



MICHANIKI S.A.

FISCAL YEAR 2005 ANNUAL REPORT

(according to the Hellenic Capital Market Commission Board of Directors
Decision 7/372/15.02.2006)

June 2006



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1. YEARLY FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARDS

**MICHANIKI S.A.
GROUP OF COMPANIES**

**Year-End Financial Statements
for the period from January 1st up to
and December 31st 2005**

It is certified that the attached re-disclosed Year-End Financial Statements, are those approved by the Board of Directors of "MICHANIKI S.A." at 20/03/2006 and have been published with their disclosure through the internet, at the website address www.michaniki.gr. It is noted that the published in the Press concise financial data and information, aim at providing to the reader certain general financial information but they do not provide the comprehensive view of the Company's and Group's financial position and results, in accordance with the International Accounting Standards. It is also noted that, for simplification purposes, the concise financial data published in the press have had certain item abridgements and reclassifications.

Prodromos Emfietzoglou
Chairman
MICHANIKI S.A.

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Balance Sheet – Income Statement

ASSETS	Note	THE GROUP		THE COMPANY	
		31/12/2005	31/12/2004	31/12/2005	31/12/2004
Non Current Assets					
Tangible Assets	6.1	66.076	83.920	38.132	52.828
Property Investment	6.5	43.255	34.806	0	0
Other Intangible Assets	6.3	11	15	5	10
Expenditures for exploration and evaluation of mineral resources	6.3	587	646	0	0
Investments in Subsidiaries	6.4	0	0	128.386	121.857
Investments in Associates	6.4	13	13	0	0
Investments in Joint Ventures/Consortiums	6.4	14.425	8.721	13.473	8.557
Financial assets at fair value through profit or loss	6.4	24	24	18	18
Less: Provisions for devaluations	6.4	(3)	(3)	(39.050)	(41.520)
Other long-term receivables	6.6	3.618	4.472	3.459	4.318
Deferred tax receivables	6.14	6.787	6.496	5.563	5.876
		134.794	139.108	149.986	151.944
Current Assets					
Inventories	6.7	81.892	69.477	35.401	30.240
Commercial receivables	6.8, 6.9	72.801	47.300	41.861	19.041
Receivables from Affiliated and other investment interest Companies	6.10	35.136	29.039	35.129	28.866
Other Receivables		3.828	920	3.256	890
Financial assets at fair value through profit or loss	6.11a	545	562	540	556
Other Current item Assets	6.11	2.410	1.339	466	665
Prepayments	6.11	13.882	11.406	4.231	5.325
Cash and cash equivalent	6.12	38.192	31.965	19.774	21.814
		248.686	192.008	140.658	107.398
Total Assets		383.480	331.117	290.644	259.343

Possible differences in totals are due to number rounding

	Note	THE GROUP		THE COMPANY	
		31/12/2005	31/12/2004	31/12/2005	31/12/2004
Shareholders Equity & Liabilities					
Equity	6.13				
Share Capital		137.502	137.502	137.502	137.502
Share Premium		129.629	129.629	129.629	129.629
Own Shares		(3.745)	(18.450)	(3.136)	(4.793)
Foreign Exchange Differences		(882)	(150)	0	0
Statutory Legal Reserve		3.152	3.102	2.616	2.584
Other Reserves		34.518	26.238	20.386	20.127
Distributional Dividends		0	11.006	0	10.859
Retained Earnings		(98.607)	(101.377)	(92.777)	(107.852)
Equity Attributable to Parent Company Shareholders		201.566	187.500	194.219	188.055
Minority Rights		20.964	21.454	0	0
Total Equity		222.529	208.954	194.219	188.055
LIABILITIES					
Long-term Liabilities					
Bank Loans	6.16	8.392	6.607	0	0
Provisions for employee retirement benefits and other long-term grants	6.15	1.919	1.897	866	679
Deferred tax liabilities	6.14	18.409	11.958	12.944	7.773
Other Long-term Liabilities	6.15	7.120	8.900	(0)	890
Other Provisions	6.14	3.507	7.515	3.303	7.279
Total Long-term Liabilities		39.347	36.877	17.113	16.621
Short-term Liabilities					
Bank Loans	6.16	36.892	11.436	22.000	0
Short-term part of other short-term liabilities	6.16	2.502	3.622	692	1.949
Commercial Liabilities (trade creditors etc)	6.17	39.546	27.191	22.975	18.881
Taxes and social security	6.16	4.320	7.819	2.815	5.471
Other liabilities	6.17	14.895	13.083	8.462	6.553
Advances	6.17	2.929	1.725	2.238	1.403
Liabilities to affiliated and other investment interest companies	6.19	20.520	20.410	20.129	20.410
Total Short-term Liabilities		121.604	85.286	79.312	54.667
Total Liabilities		160.951	122.163	96.425	71.287
Total Shareholders Equity and Liabilities		383.480	331.117	290.644	259.343

