



Company's No 7946/06/B/86/2 in the register of Societes Anonymes
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CONSOLIDATED FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2006

ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS



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1 Independent Auditors' Report

To the shareholders of "SIDMA S.A STEEL PRODUCTS"

We have audited the accompanying financial statements as well as the consolidated financial statements of "SIDMA S.A STEEL PRODUCTS", as of and for the year ended 31 December 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the holding company), as of 31 December 2006, and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, February 21, 2007
The Certified Public Accountant

Sotiris Ger.Vardaramatos
SOEL Reg.No.12851
SOL S.A.
SOEL Reg.No.125

SIDMA S.A.
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2006

The attached financial statements were approved by the Board of Directors of SIDMA S.A. at February 16, 2007 and they are posted on the internet at the company's site «www.sidma.gr». The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards.

MARCEL L. AMARIGLIO
CHAIRMAN OF THE BOARD
SIDMA S.A.

2 Balance Sheet

SIDMA S.A. Balance Sheet for the period from 1st January to 31st December 2006					
<i>amounts in euros</i>					
		Group 31.12.2006 31.12.2005		Company 31.12.2006 31.12.2005	
Assets	Notes				
Non Current Assets					
Tangible Assets	7.1	42.928.637	35.087.884	32.303.519	26.944.535
Intangible assets	7.2	725.986	634.303	695.495	606.262
Investments in subsidiaries	7.3	0	0	5.678.601	4.622.101
Investments in associates	7.4	593.067	149.442	0	0
Other non current assets	7.5	79.875	62.121	39.228	39.327
		44.327.565	35.933.749	38.716.843	32.212.225
Current Assets					
Inventories	7.6	30.352.251	21.904.309	23.610.672	19.649.684
Trade receivables	7.7	106.868.206	77.037.856	92.357.224	65.937.610
Other receivables	7.8	3.543.947	4.003.742	2.857.228	2.076.639
Cash and cash equivalents	7.9	5.052.021	9.898.659	4.363.662	9.592.838
Non-current assets held for sale	7.10	25.917	0	25.917	0
		145.842.343	112.844.567	123.214.702	97.256.772
Total Assets		190.169.908	148.778.316	161.931.545	129.468.997
EQUITY					
Shareholders of the mother company:					
Share Capital	7.11	13.500.000	13.500.000	13.500.000	13.500.000
Share Premium	7.11	9.875.000	9.875.000	9.875.000	9.875.000
Reserves	7.12	13.026.533	11.710.538	12.567.993	11.668.381
Retaining Earnings	7.13	22.020.242	16.417.762	21.130.318	16.126.570
		58.421.775	51.503.300	57.073.311	51.169.950
Minority:	7.14	1.862.818	1.397.305	0	0
		60.284.593	52.900.605	57.073.311	51.169.950
Liabilities					
Non Current Liabilities					
Bank Loans & obligations under finance lease	7.15	57.472.009	1.138.008	51.319.222	52.752
Grants for investments in fixed assets	7.16	1.141.346	1.257.607	0	0
Deferred Tax Liabilities	7.17	2.496.619	2.425.447	2.446.651	2.332.020
Provision for Retirement benefit obligation	7.18	982.125	912.314	955.948	896.736
		62.092.100	5.733.376	54.721.821	3.281.508
Current Liabilities					
Bank overdrafts & obligations under finance	7.15	17.880.657	61.617.215	7.360.127	50.991.074
Trade Payables	7.19	39.842.233	22.873.334	34.409.744	19.665.743
Other Payables	7.19	4.271.807	4.065.029	3.772.885	3.643.188
Income tax and duties	7.19	5.798.518	1.588.758	4.593.658	717.534
		67.793.214	90.144.335	50.136.413	75.017.538
Total Equity and Liabilities		190.169.908	148.778.316	161.931.545	129.468.997

The following notes are an integral part of the financial statements. Differences from the sum of the amounts presented in the above financial statements, resulted from the rounding of the decimals.

3 Income Statement

SIDMA S.A. Profit & Loss Statement for the period from 1st January to 31st December 2006					
<i>amounts in euros</i>					
		Group		Company	
	Notes	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Turnover (sales)	7.20	156.841.601	124.213.521	130.739.181	107.119.507
Cost of Sales	7.21	-132.042.045	-109.099.514	-111.332.465	-95.100.384
Gross Profit		24.799.556	15.114.007	19.406.715	12.019.122
Other income	7.22	5.509.877	5.763.248	5.075.790	5.207.277
Administrative Expenses	7.23	-3.747.638	-4.077.995	-2.571.675	-3.345.451
Distribution/Selling Expenses	7.24	-9.069.089	-7.998.484	-8.159.234	-7.268.160
Other expenses	7.25	-1.628.548	-1.466.792	-988.021	-1.075.216
Operating Profit (EBIT)		15.864.158	7.333.985	12.763.575	5.537.572
Finance Costs (net)	7.26	-3.529.842	-2.601.725	-2.593.831	-2.021.319
Losses resulted from the consolidation of the associations with the equity method	7.27	-22.764	-326.037	0	0
Profit before taxation		12.311.552	4.406.223	10.169.743	3.516.253
Less: Income Tax Expense	7.28	-3.513.872	-1.660.941	-2.830.632	-1.270.257
Profit after taxation		8.797.681	2.745.283	7.339.112	2.245.996
<i>Attributable to:</i>					
Shareholders of the mother Company		8.415.053	2.562.911		
Minority Rights		382.628	182.372		
		8.797.681	2.745.283		
Profit after taxes per share - (€)	7.29	0,84	0,28	0,73	0,25
Proposed dividend per share	7.30	0,25	0,12	0,25	0,12
Depreciation & Amortization Expense		2.184.578	1.961.948	1.516.063	1.446.093
EBITDA		18.048.736	9.295.933	14.279.637	6.983.665

The following notes are an integral part of the financial statements. Differences from the sum of the amounts presented in the above financial statements, resulted from the rounding of the decimals.

