it is registered with the Ministry of Development, General Secretariat of Commerce, Corporations and Credit Division, under the Reg. No 7365/06/B/86/32.

The main activity of the company involves importing, processing and trading steel, steel sheets, iron, metal and similar products.

The Company stocks are listed on the Athens Stock Exchange since 1990.

There are no disputes going on trial or arbitration nor court or arbitration bodies judgments that might significantly affect the financial status and the operation of the company.

The Company website is www.kalpinis-simos.gr

The financial statements as at 30.6.2006 have been approved by the Company Board of Directors on 22.08.2006.

2. *Significant accounting principles used by the Group*

2.1. **Basis of preparation of financial statements**

The financial statements of the Company A. KALPINIS – N. SIMOS SA and the Group have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and the interpretations as adopted by the European Union. The date of transition of the Group to the IFRS has been determined to be January 1st, 2004, when the starting balance sheet was drawn up.

The above statements are based on the financial statements drawn up by the Company and the Group in accordance with Greek Commercial Law and adjusted to the appropriate off-balance sheet entries in order to be aligned with the IFRS and have been drawn up pursuant to the principle of historic cost except for some cases involving tangible assets (lots & buildings – installations) that were valued at their fair value.

The preparation of the financial statements according to the generally accepted accounting principles requires estimations and assumptions influencing the balances of the assets and liabilities accounts, and communicating potential assets and liabilities items on the date of preparation of the financial statements, as well as the reported income of the examined periods. Although these particular estimates are based on management's (the Group's) best knowledge, actual results may eventually differ from these estimates.

2.2. Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company A. KALPINIS – N. SIMOS SA and the other companies of the Group, including:

COMPANY	SEAT	ACTIVITY	PARTICIPATION RATE	PARTICIPATION COST	CONSOLIDATION METHOD
SYNTHETA METALIKA PROIONTA SA (*)	Aspropirgos	Processing of steel and manufacture and marketing of complex metal products	100,00%	958.950,00 (**)	Total
CORUS – KALPINIS – SIMOS COVERING MATERIALS SA	Aspropirgos	Manufacturing of metal polyurethane panels	50,00% (joint-venture)	3.081.750,00	Proportional
STEEL CENTER SA (***)	Nikea	Marketing special steels	0,00%	0,00	Total

(*) Within the 2nd quarter of 2005, the parent Company acquired 49.50% of the share capital of the company SYNTHETA METALIKA PROIONTA SA and as a result it now owns 100% of it. On 31.12.2005, the Extraordinary General Meeting of the company SYNTHETA METALIKA PROIONTA SA decided to dissolve and liquidate the company.

(**) Cost of participation acquisition € 1,004,950.00

Less value impairment € 46,000.00

Balance € 958,950.00

(***) The aforementioned company is under the control of the Parent Company.

Inter-company transactions, balances and unrealized profits from transactions between the Companies of the Group are written off. Unrealized losses are also written off, except if the transaction indicates that the transferred property has been impaired. The accounting principles of the companies of the Group have been modified in order to be consistent with those adopted by the Group. In the corporate Financial Statements of the Company “A.KALPINIS – N. SIMOS SA” participation to the aforementioned companies is valued at the acquisition value less likely provisions for impairments.

Participation in affiliates as presented in the balance sheet involves a subsidiary of CORUS - KALPINIS – SIMOS COVERING MATERIALS S.A. in Rumania. There was no consolidation due to the insignificance of the figure.

2.3. Foreign exchange conversions

The Group's measuring and reference currency is Euro; consequently the financial statements are reported in Euros (€). Transactions in foreign currency are translated into Euros according to the exchange rates applying on the date of the transactions. The receivables and liabilities in foreign currencies on the date of preparation of the financial statements are adjusted in order to reflect the exchange rates on the date of preparation. Profits and losses resulting from such transactions and from translating items of assets and liabilities in foreign currencies are entered in the profit and loss account.

2.4. Tangible Assets

Tangible fixed assets under assets are recorded in the financial statements at their acquisition values (historic cost), less accumulated depreciations and likely impairment.

Lots and buildings-installations acquisition value was determined on the date of transition to the current value. The Group has assigned the assessment of its property to an independent assessor so that it is posted at its fair value on the date of transition.