Possible differences in totals are due to number rounding

Period Profit & Loss Account

	Note	THE GROUP		THE COMPANY	
		1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Sales Turnover	5	116.935	120.034	84.299	76.465
Cost of Sales	6.21	(90.463)	(97.249)	(60.858)	(61.539)
Gross Profit		26.472	22.785	23.441	14.925
Other Operating Income	6.24	20.318	8.470	9.108	4.252
Selling Expenses	6.23	(1.606)	(1.677)	(57)	(57)
Administrative Expenses	6.22	(9.122)	(7.449)	(7.021)	(5.007)
Other Operating Expenses	6.24	(4.036)	(6.137)	(1.566)	(592)
Profit before Interest, Financial and Investment Results		32.026	15.992	23.906	13.521
Depreciation	6.1-6.2	6.200	6.675	3.043	3.299
Profit before Interest, Financial and Investment Results and depreciation		38.225	22.668	26.949	16.820
Financial Income	6.25	3.555	6.841	3.519	6.903
Financial Expenses	6.25	(13.242)	(6.003)	(10.163)	(12.692)
Other Financial Results	6.25	0	0	0	0
Share of profit from associate companies	6.25	4.329	4.087	3.540	3.933
Financial Result		(5.358)	4.926	(3.104)	(1.856)
Depreciation	6.1-6.2	(6.200)	(6.675)	(3.043)	(3.299)
Profit before Income Tax		26.668	20.918	20.801	11.665
Income Tax	6.18	(7.187)	(9.275)	(5.759)	(7.017)
Profit after tax		19.481	11.643	15.043	4.648
Attributable to:					
Equity shareholders of the parent company	6.27	19.631	14.185	15.043	4.648
Minority Rights		(150)	(2.543)	0	0
Profit after tax per share - basic (in €)		0,2113	0,1527	0,1619	0,0500

Possible differences in totals are due to number rounding

The attached notes constitute an integral part of these financial statements.