4 Statement of Changes in Equity

S I D M A S.A. Consolidated Statement of changes in equity for the period from 1st January to 31st December 2006							
amounts in euros	Group					MINORITY	TOTAL EQUITY
	SHAREHOLDERS's EQUITY						
	Share Capital	Share Premium	Reserves	Retained Earnings	Equity of the shareholders		
Balance at 1.1.2005	10.125.000	0	11.551.643	17.096.107	38.772.750	1.510.935	40.283.685
Changes in Equity 1.1-31.12.2005							
Share Capital Increase	3.375.000	9.875.000			13.250.000	0	13.250.000
Profit/ (Loss) from valuation of SWAPS (including deffered taxation)				279.114	279.114	0	279.114
Dividends distributed				-2.860.000	-2.860.000	0	-2.860.000
Manager's and B.D. fees distributed				-496.675	-496.675	0	-496.675
Acquisition of new subsidiary (in Bulgaria)				0	0	340.182	340.182
Purchase of extra % of subsidiary company's share capital				-4.800	-4.800	-636.183	-640.983
Total adjustments to the Equity	3.375.000	9.875.000	0	-3.082.361	10.167.639	-296.001	9.871.638
Profit after income tax			158.894	2.404.017	2.562.911	182.372	2.745.283
Balance at 31.12.2005	13.500.000	9.875.000	11.710.538	16.417.762	51.503.300	1.397.305	52.900.605
Balance at 1.1.2006	13.500.000	9.875.000	11.710.538	16.417.762	51.503.300	1.397.305	52.900.605
Changes in Equity 1.1-31.12.2006						0	0
Profit/ (Loss) from valuation of SWAPS (including deffered taxation)				214.249	214.249	0	214.249
Dividends distributed				-1.200.000	-1.200.000	-64.515	-1.264.515
Manager's and B.D. fees distributed				-512.400	-512.400	-17.600	-530.000
Increase of share capital of subsidiary				0	0	165.000	165.000
Exchange differences from the consolidation of associates			1.574	0	1.574	0	1.574
Total adjustments to the Equity	0	0	1.574	-1.498.151	-1.496.577	82.885	-1.413.692
Profit after income tax			1.314.421	7.100.632	8.415.053	382.628	8.797.681
Balance at 31.12.2006	13.500.000	9.875.000	13.026.533	22.020.242	58.421.775	1.862.818	60.284.593

The following notes are an integral part of the financial statements. Differences from the sum of the amounts presented in the above financial statements, resulted from the rounding of the decimals.

S I D M A S.A. Company's Statement of changes in equity for the period from 1st January to 31st December 2006					
<i>amounts in euros</i>	Company				
	Share Capital	Share Premium	Reserves	Retained Earnings	Total Equity
Balance at 1.1.2005	10.125.000	0	11.542.183	17.084.332	38.751.516
Changes in Equity 1.1-31.12.2005					
Share Capital Increase	3.375.000	9.875.000			13.250.000
Profit/ (Loss) from valuation of SWAPS (including deffered taxation)				279.114	279.114
Dividends distributed				-2.860.000	-2.860.000
Manager's and B.D. fees distributed				-496.675	-496.675
Acquisition of new subsidiary (in Bulgaria)				0	0
Total adjustments to the Equity	3.375.000	9.875.000	0	-3.077.561	10.172.439
Profit after income tax			126.197	2.119.799	2.245.996
Balance at 31.12.2005	13.500.000	9.875.000	11.668.381	16.126.570	51.169.950
Balance at 1.1.2006	13.500.000	9.875.000	11.668.381	16.126.570	51.169.950
Changes in Equity 1.1-31.12.2006					
Profit/ (Loss) from valuation of SWAPS (including deffered taxation)				214.249	214.249
Dividends distributed				-1.200.000	-1.200.000
Manager's and B.D. fees distributed				-450.000	-450.000
Total adjustments to the Equity	0	0	0	-1.435.751	-1.435.751
Profit after income tax			899.613	6.439.499	7.339.112
Balance at 31.12.2006	13.500.000	9.875.000	12.567.993	21.130.318	57.073.311

The following notes are an integral part of the financial statements. Differences from the sum of the amounts presented in the above financial statements, resulted from the rounding of the decimals.

5 Cash Flows Statement

SIDMA S.A. Cash Flow Statement for the period from 1st January to 31st December 2006				
<i>amounts in euros</i>				
	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
<u>Operating Activities</u>				
Profit before taxation	12.311.552	4.406.223	10.169.743	3.516.253
Adjustments for:				
Depreciation & amortization	2.184.578	1.960.821	1.516.063	1.444.967
Provisions	1.544.432	351.126	1.029.813	68.049
Exchange Differences	0	0	0	0
Income and expenses from investing activities	-175.929	0	-202.103	0
Other non cash income/expenses	-413.993	-711.602	-529.195	-680.113
Finance Costs	3.971.592	3.155.904	3.235.665	2.566.126
Adjustments for changes in working capital				
Decrease/(increase) in inventories	-8.447.942	5.466.561	-3.960.988	4.218.117
Decrease/(increase) in receivables	-31.554.833	-7.843.692	-27.850.104	-4.752.865
(Decrease)/increase in payables(except bank loans and overdrafts)	18.381.261	1.660.656	15.857.178	1.353.228
Less:				
Financial Costs paid	-3.652.026	-3.155.904	-2.949.328	-2.566.126
Taxes paid	-501.462	-7.222.587	0	-7.329.333
Total inflows / (outflows) from operating activities (a)	-6.352.768	-1.932.494	-3.683.255	-2.161.697
<u>Investing activities</u>				
Acquisition of subsidiaries	-464.815	-1.057.490	-1.056.500	-2.178.127
Purchase of tangible and intangible assets	-10.155.755	-3.419.791	-6.991.928	-2.217.927
Proceeds on disposal of tangible and intangible assets	41.589	10.456	34.589	10.456
Interest received	169.245	0	169.245	0
Dividends received	0	0	228.735	0
Total inflows / (outflows) from investing activities (b)	-10.409.736	-4.466.825	-7.615.858	-4.385.598
<u>Financing Activities</u>				
Share Capital Increase	0	13.250.000	0	13.250.000
New bank loans raised	62.508.572	6.135.812	52.776.085	5.474.343
Repayments of loans	-49.534.140	-545.698	-45.040.638	-21.583
Repayments of financial leasing agreements	-292.576	0	-15.511	0
Dividends and management fees paid	-1.794.515	-3.356.298	-1.650.000	-3.356.298
Grants received	1.028.525	0	0	0
Total inflows / (outflows) from financing activities (c)	11.915.866	15.483.816	6.069.937	15.346.462
Net Increase/(Decrease) in cash and cash equivalents (a) +(b) + (c)	-4.846.638	9.084.497	-5.229.177	8.799.167
Cash and cash equivalents at the beginning of the period	9.898.659	814.162	9.592.838	793.671
Cash and cash equivalents at the end of the period	5.052.021	9.898.659	4.363.662	9.592.838

The following notes are an integral part of the financial statements. Differences from the sum of the amounts presented in the above financial statements, resulted from the rounding of the decimals.

6 Notes on the Financial Statements of SIDMA S.A. as of December 31, 2006

6.1 General Information about the Company and the Group

The mother company, SIDMA S.A., is a corporation and operates in processing and trading of steel products in Greece. The company's headquarters are located at 39 P. RALLI ST., 177 78 ATHENS, its site is www.sidma.gr and is listed at the Athens Stock Exchange under the category of Basic Metals.