The acquisition cost includes all the directly ascribable expenses for the acquisition of assets. Later additions and betterments are posted in addition to the cost of the respective fixed assets, provided that they increase the useful life and/ or productive efficiency of the fixed asset or reduce its operating cost. Repairs and services are posted under the expenses of the period when they are incurred.

Depreciations of tangible fixed assets (except for lots, which are not depreciated) are calculated using the straight line method during their entire useful life. The estimated duration of their useful life, per category of fixed asset, includes:

Buildings – Fixtures and fittings etc	10-30 years
Mechanical equipment etc	10-30 years
Means of transport	10-20 years
Other equipment	3.3 – 15 years

When the book values of the tangible fixed assets exceed their recoverable value, the differences (impairment) are registered in the income statement as expenses. On withdrawal or sale of an asset, the respective cost and accumulated depreciations are written off from the respective accounts on the time period of the withdrawal or sale and the relevant profit or loss is posted in the operating results.

Setup expenses

Expenses depreciated in the long-term that do not meet the IAS were written-off. Fixed assets acquisition expenses included in capitalized expenses were carried and added to property acquisition value.

2.5. Intangible assets

Intangible assets include software valued at the acquisition cost less depreciations. Depreciations are calculated using the straight line method during the useful life of these items, about 3.3 years. Expenses generated from developing and maintaining software are recognized as expenses when realized.

2.6. Tangible and intangible impairment audit

Depreciated assets are subject to impairment audit when there are indications that their book value shall not be recovered. The recoverable value is the highest value between the net selling price (selling price less selling expenses) and the value in use. Loss due to assets impairment is recognized when the accounting value of these items or of the entity generating cash flow is higher than their recoverable amount.

2.7. Financial assets

(a) Other long-term receivables

Other long-term receivables include given guarantees and long-term receivable notes to which a discount applies for their current value.

(b) Trade and other receivables

Trade receivables are short-term (receivable within a period lower than 12 months from the booking date) and in case there is a delay in paying and indicating the impairment a provision for impairment is made. In this case, the receivable is valued as regards its recoverable amount, that is the current value of future cash flows, discounted at the real interest rate. The depreciation losses (losses from doubtful customers) are recognized as expenses under results, when there is factual consideration that the group is not in position to collect all these amounts due according to the contractual terms.

2.8. Inventories

Inventories are valued at the lower value between acquisition or production cost and net liquid value. The cost is determined with the method of weighted average cost and involves inventory acquisition expenses or their production expenses and the cost for transporting them to warehouse. Borrowing cost is not included in inventory's acquisition cost. The net liquid value is estimated on the basis of the inventory's current selling prices in the ordinary course of business less the distribution cost, where applicable.

2.9. Cash and cash equivalents

Cash and cash equivalents include cash in hand and sight deposits.

2.10. Share capital and reserves

Share capital includes the Company's common shares and reserves from the issue of shares above par. Expenses generated upon the issue of shares are presented after deducting the relevant income tax by decreasing the issue product, in the difference above par.

It is noted that the Ordinary General Meeting of shareholders dated 29.6.2006 decided the conversion of the Company's shares from bearer shares into registered. The procedure of converting shares had not been completed until the date the financial statements were drawn up.

2.11. Borrowing

Loans are posted initially at their fair value reduced by any direct costs incurred at the time the transaction took place. Then, they are valued at the undepreciated cost using the real interest rate.

2.12. Deferred taxes

Income tax charged on a period involves current and deferred taxes, i.e. taxes or tax exemptions related to the financial benefits that occurred during the current period, but already assigned or to be assigned to different periods by tax authorities.

Deferred tax is calculated on all temporary differences of the balance sheet (difference between the book value of each item and their corresponding recognizable value).

With regard to the readjustment of undepreciated fixed asset (land etc) in its fair value, deferred tax is calculated on the basis of its liquidation (selling) value.

Deferred tax expenses are charged on the results of the period where they are calculated. However, if temporary differences are posted in shareholders' equity, the corresponding deferred tax is posted directly to equity.

No deferred tax is calculated for a tax liability that may be incurred only following a decision made by the Company.

Deferred tax is calculated on the basis of the tax rate expected to apply in the following period.

A claim for deferred income tax is booked only if it is certain that the Company is going to make profit in the future, for the current claim to be offset against future taxes.