Consolidated Statement of Changes in Equity

NOTE	THE GROUP								
	Note	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Earnings	Total	Minority Rights	Total
Balance at January 1st 2004		137.502	129.629	0	35.480	2.472	305.082	59.710	364.792
Transition Adoptions to the IFRS	28	0	0	0	(19.747)	(110.814)	(130.561)	(36.853)	(167.415)
Balance at January 1st 2004, according to IFRS		137.502	129.629	0	15.733	(108.342)	174.521	22.857	197.378
Change in Equity for the period 01/01 - 31/12/2004									
Foreign Exchange Conversion Differences		0	0	0	(715)	0	(715)	0	(715)
Minority rights from share capital increase of subsidiary company		0	0	0	10.153	(6.452)	3.701	(1.403)	2.298
Distributed dividends		0	0	0	(9.291)	0	(9.291)	0	(9.291)
Purchases (sales) of Own Shares		0	0	0	5.764	0	5.764	0	5.764
Profits / (Losses) from sale of Own Shares		0	0	0	0	1.617	1.617	0	1.617
Net Income recorded directly to the net equity		0	0	0	102	159	260	0	260
Net Period Results 01/01-31/12/2004		0	0	0	0	11.643	11.643	0	11.643
		0	0	0	0	0	0	0	0
Total Period Change		0	0	0	6.013	6.966	12.979	(1.403)	11.576
Remaining Equity Balance at December 31st 2004		137.502	129.629	0	21.746	(101.377)	187.500	21.454	208.954
Remaining balance at January 1st 2005, according to the previous accounting principles		137.502	129.629	0	39.859	3.462	310.452	64.390	374.841
Adoption Transitions to the IFRS		0	0	0	(18.112)	(104.839)	(122.952)	(42.936)	(165.887)
Remaining balance at January 1st 2005, according to the IFRS		137.502	129.629	0	21.746	(101.377)	187.500	21.454	208.954
Change of Equity for the period 01/01 - 31/12/2005									
Change of Foreign Exchange Conversion Differences		0	0	0	(343)	0	(343)	0	(343)
Minority rights from investment percentage change in subsidiary		0	0	0	7.191	(7.479)	(288)	(490)	(778)
Distributed Dividends		0	0	0	(10.859)	0	(10.859)	0	(10.859)
Purchases (sales) of Own Shares		0	0	0	14.705	0	14.705	0	14.705
Profits / (Losses) from sale of Own Shares		0	0	0	0	(9.232)	(9.232)	0	(9.232)
Net Period Results 01/01-31/12/2005		0	0	0	0	19.481	19.481	0	19.481
Net income recorded directly to the net equity		0	0	0	566	36	602	0	602
Total Period Change		0	0	0	11.260	2.806	14.066	(490)	13.575
Remaining balance of Equity at December 31st 2005		137.502	129.629	0	33.042	(98.607)	201.566	20.964	222.529

Possible differences in totals are due to number rounding

Statement of Changes in Equity of Parent Company

THE COMPANY

	Note	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Earnings	Total
Balance at 1/1/2004, according to the previous accounting principles		137.502	129.629	0	(10.656)	72	256.546
Transition Adoptions to the IFRS	28	0	0	0	36.210	(106.297)	(70.087)
Balance at 1/1/2004, according to IFRS		137.502	129.629	0	25.554	(106.225)	186.459
Purchases (sales) Own Shares		0	0	0	0	2.461	2.461
Profits / (losses) of Own Shares sales that were transferred to the Equity Capital		0	0	0	0	0	0
Distributable Dividends		0	0	0	(9.291)	0	(9.291)
<i>Net Period Results 1/1-31/12/2004</i>		0	0	0	12.513	(4.088)	8.426
Total Period Change		0	0	0	3.223	(1.627)	1.596
<i>Equity Capital Balance at 31/12/2004</i>		137.502	129.629	0	28.777	(107.852)	188.055
Balance at 1/1/2005, according to the previous accounting principles		137.502	129.629	0	(19.484)	2.104	249.750
Transition Adoptions to the IFRS		0	0	0	48.261	(109.955)	(61.695)
Balance at 1/1/2005, according to IFRS		137.502	129.629	0	28.777	(107.852)	188.055
<i>Equity capital change for the period 1/1-31/12/2005</i>							
Purchases (sales) Own Shares		0	0	0	1.658	32	1.689
Net result recorded directly to the net equity		0	0	0	290	0	290
Distributable Dividends		0	0	0	(10.859)	0	(10.859)
<i>Net Period Results 1/1-31/12/2005</i>		0	0	0	0	15.043	15.043
Total Period Change		0	0	0	(8.911)	15.074	6.163
Equity capital balance December 31st, 2005		137.502	129.629	0	19.866	(92.777)	194.219

Possible differences in totals are due to number rounding

The attached notes constitute an integral part of these financial statements.