In the Consolidated financial statements the following companies are included:

1. PANELCO S.A (78% subsidiary). The company "PANELCO Production of Overlay Materials and Drapes" is located in Athens (134 M. Alexandrou Str., Keramikos). Its activity concerns the industrial production and manufacturing of metal and thermo-insulating elements, for use in covering buildings, industrial and refrigeration chambers, and generally in modern metal structures. The company also seeks to produce and build drapes of all forms, and any related products, while also pursuing the trading, application, import and export of such products.
2. The holding company "SIDMA WORLDWIDE LIMITED" (100% Subsidiary), located in Cyprus, which its sole purpose is to participate to SIDMA's subsidiaries in the Balkans Area.
3. "SID-PAC steel and construction products SRL" (50% subsidiary through "SIDMA WORLDWIDE LIMITED"). SID-PAC was founded in Romania in March 2005 as a joint venture with the Packer Plada group and is involved in trading steel products.
4. "SID-PAC BULGARIA S.A.". (75% subsidiary through "SIDMA WORLDWIDE LIMITED"). SID-PAC was founded in Bulgaria in August 2005 in cooperation with the Packer Plada group and will serve as an autonomous Steel Service Center and distribution network for the local market.

All the above companies are consolidated in full except from "SID-PAC steel and construction products SRL" which is equity consolidated.

6.2 Principal Accounting Policies

The principal accounting policies used in the preparation of the accompanying financial statements, which are consistently applied by the Company, are as follows:

6.2.1 Basis of preparation

The financial statements for the year 2006, have been prepared in accordance with the "going concern" and "accrual basis" principles as well as the International Financial Reporting Standards, as they have been issued from IASB.

For the preparation of the financial statements for the current year, the applied policies are in consistency to those applied in the previous year and in all the interim financial statements published under I.F.R.S.

6.2.2 Consolidation of Subsidiaries

Subsidiaries are the companies in which SIDMA S.A. directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations.

The subsidiaries have been consolidated in full, starting from the date on which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company.

All significant inter-company balances and transactions have been eliminated. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Company.

6.2.3 Consolidation of Associates

Associates are the companies in which SIDMA S.A. exercises substantial influence, but they don't fulfil the conditions in order to be considered as subsidiaries.

The Group's investment in associate "SID-PAC steel and construction products SRL" is being consolidated under the equity method. At the end of each period, the acquisition cost of the investment is increased (or decreased) in accordance with the investor's proportion to the changes is Equity of the associate and is decreased with the received dividends.

6.2.4 Group Structure

The mother company, the subsidiaries and the associates, included in the Consolidated Financial Statements of 31st December 2006, are presented in the following table:

Company	Direct percentage of participation	Indirect percentage of participation	Total percentage	Country	Consolidation Method
SIDMA S.A.	Mother	-	Mother	Greece	Full
PANELCO S.A.	78%	0%	78%	Greece	Full
SIDMA WORLDWIDE LIMITED	100%	0%	100%	Cyprus	Full
SID-PAC steel and construction products SRL	0%	50%	50%	Romania	Equity
SID-PAC BULGARIA S.A.	0%	75%	75%	Bulgaria	Full

During 2006, no change was made to the percentages of the participation to the Share Capital of the above companies, in comparison with the previous year.

Consolidated Financial Statements of SIDMA S.A. group of companies, is included under Equity Method, to the Consolidated Financial Statements of SIDENOR S.A. group of companies, located in Athens, Mesogion 2-4 Str. The percentage applied for the consolidation of the year 2006 is 24.15% instead of 23.98% of the previous year.

6.2.5 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments.

Regarding business segments, the group is divided into the following activities:

Transformation activity: This includes the processing of steel coils of various qualities, to transform them into steel sheets or narrower coils (strips). In addition, following the installation of a new processing unit, the company can achieve the removal of external oxidation from steel elements and add a protective coating. Moreover, the new equipment enables cutting of high thickness steel plates into custom sizes, as well as cutting long products at custom lengths.

Commercial activity: This activity includes the trading of steel products.

Services: These include processing material for third parties as well as commission revenues from the sale of third-party products.

Other activities: These mostly concern the sale of production scrap.

PANELCO's activity: industrial production and manufacturing of metal and thermo-insulating elements, for use in covering buildings, industrial and refrigeration chambers, and generally in modern metal structures.

Refer to paragraph 7.20 for a breakdown of group revenues according to the above activities as dictated by the Greek statistical classification of economic activities (STAKOD).

Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Regarding geographic segment, the majority of group sales take place in Greece. Nevertheless the portion of sales outside Greece is growing rapidly.

Amounts in Euro Company	1.1-31.12.2006			1.1-31.12.2005		
	Greece	Abroad	Total	Greece	Abroad	Total
SIDMA S.A.	123.425.241	6.480.310	129.905.551	101.029.669	5.514.112	106.543.781
PANELCO S.A.	18.017.973	4.884.789	22.902.763	15.257.970	2.372.723	17.630.693
SID-PAC BULGARIA S.A.	0	4.033.287	4.033.287	0	39.047	39.047
Total	141.443.215	15.398.386	156.841.601	116.287.639	7.925.882	124.213.521

6.2.6 Foreign currency translation

A. Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The financial statements are presented in Euros, which is the functional and presentation currency of the Company and of the Group.

B. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The balances referring to receivable or payable amounts are translated into the functional currency, in order to reflect the rates of the balance-sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

6.2.7 Property, plant and equipment

Group's and Company's Land, Buildings and Machinery are stated at deemed cost less subsequent depreciation and impairment. PANELCO's machinery and Subsidiaries Property Plant and Equipment, are shown at acquisition cost less accumulated depreciation, because of recent acquisition date.

The parent company recognised its Land, Buildings, Plants and Machinery at the date of transition to IFRSs at their fair value and used that fair value as their deemed cost at that date. The fair values were estimated by independent property valuers.

Other Group's fixed assets as well as the mechanical equipment of PANELCO SA are stated at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Maintenance costs are charged directly to P&L statement. Depreciation is calculated on the straight-line method to write off the assets to their residual values over their estimated useful lives as follows:

Buildings (Offices & Warehouses)	33 years
Plants	20 years
Production machinery	10 years
Other machinery	5 years
Motor vehicles	6,5 to 9 years
Computer equipment and software	4 years
Office equipment furniture and fittings	6,5 years

Land as well as assets under construction are not depreciated. Improvements to leased assets are depreciated within the lease period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

The management is responsible to define the estimated useful life and the depreciation of the property, plant and equipment. The management does not expect significant changes to the useful life of the abovementioned. Nevertheless, it will increase the depreciation in case the useful life is smaller compared to the one arising from previous estimations, or decrease the book value of any fixed asset which has been technologically disregarded or abandoned.

6.2.8 Intangible assets

A. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill on acquisitions of associates occurring is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents a separate Group's investment.

Negative goodwill is recognised where the fair value of the Group's interest in the net assets of the acquired entity exceeds the cost of acquisition and is taken to income immediately.

B. Computer software

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Software licences are stated at historical cost less subsequent depreciation. Depreciation is calculated on the straight-line method over their estimated useful lives which are 4 years.