The loss of the fiscal year (or period) carried forward to the next fiscal year (or period) for being offset against the tax profits of a subsequent fiscal year (or period) involves a tax claim equal to the income tax that the Company shall benefit from in the next fiscal year (or period) when the offset shall be applied. This claim is recorded when it is certain that the enterprise shall make profit in the future so that it is possible to offset the claim.

When there is a change in the tax system, tax liabilities and claims posted in the books are adjusted accordingly. Adjustment differences are posted in the results of the period.

2.13. Employee benefits

Short-term benefits in kind and in cash are posted as expenses when they accrue. Any overdue sum on the date the financial statements are drawn up is posted as a liability. Benefits following retirement include defined contributions and benefit plans.

The liability posted in the balance sheet for the defined benefit plans is the current value of the obligation for the defined benefit, less the fair value of the plan assets and the changes resulting from the unregistered actuarial profits and losses and the cost of the previous service. The obligation for the defined benefit is estimated annually by an independent accountant with the use of the projected unit credit method. Actuarial profits and losses resulting from adjustments based on the historic data are posted in the results within the expected mean time of insurance of those participating in the plan. Prior service cost is booked directly in the results except for the case where the plan changes depend on the remaining time of service of employees. In this case, the service cost is posted in the results using the straight line method within the maturing time.

2.14. Provisions

Provisions are recognized in the following cases:

- when the Group has a current obligation due to past events.
- when there is likelihood that resource outflow shall be required involving financial benefits for settling the obligation and
- it is possible to estimate the amount of the obligation.

Provisions are re-examined at the end of each fiscal year and are adjusted in order to reflect the best possible valuations and in case it is deemed necessary, they are discounted with a discount rate before taxes.

2.15. Income recognition

Income comprises the fair value of the sale of goods and the provision of services, net of VAT, discounts and refunds and they are calculated only when the financial benefits connected to the transaction shall be received by the company.

Inter-company income in the Group is fully written off.

Income appreciation is made as follows:

(a) Income from the sale of goods

Sales of goods are recognized when the Group has transferred to their purchaser the substantive risks and benefits arising from the ownership of goods, the receivable amount can be valued in a reliable way and its collection is easily assured.

(b) Income from the provision of services

Income from the provision of services is calculated based on the service's completion stage with regard to its estimated total cost.

(c) Income from interests

Income from interests is recognized based on the time proportion (principle of accrual) and employing the real interest rate.

(d) Income from dividends

Dividends are recognized as income when the shareholders right to receive them is finalized (that is after the General Meeting has approved them).

2.16. Leases

Leases where risks and ownership rewards continue to burden the lessor are classified as operating leases and are recognized in period results proportionally for the term of the lease.

2.17. Distribution of dividends

The dividends' distribution to the parent company's shareholders is entered as liability in the financial statements when the distribution is approved by the shareholders' General Meeting.

3. *Financial risk management*

(a) Credit risk

The Group does not have significant credit risk accumulated, since sales are mainly made with customers of evaluated credit background. Exposure to credit risks is monitored and evaluated on a constant basis, so that the credit given does not exceed a defined credit limit per customer.

(b) Liquidity risk

Liquidity risk is kept in low levels since the Company has considerable cash and assured sufficient credits from collaborating banks, which results from its good credit standing.

4. Significant management accounting estimates and judgments

The Group proceeds to estimations and assumptions regarding the progress of future events. Estimates and assumptions carrying a great risk of causing substantial adjustments in the book values of assets and liabilities within the coming 12 months are as follows:

Income taxes

There are certain transactions and calculations for which the final determination of tax is uncertain. The Group recognizes liabilities for anticipated taxes from audit, based on the estimates from previous audits. The audit result is added on income tax corresponding to the assigned period.