SAP application, which was launched on July of 2005, is depreciated over its useful life which was defined by the Board of Directors to 8 years.

6.2.9 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

6.2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

6.2.11 Trade receivables

Trade receivables are recognised initially at carrying value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

6.2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

6.2.13 Non current assets held for sale

SIDMA classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The effective date which the asset is classified as held for sale is the date that fulfils the following requirements:

1. the asset becomes available for immediate sale,
2. the company is committed to a plan to sell the asset and
3. an active programme to locate a buyer and complete the plan has been initiated.

6.2.14 Share capital

- I. Ordinary shares and non-redeemable non-voting preferred shares with minimum statutory nondiscretionary dividend features are classified as equity.
- II. Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

III. Where the Company or its subsidiaries purchases the Company's own equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

6.2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Long term borrowings that fall due within the next fiscal year are classified as short term.

6.2.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

6.2.17 Taxation

Income tax includes the statutory tax, deferred taxation as well as provisions for any tax differences that may arise from a tax audit. Income tax is recognised in the P&L statement except the part of deferred tax of transactions carried directly to equity. Statutory tax has been calculated based on the reformed profits according to the local tax laws and tax rates (29%).

Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The deferred taxes are calculated with a tax factor of 25%, which is the factor that is expected to be valid during the year of recovery.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

6.2.18 Employee benefits

I. Current obligations

The current obligations of the Group towards its personnel, in monetary terms, are recognised directly as an expense as soon as they accrue.

II. Pension obligations

The Group has defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

6.2.19 Provisions, Contingent Liabilities and Contingent Assets

The Group forms provisions when:

- (a) the group or the company has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

Contingent liabilities and contingent assets are not recognised in the financial statements. Contingent assets are disclosed, where an inflow of economic benefits is probable while contingent liabilities are disclosed when the possibility of an outflow of resources embodying economic benefits, is high.

6.2.20 Revenue and Expenses recognition

Revenue and expenses are recognised in accordance with the principle of accrual basis.

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

I. Sales of goods – wholesale

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

II. Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

III. Dividend income

Dividend income is recognised when the right to receive payment is established, that means when dividends are approved by the General Assembly of the Shareholders.

6.2.21 Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the Lease period. Where the Group has substantially all the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

6.2.22 Dividends

The allotment of dividends and management fees (from the profits of each year), is recognised as a liability in the financial statements, only when the allotment is being approved by the General Assembly of the Shareholders.

6.3 Financial risk management

The Group is exposed to certain financial risks, i.e.: credit risk, liquidity risk and cash flow risk. The Group uses derivative financial instruments, such as futures, forwards, interest rate swaps and cross currency swaps to hedge certain risk exposures.

I. Credit risk

The company in order to eliminate the credit risk as much as possible insures all of its sales to two credit insurance companies in Greece. Moreover, a separate credit department ensures that sales of products are made to customers with an appropriate credit history. Sales have a high degree of diversification and no single customer participates by more than 2% in the annual sales turnover.

II. Liquidity risk

Liquidity risk is kept at low levels, as the Group maintains sufficient cash and credit lines available.

III. Cash flow and fair value interest rate risk

The Group does not have material interest bearing assets on its balance-sheet, so does not suffer from substantial changes in market interest rates.

The Group's cash flow interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain part of the long term borrowings in fixed rate instruments and part in floating rate.

The Group manages its cash flow interest rate risk by using interest rate swaps and Quanto swaps. The above derivative items qualify for hedge accounting (cash flow hedges), according to paragraph 88 of IAS 39 so any fluctuations in market value do not impact income for the period throughout the term of the derivative. Market value fluctuations are reported in the appropriate reserve account without affecting income (paragraph 95 of IAS 39). According to IAS 39, all derivative financial instruments are to be reported at market value at the reporting date.

6.4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. Nevertheless there are not any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

7 Additional Information and explanations

7.1 Property Plant and Equipment

The tangible fixed assets of the Group and the company are shown in the following tables:

Amounts in Euros	Group				Grand Total
	Land & buildings	Machinery	Other equipment	Assets under construction	
Acquisition cost or deemed cost 1.1.2005	24.858.183	9.948.382	1.930.562	209.684	36.946.810
less: Accumulated depreciation	-478.559	-1.012.711	-1.320.763	0	-2.812.033
Book value in 1.1.2005	24.379.624	8.935.670	609.798	209.684	34.134.776
Additions	1.115.911	1.378.798	249.066	33.742	2.777.517
Sales or Deletions	0	-6.059	-192.688	-41.875	-240.622
Depreciation	-500.894	-1.105.030	-170.551	0	-1.776.475
Depreciation of sold or deleted assets	0	0	192.688	0	192.688
Acquisition cost or deemed cost 31.12.2005	25.974.093	11.321.121	1.986.939	201.551	39.483.704
less: Accumulated depreciation	-979.453	-2.117.741	-1.298.626	0	-4.395.821
Book value in 31.12.2005	24.994.640	9.203.380	688.313	201.551	35.087.884
Additions	5.007.288	1.951.668	386.852	2.587.600	9.933.409
Sales or Deletions	0	0	-247.978	0	-247.978
Depreciation	-580.549	-1.273.462	-225.821	0	-2.079.832
Depreciation of sold or deleted assets	0	0	235.155	0	235.155
Acquisition cost or deemed cost 31.12.2006	30.981.382	13.272.789	2.125.813	2.789.151	49.169.135
less: Accumulated depreciation	-1.560.002	-3.391.203	-1.289.293	0	-6.240.498
Book value in 31.12.2006	29.421.380	9.881.586	836.521	2.789.151	42.928.637

Amounts in Euros	Company				Grand Total
	Land & buildings	Machinery	Other equipment	Assets under construction	
Acquisition cost or deemed cost 1.1.2005	20.919.558	6.059.950	1.693.892	197.954	28.871.354
less: Accumulated depreciation	-313.677	-612.930	-1.267.309	0	-2.193.916
Book value in 1.1.2005	20.605.880	5.447.020	426.584	197.954	26.677.438
Additions	180.208	1.171.084	216.687	0	1.567.980
Sales or Deletions	0	-6.059	-192.688	-30.145	-228.892
Depreciation	-335.783	-793.286	-135.610	0	-1.264.679
Depreciation of sold or deleted assets	0	0	192.688	0	192.688
Acquisition cost or deemed cost 31.12.2005	21.099.766	7.224.976	1.717.892	167.809	30.210.442
less: Accumulated depreciation	-649.461	-1.406.217	-1.210.231	0	-3.265.908
Book value in 31.12.2005	20.450.305	5.818.759	507.661	167.809	26.944.535
Additions	4.365.415	632.295	314.922	1.460.191	6.772.823
Sales or Deletions	0	0	-204.733	0	-204.733
Depreciation	-341.499	-911.838	-158.771	0	-1.412.108
Depreciation of sold or deleted assets	0	0	203.003	0	203.003
Acquisition cost or deemed cost 31.12.2006	25.465.181	7.857.270	1.828.080	1.628.000	36.778.532
less: Accumulated depreciation	-990.960	-2.318.054	-1.165.999	0	-4.475.013
Book value in 31.12.2006	24.474.222	5.539.216	662.081	1.628.000	32.303.519

Group's and Company's Land, Buildings and Machinery is stated at deemed cost less subsequent depreciation and impairment. PANELCO's machinery and Subsidiaries Property Plant and Equipment, are shown at acquisition cost less accumulated depreciation, because of recent acquisition date. The deemed cost was estimated by independent property valuers.

All other equipment (transportation means, furniture and other equipment as well as the machinery of the subsidiary), are stated at acquisition cost less accumulated depreciation and impairment. The acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

There are no pledges on the company's assets. There is a pledge of € 2.365.000 on PANELCO's assets referring to bank loans that on 31/12/2006 amounted to € 588.155.

7.2 Intangible Assets

The intangible assets for the Group and the Company, are shown in the following tables:

<u>Amounts in Euros</u>	Group		
	Consolidation differences as goodwill	Software programmes	Grand Total
Acquisition cost or deemed cost 1.1.2005	0	89.610	89.610
less: Accumulated depreciation	0	-59.089	-59.089
Book value in 1.1.2005	0	30.521	30.521
Additions	28.041	676.734	704.775
Sales or Deletions	0	0	0
Depreciation	0	-100.993	-100.993
Depreciation of sold or deleted assets	0	0	0
Acquisition cost or deemed cost 31.12.2005	28.041	766.344	794.385
less: Accumulated depreciation	0	-160.082	-160.082
Book value in 31.12.2005	28.041	606.262	634.303
Additions	0	196.429	196.429
Sales or Deletions	0	0	0
Depreciation	0	-104.746	-104.746
Depreciation of sold or deleted assets	0	0	0
Acquisition cost or deemed cost 31.12.2006	28.041	962.773	990.814
less: Accumulated depreciation	0	-264.828	-264.828
Book value in 31.12.2006	28.041	697.945	725.986

The goodwill amount of € 28.041 resulted from the purchase of extra participation percentage in the PANELCO's share capital.

<u>Amounts in Euros</u>	Company		
	Software programmes	Other	Grand Total
Acquisition cost or deemed cost 1.1.2005	89.610		89.610
less: Accumulated depreciation	-59.089		-59.089
Book value in 1.1.2005	30.521	0	30.521
Additions	672.667		672.667
Sales or Deletions	0		0
Depreciation	-96.926		-96.926
Depreciation of sold or deleted assets			0
Acquisition cost or deemed cost 31.12.2005	762.277	0	762.277
less: Accumulated depreciation	-156.015	0	-156.015
Book value in 31.12.2005	606.262	0	606.262
Additions	193.188		193.188
Sales or Deletions	0		0
Depreciation	-103.955		-103.955
Depreciation of sold or deleted assets			0
Acquisition cost or deemed cost 31.12.2006	955.464	0	955.464
less: Accumulated depreciation	-259.969	0	-259.969
Book value in 31.12.2006	695.495	0	695.495

7.3 Investments in Subsidiaries

The investment refers to the subsidiaries: "PANELCO S.A." (78% participation) and "SIDMA WORLDWIDE LIMITED" (100% participation). In the current year, both subsidiaries increased their Share Capital. The analysis of the investment for the current year is shown in the following table:

	31.12.2006		
	SIDMA		
	PANELCO S.A.	WORLDWIDE	Total
Balance at the beginning of the year	3.112.998	1.509.103	4.622.101
Increase of share capital of subsidiary	585.000	471.500	1.056.500
Balance at the end of the year	3.697.998	1.980.603	5.678.601

SIDMA WORLDWIDE LIMITED is participating to the following companies:

	31.12.2006		
	SID-PAC Steel & Construction products S.R.L.		
	SID-PAC BULGARIA		Total
Balance at the beginning of the year	1.020.570	475.478	1.496.048
Increase of share capital of subsidiary	0	464.815	464.815
Balance at the end of the year	1.020.570	940.293	1.960.863

7.4 Investments In Associates

The investment refers to the associate "SID-PAC steel & construction products SRL", located in Romania (50% participation through SIDMA WORLDWIDE LIMITED).

Some brief financial information for the associate, concerning year 2006, are shown below:

Amounts in EURO

Assets	7.285.596
Equity	1.186.134
Turnover (sales)	8.351.054
Losses of the year after taxation	-45.528

7.5 Other non-current assets

	Group		Company	
Amounts in Euros	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Non-current assets (guarantees)	64.536	62.121	39.228	39.327
Deferred tax asset	15.339	0	0	0
Total	79.875	62.121	39.228	39.327

Deferred tax assets resulted from SID-PAC BULGARIA S.A. losses, which are going to be recovered after year 2008.

7.6 Inventories

<i>Amounts in Euros</i>	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Merchandise	8.832.222	6.009.543	6.599.842	5.968.373
Finished and semi-finished products	6.717.748	6.277.619	5.983.713	5.745.401
Raw, auxiliary materials and spare parts	14.276.268	9.617.148	11.027.117	7.935.910
Payments in advances to suppliers	526.014	0	0	0
Total	30.352.251	21.904.309	23.610.672	19.649.684

7.7 Trade Receivables

<i>Amounts in Euros</i>	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Customers	42.680.099	33.927.939	38.010.960	30.555.779
Notes receivable	299.087	861.540	276.650	861.540
Cheques receivable	63.889.020	42.248.377	54.069.614	34.520.292
Total	106.868.206	77.037.856	92.357.224	65.937.610

The fair values of the above receivables are approximately the same with their book values.

7.8 Other Receivables

<i>Amounts in Euros</i>	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Sundry debtors	1.819.013	3.210.323	1.809.333	1.602.692
Receivables from the State (taxes, etc)	651.283	0	0	0
Doubtful customers & other debtors	3.954.358	2.443.000	3.059.720	2.080.125
Less: Allowances for doubtful receivables	-2.948.860	-1.881.956	-2.054.222	-1.694.956
Prepaid expenses	62.537	88.492	41.861	75.377
Advances and loans to personnel	5.616	143.883	536	13.401
Total	3.543.947	4.003.742	2.857.228	2.076.639

7.9 Cash and Cash Equivalents

<i>Amounts in Euros</i>	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Cash on hand	40.935	60.127	29.748	41.047
Short-term deposits	5.011.087	9.838.532	4.333.913	9.551.791
Total	5.052.021	9.898.659	4.363.662	9.592.838

7.10 Non-current Assets held for Sale

The non-current asset at the company's and the group's possession, has been acquired in an auction carried out by a client of our company. This asset was fulfilled the conditions for disclosing in the category of "non-current assets held for sale" at 31/12/2006, while the company intends to sell it within the year and the procedures for it sale have already started. This asset was assessed in the book value at 31/12/2006, because this value is estimated to be inferior to the fair value (less the disposal expenses).