5. Analysis of tangible fixed assets

The Group's fixed assets are analyzed as follows:

FIXED ASSETS	Land & buildings	Motor vehicles & mechanical Equipment	Furniture and other equipment	Capital investments in progress	Intangible assets	Investments in property	Total
Acquisition book value	34.370.780,30	14.732.367,39	803.788,83	1.032.519,11	181.063,23	279.473,68	51.399.992,54
Accumulated depreciation and impairment*	-1.208.562,02	-3.868.092,13	-440.072,63	0,00	-154.063,09	-102.947,36	-5.773.737,23
Undepreciated Book value as at 31.12.05	33.162.218,28	10.864.275,26	363.716,20	1.032.519,11	27.000,14	176.526,32	45.626.255,31
Acquisition book value	35.565.841,16	14.864.464,57	818.191,00	1.498.758,83	186.657,18	279.473,68	53.213.386,42
Accumulated depreciation and impairment*	-1.526.900,52	-4.192.807,15	-472.002,91	0,00	-162.674,08	-128.684,20	-6.483.068,86
Undepreciated Book value as at 31.3.06	34.038.940,64	10.671.657,42	346.188,09	1.498.758,83	23.983,10	150.789,48	46.730.317,56

*Including impairment of SYNPRO SA machinery of 34k worth on 31.12.2005

FIXED ASSETS	Land & buildings	Motor vehicles & mechanical Equipment	Furniture and other equipment	Capital investments in progress	Intangible assets	Investments in property	Total
Acquisition book value	33.162.218,28	10.864.275,26	363.716,20	1.032.519,11	27.000,14	176.526,32	45.626.255,31
Additions	1.195.060,85	138.471,36	35.828,48	701.415,31	5.593,95	0,00	2.076.369,95
Depreciations	-318.338,49	-330.069,49	-53.351,56	0,00	-8.610,99	-25.736,84	-736.107,37
Impairment	0,00	0	0,00	0,00	0,00	0,00	0,00
Sales - cancellations	0,00	-6.374,17	-21.426,31	0,00	0,00	0,00	-27.800,48
Depreciations of items sold – written-off	0,00	5.354,46	21.421,28	0,00	0,00	0,00	26.775,74
Carrying forward to fixed assets	0,00	0,00	0,00	-235.175,59	0,00	0,00	-235.175,59
Undepreciated Book value as at 30.6.06	34.038.940,64	10.671.657,42	346.188,09	1.498.758,83	23.983,10	150.789,48	46.730.317,56

The Company's fixed assets are analyzed as follows:

FIXED ASSETS	Land & buildings	Motor vehicles & mechanical Equipment	Furniture and other equipment	Capital investments in progress	Intangible assets	Investments in property	Total
Acquisition book value	29.586.351,24	11.223.229,83	589.842,79	1.030.744,11	100.686,81	279.473,68	42.810.328,46
Accumulated depreciation	-1.091.209,40	-3.101.743,79	-343.005,46	0,00	-88.265,02	-102.947,36	-4.727.171,03
Undepreciated book value Book value as at 31.12.05	28.495.141,84	8.121.486,04	246.837,33	1.030.744,11	12.421,79	176.526,32	38.083.157,43
Acquisition book value	30.667.234,20	11.344.255,68	609.274,27	1.401.254,33	104.471,76	279.473,68	44.405.963,92
Accumulated depreciation	-1.369.814,39	-3.329.197,10	-374.849,62	0,00	-92.591,78	-128.684,20	-5.295.137,09
Undepreciated Book value as at 30.6.06	29.297.419,81	8.015.058,58	234.424,65	1.401.254,33	11.879,98	150.789,48	39.110.826,83

FIXED ASSETS	Land & buildings	Motor vehicles & mechanical Equipment	Furniture and other equipment	Capital investments in progress	Intangible assets	Investments in property	Total
Acquisition book value	28.495.141,84	8.121.486,04	246.837,33	1.030.744,11	12.421,79	176.526,32	38.083.157,43
Additions	1.080.882,96	127.400,04	19.431,48	605.685,81	3.784,95	0,00	1.837.185,24
Depreciations	-278.604,99	-232.807,79	-31.844,16		-4.326,76	-25.736,84	-573.320,54
Impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Sales – write-offs	0,00	-6374,17	0,00	0,00	0,00	0,00	-6.374,17
Depreciations of items sold – written-off	0,00	5.354,46	0,00	0,00	0,00	0,00	5.354,46
Carrying forward to fixed assets	0,00	0,00	0,00	-235.175,59	0,00	0,00	-235.175,59
Undepreciated Book value as at 30.6.06	29.297.419,81	8.015.058,58	234.424,65	1.401.254,33	11.879,98	150.789,48	39.110.826,83

6. Analysis of receivables

The receivables of the Group and the Parent Company are analyzed as follows:

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Customers	30.639.033,92	21.686.171,06	25.223.068,08	17.469.193,33
Post-dated cheques	48.454.590,23	46.802.587,08	41.233.380,00	39.302.860,59
Notes	709.360,06	1.210.302,68	709.360,06	751.094,89
Trade receivables	79.802.984,21	69.699.060,82	67.165.808,14	57.523.148,81
Other debtors	252.343,33	720.722,66	929.571,20	326.094,09
Debit income taxes (*)	0,00	506.384,43	0,00	429.201,59
Total liabilities	80.055.327,54	70.926.167,91	68.095.379,34	58.278.444,49

(*) Debit income taxes mainly incurred due to the down payment of income tax for the period of 2004 which was higher than the debts for the year of 2005.

7. Analysis of inventories

The inventories of the Group and the Parent Company are analyzed as follows:

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Merchandise	17.297.421,02	21.387.815,69	10.831.504,60	15.355.235,03
Goods in stock	12.550.899,80	10.579.193,57	12.550.899,80	10.579.193,57
Products	3.931.879,77	4.417.941,99	3.446.479,69	4.143.874,88
Orders	4.677.278,71	2.257.164,81	4.573.380,74	2.156.033,56
Raw materials	1.733.332,35	1.778.625,73	18.970,84	0,00
Total	40.190.815,65	40.420.741,79	31.421.235,67	32.234.337,04

8. Analysis of cash flow

The Cash and cash equivalents of the Group and the Company include:

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Cash on hand	41.789,50	215.066,01	32.609,77	203.461,72
Sight deposits	3.016.318,48	1.761.732,66	1.402.062,62	1.032.431,35
Total	3.058.107,98	1.976.798,67	1.434.672,39	1.235.893,07

9. Analysis of all accounts of shareholders' equity

The shareholders' equity of the Group and the Parent Company are analyzed as follows:

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Share capital	11.188.800,00	11.188.800,00	11.188.800,00	11.188.800,00
Premium from the issue of shares above par	14.900.777,70	14.900.777,70	14.900.777,70	14.900.777,70
Statutory reserves	2.528.248,68	2.423.248,69	2.505.000,00	2.400.000,00
Extraordinary reserves	9.000.000,00	9.000.000,00	9.000.000,00	9.000.000,00
Untaxed reserves under special law provisions	12.020.379,43	12.020.379,43	11.885.777,86	11.885.777,86
Reserves of untaxed income	404.315,87	404.315,87	404.315,87	404.315,87
Total reserves	23.952.943,98	23.847.943,99	23.795.093,73	23.690.093,73
Profit carried forward	25.890.169,97	24.866.396,48	25.138.654,27	23.918.227,45
Results for the period	3.495.856,19	1.812.533,48	3.134.624,38	2.009.186,81
Accumulated profit	29.386.026,16	26.678.929,96	28.273.278,65	25.927.414,26
Total equity without minority interest	79.428.547,84	76.616.451,65	78.157.950,08	75.707.085,69
Minority interest	7.442.779,48	7.161.818,39		
Total Equity	86.871.327,32	83.778.270,04	78.157.950,08	75.707.085,69

The Company's share capital consists of 12.432.000 common shares with nominal value of € 0,90 each.

10. Analysis of trade and other payables

The liabilities of the Group and the Company towards suppliers and other third parties are analyzed as follows:

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Suppliers	5.642.692,39	5.207.266,88	1.306.288,50	1.675.860,47
Notes payable	6.734.998,07	9.459.160,90	6.307.507,62	8.038.840,85
Accrued expenses	140.000,00	138.798,13	102.000,00	121.075,93
Insurance and other taxes	1.663.977,42	1.167.233,89	1.233.243,04	536.721,04
Advances from customers	266.724,91	391.414,82	140.268,69	337.877,09
Other liabilities	811.347,79	264.642,66	733.904,08	206.570,64
Total	15.259.740,58	16.628.517,28	9.823.211,93	10.916.946,02

11. Analysis of loans

The loans of the Group and the Company are analyzed as follows:

Long-term loans

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Debenture loans	35.000.000,00	35.117.814,31	35.000.000,00	35.117.814,31

Debenture loans have 3 years duration and are paid at maturity.