<u>Amounts in Euros</u>	<u>Group</u>	<u>Company</u>
Book value in 1.1.2005	0	0
Additions	0	0
Sales or Deletions	0	0
Book value in 31.12.2005	0	0
Additions	25.917	25.917
Sales or Deletions	0	0
Book value in 31.12.2006	25.917	25.917

7.11 Share Capital

	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euros</u>	<u>31.12.2006</u>	<u>31.12.2005</u>	<u>31.12.2006</u>	<u>31.12.2005</u>
Share Capital (no. of shares * nominal value)	13.500.000	13.500.000	13.500.000	13.500.000
Share Premium	9.875.000	9.875.000	9.875.000	9.875.000
Total	23.375.000	23.375.000	23.375.000	23.375.000

The share capital of SIDMA SA consists of (10.000.000) ordinary shares with a par value of € 1,35. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the company. The company increased its Share Capital during 2005 through a Public Offering via book building by issuing 2,500,000 shares, at par value of € 1,35. The issued shares are listed at the Athens Stock Exchange.

The share premium amount shown above resulted from the difference between the value received for each new share (€ 5,3) and the par value of the share, that is 2,500,000 shares x (€ 5,3 – € 1,35).

7.12 Reserves

	<u>Group</u>					
<u>Amounts in Euros</u>	<u>Legal Reserve</u>	<u>Extraordinary Reserves</u>	<u>Tax-free reserves under special laws</u>	<u>Difference from the revaluation of assets</u>	<u>Exchange differences from the consolidation of associates</u>	<u>Total</u>
Balance in 1.1.2005	1.458.492	239.720	8.449.773	1.403.658	0	11.551.643
Formation of reserves from the profits of the year 2005	158.894	0	0	0	0	158.894
Other changes	0	0	0	0	0	0
Balance in 31.12.2005	1.617.386	239.720	8.449.773		0	11.710.538
Formation of reserves from the profits of the year 2006	423.196	0	891.225	0	0	1.314.421
Other changes	0	0	0	0	1.574	1.574
Balance in 31.12.2006	2.040.582	239.720	9.340.998		1.574	13.026.533

<u>Amounts in Euros</u>	Company				
	Legal Reserve	Extraordinary Reserves	Tax-free reserves under special laws	Difference from the revaluation of assets	Total
Balance in 1.1.2005	1.449.031	239.720	8.449.773	1.403.658	11.542.183
Formation of reserves from the profits of the year 2005	126.197	0	0	0	126.197
Other changes	0	0	0	0	0
Balance in 31.12.2005	1.575.229	239.720	8.449.773	1.403.658	11.668.381
Formation of reserves from the profits of the year 2006	350.997	0	548.616	0	899.613
Other changes	0	0	0	0	0
Balance in 31.12.2006	1.926.225	239.720	8.998.389	1.403.658	12.567.993

Tax-free reserves were formed in accordance with the Greek Tax Law and remain as tax-free only if these reserves will not be distributed as a dividend to the shareholders. The company does not intend to distribute these reserves and for this reason, no income tax has been calculated.

7.13 Retained Earnings

<u>Amounts in Euros</u>	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Retained Earnings carrying from the previous year (1.1.2006 and 1.1.2005 correspondingly)	16.417.762	17.096.107	16.126.570	17.084.332
Dividends and management fees paid within the year	-1.712.401	-3.356.675	-1.650.000	-3.356.675
Adjustments charged directly to the Retained Earnings	214.249	274.314	214.249	279.114
Proposed dividends of the current year	2.500.000	1.200.000	2.500.000	1.200.000
Proposed management fees of the current year	590.000	450.000	590.000	450.000
Profit/Loss of the year (after tax and distribution)	4.010.632	754.017	3.349.499	469.799
Retained Earnings at the end of each year	22.020.242	16.417.762	21.130.318	16.126.570

7.14 Minority Interests

<u>Amounts in Euros</u>	Group	
	31.12.2006	31.12.2005
Minority Rights at the beginning of the year	1.397.305	1.510.935
Sale part of the participation in PANELCO's share capital to SIDMA	0	-636.183
Establishment of new subsidiary (SID-PAC BULGARIA)	0	340.182
Increase of PANELCO's share capital	165.000	0
PANELCO's dividends paid	-82.115	0
Profit of the year	382.628	182.372
Minority Rights at the end of each year	1.862.818	1.397.305

7.15 Borrowings & Financial Leases

Amounts in Euros	Group		Company	
Bank loans, overdrafts and finance leasing	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Long-term liabilities				
Long-term bank loans	56.478.019	588.115	51.281.981	52.752
Obligations under finance leasing (long-terms)	993.990	549.894	37.241	0
Total long-term liabilities (a)	57.472.009	1.138.008	51.319.222	52.752
Short-term liabilities				
Short-term bank loans	17.170.034	61.225.138	7.360.127	50.991.074
Obligations under finance leasing (short-terms)	318.546	0	0	0
Current installments of long-term loans	392.076	392.076	0	0
Factoring	0	0	0	0
Total short-term liabilities (b)	17.880.657	61.617.215	7.360.127	50.991.074
Grand Total (a)+(b)	75.352.666	62.755.223	58.679.349	51.043.826

The maturity of the total borrowings (loans and finance leasing) is as follows:

	Group		Company	
Bank loans, overdrafts and finance leasing	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Within 1 up to 2 years	17.880.657	62.205.329	7.360.127	51.043.826
Within 2 up to 5 years	57.472.009	549.894	51.319.222	0
More than 5 years				
Total	75.352.666	62.755.223	58.679.349	51.043.826

7.16 Government Grants

The amount of € 1.141.346 refers to Government Grants received from the subsidiary "PANELCO S.A.". This grant is related to capital expenditure realized by the subsidiary in its Lamia plant. The specific capital expenditure was incorporated in the governmental development law 2601/98 that had to do with the construction of a plot for the production of metal and thermo-insulating elements. The accounting method used by the group set up the grant as deferred income and is recognizing it as income on a systematic and rational basis over the useful life of the asset.

7.17 Deferred Tax

The Group has chosen to set off the deferred tax assets against the deferred tax liability of the same taxable entity if, and only if, they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to do so.

Deferred taxes arising from temporary differences can be summarised as follows:

	Group				Company			
	31.12.2006		31.12.2005		31.12.2006		31.12.2005	
Amounts in Euros	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-current Asset								
Intangible Assets	58.321	53.732	106.085	0	1.167	53.732	1.622	0
Tangible Assets	0	3.092.920	0	3.166.857	0	2.874.686	0	2.936.508
Current Asset								
Provisions for doubtful debtors	393.395	0	332.390	0	220.640	0	285.640	0
Long-term liabilities								
Retirement Benefits to personnel	245.531	0	228.078	0	238.987	0	224.184	0
Financial Leasing	0	71.510	0	20.855	0	3.323	0	2.670
Long-term bank loans	24.296	0	95.712	0	24.296	0	95.712	0
Total	721.543	3.218.162	762.266	3.187.712	485.089	2.931.740	607.158	2.939.178
Write-off	(721.543)	(721.543)	(762.266)	(762.266)	(485.089)	(485.089)	(607.158)	(607.158)
Grand Total	0	2.496.619	0	2.425.447	0	2.446.651	0	2.332.020

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Deferred Tax Assets				
· Recovered after 12 months	697.247	619.804	460.793	511.445
· Recovered within 12 months	24.296	95.712	24.296	95.712
	721.543	715.516	485.089	607.158
Deferred Tax Liabilities				
· Recovered after 12 months	3.218.162	3.138.292	2.931.740	2.936.508
· Recovered within 12 months		2.670	0	2.670
	3.218.162	3.140.962	2.931.740	2.939.178
Balance after the write-off	2.496.619	2.425.447	2.446.651	2.332.020

7.18 Pensions obligations

The liabilities recognised for pensions in the balance sheet and their movement including the components of pension expenses due to defined contribution arrangements can be reconciled as follows:

Retirement Benefits	Group	Company
Accrued retirement benefit obligations 1/1/2005	851.760	844.050
Current service cost 1/1-31/12/2005	75.397	68.049
Current interest cost 1/1-31/12/2005	520	0
Retirement benefits paid 1/1-31/12/2005	-15.363	-15.363
Accrued retirement benefit obligations 31/12/2005	912.314	896.736
Current service cost 1/1-31/12/2006	185.414	171.450
Current interest cost 1/1-31/12/2006	42.592	41.612
Retirement benefits paid 1/1-31/12/2006	-158.195	-153.850
Accrued retirement benefit obligations 31/12/2006	982.125	955.948

For determination of the pension liability, the following actual assumptions were used:

	2006	2005
Discount Rate	4,1%	4,5%
Future salaries increase	5,0%	4,0%
Inflation	2,5%	2,5%
Death - rate (Swiss Index)	EVK2000	EVK2000

7.19 Trade and other payables

Amounts in Euros	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Trade Suppliers	39.842.233	22.873.334	34.409.744	19.665.743
Notes payable	2.181.423	1.974.343	2.181.423	1.974.343
Advances from trade debtors	213.609	217.548	109.416	134.120
Sundry creditors	1.318.167	1.424.388	1.032.170	1.186.568
Dividends payable	189	378	189	378
Accrued Expenses	196.686	122.538	160.728	79.640
Deferred Income	0	1.265	0	0
Tax and duties payable	5.798.518	1.588.758	4.593.658	717.534
Social Security	361.733	324.570	288.959	268.140
Total	49.912.558	28.527.120	42.776.286	24.026.464

7.20 Turnover (Sales)

Sales for the period ended 31.12.2006 and 31.12.2005, are analysed by category of products and services (using Greek Statistical Service Codes) as follows:

Amounts in Euros	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
27.10 Manufacture of basic iron, steel and ferro-alloys	78.409.727	69.921.945	78.605.064	70.497.371
51.52 Wholesale of metals and metal ores	50.969.698	34.635.645	47.246.982	34.126.811
28.11 Manufacture of metal structures and parts of structures	22.575.040	17.160.606	0	0
28.51 Treatment and coating of metals	4.885.583	2.471.700	4.885.583	2.471.700
27.22 Manufacture of steel tubes	1.552	23.625	1.552	23.625
Grand Total	156.841.601	124.213.521	130.739.181	107.119.507

Moreover, the parent company performed on behalf of third parties, for the FY 2006, (Consignment) sales amounted to € 67.140.485 compared to € 59.058.696 for the FY 2005 respectively.

7.21 Cost of Sales

Amounts in Euros	Cost of sales			
	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Cost of Goods	-126.775.382	-104.859.170	-108.054.060	-92.621.319
Payroll & Related Expenses	-2.192.413	-1.738.621	-1.186.832	-925.428
Third Party Fees & Related Expenses	-638.584	-570.514	-307.616	-220.408
Utilities - Services	-452.234	-315.476	-398.440	-248.539
Taxes - Stamp Duties	-97.938	-80.070	-97.938	-80.070
Various Expenses	-382.103	-278.741	-321.146	-224.555
Depreciation	-1.503.391	-1.256.921	-966.433	-780.066
Grand Total	-132.042.045	-109.099.514	-111.332.465	-95.100.384

7.22 Other Income

Amounts in Euros	Other income			
	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Income from rendering services to third parties	527.165	427.311	615.796	457.021
Agency Fees	2.836.721	2.212.967	2.836.721	2.212.967
Rentals	1.200	1.200	1.200	1.200
Invoiced expenses for dispatching goods	1.409.522	1.221.122	1.014.174	921.856
Incidental activity income	0	0	0	0
Prior year's income	122.065	69.938	122.065	69.938
Non-operating gains	34.938	4.176	33.920	4.176
Income from Government Grants	116.261	269.420	0	0
Other non-operating income	161.546	219.907	151.453	202.913
Income from prior years' provisions	300.460	1.337.206	300.460	1.337.206
Grand Total	5.509.877	5.763.248	5.075.790	5.207.277

7.23 Administrative expenses

Amounts in Euros	Administrative Expenses			
	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Payroll & Related Expenses	-1.993.768	-1.807.727	-1.562.727	-1.521.388
Third Party Fees & Related Expenses	-331.712	-924.915	-222.635	-853.673
Utilities - Services	-639.931	-477.645	-259.683	-236.928
Taxes - Stamp Duties	-76.352	-66.933	-52.510	-42.280
Various Expenses	-359.420	-506.087	-241.503	-433.662
Depreciation	-310.902	-273.986	-197.064	-236.818
Provisions	-35.553	-20.701	-35.553	-20.701
Grand Total	-3.747.638	-4.077.995	-2.571.675	-3.345.451

7.24 Selling/Distribution expenses

Amounts in Euros	Selling Expenses			
	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Payroll & Related Expenses	-3.723.160	-3.374.751	-3.505.733	-3.183.838
Third Party Fees & Related Expenses	-653.330	-513.113	-483.895	-368.489
Utilities - Services	-1.477.454	-1.249.230	-1.381.147	-1.225.937
Taxes - Stamp Duties	-102.625	-88.588	-102.625	-88.588
Various Expenses	-2.657.974	-2.301.861	-2.249.008	-1.932.200
Depreciation	-370.286	-431.041	-352.566	-429.209
Provisions	-84.260	-39.900	-84.260	-39.900
Grand Total	-9.069.089	-7.998.484	-8.159.234	-7.268.160