Short-term loans

	GROUP		COMPANY	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Bank loans	29.865.877,03	21.096.616,97	18.339.422,78	10.500.000,00
TOTAL LOANS	64.865.877,03	56.214.431,28	53.339.422,78	45.617.814,31

12. Analysis of deferred taxes

Deferred tax assets and liabilities are calculated at the level of each individual company comprising the Group. If assets and liabilities incur they offset against each other for each company.

Deferred tax assets (DTA) and liabilities (DTL) are offset when a relevant legal right applies allowing to offset current tax assets against current tax liabilities and when deferred income taxes involve the same tax principle.

Deferred taxes include:

a) For the Group

	30.6.2006		31.12.2005	
	DTA	DTL	DTA	DTL
From a depreciation tax claim for tangible fixed assets at a time earlier than the time when it is charged	0,00	1.812.289,13	0,00	1.902.583,57
From a depreciation tax claim for tangible fixed assets at a time later than the time when it is charged	0,00	0,00	0,00	0,00
From a depreciation tax claim for intangible assets at a time earlier than the time when it is charged	1.072,51	0,00	1.244,11	0,00
From a depreciation tax claim for intangible assets at a time later than the time when it is charged	2.535,32	1.142,49	3.566,32	227,66
From valuation of long-term liabilities in current value	0,00	0,00	0,00	0,00
From accounting recognition of liabilities to employees discounted from tax at the time they are paid.	114.376,17	0,0	142.894,23	0,00
From tax loss that can be offset against tax profit of subsequent years & periods.	0,00	0,00	0,00	0,00
From land goodwill non recognizable by tax authorities	0,00	0,00	0,00	0,00
From a depreciation tax claim for setup expenses at a time earlier than the time when it is charged on the results	0,00	0,00	0,00	56.544,75
From a depreciation tax claim for setup expenses at a time later than the time when it is charged on the results	24.729,92	0,00	1.462,44	0,00
From a provision for doubtful claims	0,00	65.635,03	11.600,00	85.604,76
Impairment of participation value	0,00	0,00		
From unrealized profits from intercompany transactions	0,00	0,00	0,00	0,00
Income taxes that shall burden the accounts of subsequent periods	142.713,92	1.879.066,65	160.767,10	2.044.960,74
		142.713,92		160.767,10
		1.736.352,73		1.884.193,64

b) For the Company

	30.6.2006		31.12.2005	
	DTA	DTL	DTA	DTL
From a depreciation tax claim for tangible fixed assets at a time earlier than the time when it is charged	0,00	1.209.268,41	0,00	1.243.894,73
From a depreciation tax claim for tangible fixed assets at a time later than the time when it is charged	0,00	0,00	0,00	0,00
From a depreciation tax claim for intangible assets at a time earlier than the time when it is charged	0,00	0,00	0,00	0,00
From a depreciation tax claim for intangible assets at a time later than the time when it is charged	0,00	1.142,50	0,00	227,66
From valuation of long-term liabilities in current value	0,00	0,00	0,00	0,00
From accounting recognition of liabilities to employees discounted from tax at the time they are paid.	98.052,40	0,00	124.908,68	0,00
From tax loss that can be offset against tax profit of subsequent years & periods.	0,00	0,00	0,00	0,00
From land goodwill non recognizable by tax authorities	0,00	0,00	0,00	0,00
From a depreciation tax claim for setup expenses at a time earlier than the time when it is charged on the results	0,00	0,00	0,00	56.544,75
From a depreciation tax claim for setup expenses at a time later than the time when it is charged on the results	24.412,06	0,00	0,00	0,00
From a provision for doubtful claims	0,00	52.261,11	0,00	72.500,00
Impairment of participation value	11.500,00	0,00	13.340,00	0,00
Income taxes that shall burden the accounts of subsequent periods	133.964,46	1.262.672,02	138.248,68	1.373.167,14
		133.964,46		138.248,68
		1.128.707,56		1.234.918,46

13. Analysis of benefits following retirement

The Group has assigned an actuary to conduct a study in order to investigate and calculate the actuarial figures, based on the standards set by the International Accounting Standards (IAS 19), which are compulsory to be posted in the balance sheet and the income statement. When performing the actuarial estimate all economic and population parameters connected to the employees of the Group were taken into account. The discount rate used was 4%.

	Group		Company	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Balance as at 1.1.06 & 1.1.05	492.738,71	483.330,72	430.719,59	428.296,59
Compensations paid during the period	-164.894,05	-100.731,09	-162.870,00	-88.327,00
Provisions for the period	129.660,00	110.139,08	124.360,00	90.750,00
Total	457.504,66	492.738,71	392.209,59	430.719,59

14. Analysis of provisions

No other provision was made except those referred to in the note above.

15. Information by sector

The Group operates only in one business sector that of steel products, which is the primary reporting sector according to the IAS 14. Therefore results are not presented by individual business sector.

As secondary reporting sector can be considered the geographical sector which is analyzed as follows:

- Domestic sales (about 90%)
- Foreign sales (about 10 %)

The sales of the Group and the Company are analyzed as follows:

	Group		COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Sales of merchandise	42.150.802,06	39.781.099,80	37.473.042,08	34.645.804,90
Sales of products	30.767.183,25	26.654.203,52	24.887.520,88	22.070.886,09
Other sales	175.385,26	70.392,47	1.107,10	1.324,39
Total Sales	73.093.370,57	66.505.695,79	62.361.670,06	56.718.015,38

16. Analysis of other profit and loss accounts

Other income

The other income of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Income from transport & delivery expenses	1.016.796,50	812.722,56	932.667,62	734.921,23
Other income (foreign exchange differences etc)	258.730,65	222.884,99	227.614,78	283.839,48
Total other operating income	1.275.527,15	1.035.607,55	1.160.282,40	1.018.760,71

Other expenses

The other expenses of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Bad and doubtful debts	365.088,77	252.000,00	350.955,55	252.000,00
Other expenses (foreign exchange differences etc)	270.310,92	196.505,29	263.807,48	127.258,57
Total other operating expenses	635.399,69	448.505,29	614.763,03	379.258,57

Financial result

The financial results of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Interest and related income	380.162,97	364.429,82	328.603,88	309.313,21
Interest and related expenses	(1.189.990,14)	(996.481,86)	(903.789,12)	(827.535,96)
Financial result	(809.827,17)	(632.052,04)	(575.185,24)	(518.222,75)

17. Reconciliation of income tax

The tax liabilities of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Tax for the period	1.393.895,06	1.399.136,00	1.211.300,00	1.351.000,00
Deferred tax	-147.840,92	93.287,90	-106.210,91	84.531,22
Tax audit adjustments	-14.198,80	511.708,00	0,00	511.708,00
Total	1.231.855,34	2.004.131,90	1.105.089,09	1.947.239,22

18. Analysis of profits per share

	THE GROUP		THE COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Net profit for shareholders	3.495.856,20	2.150.117,56	3.134.624,38	2.276.178,52
Number of shares	12.432.000	12.432.000	12.432.000	12.432.000
Profit per share (€)	0,281	0,173	0,252	0,183

19. Decision to dissolve and liquidate a subsidiary

On 31.12.2005, the extraordinary General Meeting of the subsidiary company SYNPRO SA decided to dissolve and liquidate the company. The above decision was entered in the Companies Register of the Prefecture on 8.2.2006.

The assets of SYNPRO SA are listed hereinafter.

BALANCE SHEET ITEMS

	30.6.2006	31.12.2005
Tangible Assets	99.083,18	99.083,17
Trade and other receivables	215.499,42	1.089.509,94
Cash flows	640.825,93	144.482,56
Trade creditors and other liabilities	4.313,57	-408.052,25
Debit income taxes	0,00	38.460,24
Deferred income tax	4.143,60	-4.554,24

PROFIT AND LOSS ACCOUNT ITEMS

	30.6.2006	31.12.2005
Income	-2.170,00	1.300.412,50
Operating loss	-12.906,97	-325.964,15
Loss after taxes	-11.115,66	-289.367,78

20. Transactions with associated parties

The amounts involving sales and purchases made by the Company, to and from associated companies for the period 01.01.2006 – 30.06.2006 are €572.98k and €284.35k. respectively. The balances of assets and liabilities of the Company with associated companies as at 30.6.2006 amount to €117.49k and €0.00k. respectively.

The amounts involving sales and purchases made by the Company, to and from associated companies for the period 01.01.2005 – 30.06.2005 are €491.33k and €131.75k. respectively. The balances of assets and liabilities of the Company with associated companies as at 30.06.2005 amount to €153.20k and €9.68k. respectively.