7.25 Other expenses

Amounts in Euros	Other Expenses			
	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Prior year's expenses	-28.245	-19.907	-25.227	-15.854
Non-operating losses	-4.471	-12.157	-1.061	-22
Other non-operating expenses	-56.783	-394.723	-51.733	-301.893
Allowances for doubtful receivables and employee benefits	-1.539.049	-1.040.005	-910.000	-757.448
Grand Total	-1.628.548	-1.466.792	-988.021	-1.075.216

7.26 Finance expenses (net)

	Finance Expenses (net)			
	Group		Company	
Amounts in Euros	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Credit interest and similar income	438.023	528.699	413.099	522.152
Income from bank deposits	3.728	25.480	228.735	22.656
Interest Expense	-3.913.199	-3.129.826	-3.233.837	-2.563.743
Financial leasing expense	-58.393	-26.078	-1.829	-2.384
Grand Total	-3.529.842	-2.601.725	-2.593.831	-2.021.319

7.27 Losses resulted from the consolidation of the associations with the equity method

This amount refers to the losses of Group, resulted from the associate company "SID-PAC Steel & Construction Products S.R.L", domiciled in Romania (participation 50%). The losses of subsidiary company for the year 2006 amounted to € 45.528.

7.28 Taxation

	Taxation			
	Group		Company	
Amounts in Euros	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Income Tax	-3.374.484	-1.226.239	-2.665.812	-829.648
Deferred Tax	16.429	-311.842	-43.214	-339.808
Amount resulting from Tax Audit for the year 2004-2005	-410	0	-8.628	0
Provision for Tax Audit Differences for non-audited fiscal years	-130.000	-100.000	-90.000	-80.000
Other Taxes	-25.407	-22.860	-22.978	-20.801
Grand Total	-3.513.872	-1.660.941	-2.830.632	-1.270.257

7.29 Basic EPS

The basic earnings per share have been calculated using the net results attributable to shareholders of SIDMA S.A. as numerator. The weighted average number of outstanding shares used for basic earnings per share as denominator, amounted to 10.000.000 shares for the fiscal year 2006 and took into account the share capital increase by the issue of 2.500.000 new shares.

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Profit to the Shareholders of the mother company	8.415.053	2.562.911	7.339.112	2.245.996
Weighted number of shares	10.000.000	9.166.667	10.000.000	9.166.667
Basic Earnings Per Share (EURO/share)	0,84	0,28	0,73	0,25

7.30 Dividends per share

The dividends paid during 2006 was € 1.200.000 (€ 0,12 per share), referred to the net results of 2005 and has been approved by the Annual General Meeting of the shareholders of the company on 08/06/2006.

Regarding 2007, a dividend of € 2.500.000 (€ 0,25 per share) will be proposed to the Annual General Meeting.

The Board of Directors of a consolidated subsidiary company, decided not to distribute any dividend for this year. However, this decision is subject to the approval from the General Assembly of the Shareholders.

7.31 Non-Audited Fiscal Years

The mother company and the subsidiary PANELCO S.A. have been audited by the Tax Authorities up to Fiscal Year 2005. For the non-audited fiscal year 2006, the P&L Statement for the Company and the Group, has been charged with provisions amounted to € 90.000 and € 130.000 correspondingly.

Moreover, after the completion of the tax audit for the aforementioned companies, the extra amount resulted from the audit (€ 8.628 for the Company and € 410 for the Group) was charged in the P & L Statement.

The other consolidated companies SIDMA WORLDWIDE CYPRUS, SID-PAC BULGARIA and SID-PAC Steel & Construction Products SRL, have not been audited by the local Tax Authorities. But, because of losses, no taxes are expected to result.

7.32 Number of personnel

The average number of employees at the end of the reporting and the previous year for the group and the company is shown in the following table:

No. of persons	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Average no. of personnel	296	268	202	201

8 Intra-Group Transactions and Balances

8.1 Intra-Group Sales

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Sales of goods				
Subsidiaries	0	833.630	0	575.426
Other companies of the group	3.013.107	2.128.487	2.567.516	1.894.901
Total	3.013.107	2.962.116	2.567.516	2.470.327

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Sales from services rendering				
Subsidiaries	0	48.871	0	29.788
Other companies of the group	3.352.132	3.352.132	2.591.523	2.591.523
Total	3.352.132	3.401.003	2.591.523	2.621.312

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Sales of fixed assets				
Subsidiaries	0	2.000	0	0
Other companies of the group	0	0	0	0
Total	0	2.000	0	0

8.2 Intra-Group Purchases and Expenses

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Purchases of goods				
Subsidiaries	0	161.356	0	62.438
Other companies of the group	5.832.449	5.808.155	4.054.809	4.019.678
Total	5.832.449	5.969.511	4.054.809	4.082.116

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Receiving of services				
Subsidiaries	0	38.518	0	83
Other companies of the group	899.906	561.120	732.790	465.100
Total	899.906	599.638	732.790	465.183

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Purchases of fixed assets				
Subsidiaries	0	33.981	0	2.113
Other companies of the group	257.061	257.061	584.321	584.321
Total	257.061	291.042	584.321	586.433

8.3 Intra-Group Receivables & Payables

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Receivables				
Subsidiaries	0	269.793	0	416.779
Other companies of the group	1.999.877	1.364.935	960.154	700.466
Total	1.999.877	1.634.727	960.154	1.117.245

Amounts in euros	1.1-31.12.2006		1.1-31.12.2005	
	Group	Company	Group	Company
Payables				
Subsidiaries	0	65.180	0	7.740
Other companies of the group	25.723.478	25.602.051	7.488.338	7.279.302
Total	25.723.478	25.667.231	7.488.338	7.287.042

8.4 Management and Board of Directors' fees

The Board of Directors and management fees for the Company and the Group, are shown in the following table:

Amounts in euros	Group		Company	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Management Fees	766.228	700.573	570.945	572.805
Board of Directors fees	691.304	587.992	513.321	479.907
	1.457.532	1.288.565	1.084.266	1.052.712

9 Post Balance Sheet Events

PANELCO S.A. according to the decision of the Extraordinary General Assembly of its Shareholders on 21/12/2006, refinanced part of its short term borrowings with a 5 year bond loan (bullet) of € 5 million from EUROBANK EFG. The loan agreement took place on January 2007.

ATHENS - February 16, 2007

**CHAIRMAN OF THE BOARD
OF DIRECTORS**

**VICE-CHAIRMAN OF THE BOARD
OF DIRECTORS**

MARCEL L. AMARIGLIO

MENELAOS A. TASOPOULOS

THE GENERAL MANAGER

**THE CHIEF FINANCIAL
OFFICER**

ACCOUNTING DEP. HEAD

DANIEL D. BENARDOUT

MICHAEL C. SAMONAS

PARIS G. PAPAGEORGIOU