21. *Contingent Liabilities - Assets*

There are no disputes going on trial or arbitration nor court or arbitration bodies judgments that might significantly affect the financial status and the operation of the company.

The parent company has been audited by tax authorities for up to the period of 2003.

CORUS – KALPINIS – SIMOS SA has been audited for up to the period of 2004, SYNTHETA METALIKA PROIONTA SA has not been audited since its inception (2002) and STEEL CENTER SA has been audited for up to the period of 2004. Therefore, tax liabilities for unaudited periods have not been finalized.

The Group has contingent liabilities and assets with banks, other guarantees and other issues incurred in its ordinary course of business, including:

	30.6.2006	
	Group	Company
Guarantees from third parties	0,00	0,00
Guarantees to third parties	16.021.099,17	12.544.951,67
Untaxed reserve	0,00	0,00
Cheques receivable pledged	523.246,86	340.396,79
Total	16.544.346,03	12.885.348,46

22. *Dividends*

Based on the Greek commercial law, companies have the obligation to distribute on an annual basis the greater amount between 35% of profits remaining after deducting taxes and withholding statutory reserves and 6% of paid-in share capital.

23. Information about personnel

Compensation and number of employees

The number of employees working in the Group and the Company is presented in the following table:

	THE GROUP		THE COMPANY	
	30.6		30.6	
	2006	2005	2006	2005
Salaried employees	119	108	77	67
Day labourers	144	135	110	99
Total personnel	263	243	187	166

The compensation of employees working in the Group and the Company is presented in the following table:

	THE GROUP		THE COMPANY	
	1.1-30.6		1.1-30.6	
	2006	2005	2006	2005
Compensation of employees	2.658.361,43	2.309.286,44	2.113.683,54	1.807.243,85
Employer contributions	745.965,42	616.218,39	578.589,65	478.728,05
Other benefits	32.140,47	9.591,52	15.488,09	3.132,60
Total	3.436.467,32	2.935.096,35	2.707.761,28	2.289.104,50

24. Remuneration and emoluments of Group and Company directors and executives

The compensation of top and senior executives of the Group and the Company is presented in the following table:

(Amounts in k) euros)	Group		COMPANY	
	1.1 – 30.6.06	1.1 – 30.6.05	1.1 – 30.6.06	1.1 – 30.06.05
Gross remuneration of directors and managers	527,39	385,88	367,30	225,99

25. Post Financial Statements events

No events affecting the Financial Statements have occurred.

Aspropirgos, August 22nd 2006

THE CHAIRMAN
OF THE BOD

THE MANAGING
DIRECTOR

THE ACCOUNTING
MANAGER

PANAGIOTIS SIMOS
ID No Σ103786/95

ATHANASIOS KALPINIS
ID No Π620166/90

STELIOS KOUTSOTHANASIS
ID No Σ562367/97

Certified Auditor Audit Report

To the Shareholders of A.KALPINIS – N. SIMOS SA

We have reviewed the accompanying interim individual and consolidated financial statements of A. KALPINIS - N. SIMOS STEEL PRODUCTS SA for the six-month period that ended on June 30th 2006. These interim financial statements are the responsibility of the company's management.

We conducted our review in accordance with the International Review Standard as provided for by Greek Audit Standards. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements and the consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than the audit. We have not performed an audit and subsequently we do not express an audit opinion.

Based on the review we performed, we certify that nothing has come to our attention that causes us to believe that the aforementioned interim financial statements were not presented fairly in all material respects in accordance with the International Accounting Standards that have been adopted by the European Union.

Without expressing any reservations as regards the review conclusions, we draw your attention to the fact that the for the period 2004-2005 as well as its subsidiaries, CORUS-KALPINIS-SIMOS SA for the period 2005, SYNPRO SA for the periods 2002-2005 and STEEL CENTER SA for the period of 2005 have not been audited by the tax authorities as yet, and as a consequence, there is a possibility of additional taxes being imposed when these will be audited and accepted as final. The outcome of tax audits could not be previewed at this stage, therefore, there has not been any provisions in the financial statements on this matter.

Athens, August 24th 2006
The Certified Accountant

Ioannis Tr. Karalis
SOEL Reg. No 10801
SOL Auditing SA