Cash flow statement (Indirect method)

The cash flow statement on a group basis and analyzed by continuing and terminated activities is depicted below:

	GROUP Cash Flows		GROUP Cash Flows from continuing utilizations		Cash Flows from terminated utilizations	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Operating activities						
Profit before tax	26.668	20.918	26.647	18.169	21	2.749
<i>Plus / less adjustments for:</i>						
Depreciation / (depreciation of grants)	6.084	6.412	3.234	5.867	2.850	545
Losses / (Profits) from asset sale	(2.907)	45	(709)	45	(2.198)	0
Provisions / (Revenues from unused provisions of previous year-ends)	(4.859)	4.285	(4.859)	3.854	0	431
Losses / (Profits) of fair value property investments	(8.022)	(1.776)	(8.022)	(1.776)	0	0
Foreign exchange differences	73	(468)	73	(468)	0	0
Results (income, expenses, profits and losses) from investment activity	7.090	(202)	7.090	(202)	0	0
Joint venture valuation with the net equity method	(4.329)	(4.087)	(4.329)	(4.087)	0	0
Credit interest and similar income	(155)	(132)	(155)	(124)	(0)	(8)
Debit interest and similar charges	1.891	1.151	1.810	1.103	81	48
<i>Plus / less adjustments for changes of working capital accounts or accounts related with operating activities:</i>						
Decrease / (increase) of inventories	(12.689)	(16.526)	(17.144)	(15.618)	4.455	(909)
Decrease / (increase) of receivables	(33.874)	1.403	(15.789)	967	(18.085)	436
(Decrease) / increase of liabilities (except banks)	25.996	12.210	27.797	13.778	(1.801)	(1.568)
<i>Less:</i>	0	0	0	0		
Paid up Debit interest and similar charges	(1.887)	(1.167)	(1.834)	(1.131)	(52)	(35)
Paid up taxes	(12.561)	(16.298)	(11.849)	(14.846)	(712)	(1.452)
<i>Total inflows / (outflows) from operating activities (a)</i>	(13.480)	5.768	1.961	5.531	(15.442)	236
Investment activities						
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	(391)	336	(391)	336	0	0
Purchases of tangible and intangible assets	(3.857)	(2.569)	(3.857)	(2.289)	0	(280)
Collections from sales of tangible and intangible assets	17.864	684	1.597	684	16.267	0
Acquirement from property investments	(1.215)	(320)	(1.215)	(320)	0	0
Collection from property investment sales	0	0	0	0	0	0
Loans provided to affiliated parties	(6.653)	(3.593)	(6.653)	(3.593)	0	0
Share capital decrease of subsidiary	0	0	0	0	0	0
Interest received	36	96	36	96	0	0
Collections from Government grants	0	0	0	0	0	0
Settlement of Derivative Financial Items	(5.360)	4.354	(5.360)	4.354	0	0
Collected dividends	147	323	147	323	0	0
Other	0	0	0	0	0	0
<i>Total inflows / (outflows) from investment activities (b)</i>	571	(689)	(15.696)	(409)	16.267	(280)
Financial Activities						
Collections from share capital increase	0	0	0	0	0	0
Collections from issued / undertaken loans	43.965	0	43.965	0	0	0
Sales / (Purchases) of own shares	5.441	7.869	5.441	7.869	0	0
Dividends paid to the parent company shareholders	0	0	0	0	0	0
Loan settlements	(16.752)	0	(16.752)	0	0	0
Liability settlements from financial leases (amortization)	(2.904)	(2.635)	(2.073)	(1.996)	(831)	(639)
Paid dividends	(10.613)	(8.769)	(10.613)	(8.769)	0	0
<i>Total inflows / (outflows) from financial activities (c)</i>	19.136	(3.535)	19.968	(2.897)	(831)	(639)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	6.227	1.543	6.233	2.225	(6)	(683)
Cash and cash equivalents at the beginning of the period	31.965	30.422	31.947	29.722	17	700
Cash and cash equivalents at the end of the period	38.192	31.965	38.180	31.947	12	17

For the company the cash flow statement with an analysis on continuing-terminated utilizations is depicted below:

	Company Cash Flows		Continuing utilizations		Terminated utilizations	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Operating activities						
Profit before tax	20.801	11.665	20.780	8.916	21	2.749
<i>Plus / less adjustments for:</i>						
Depreciation / (depreciation of grants)	2.977	3.233	127	2.688	2.850	545
Losses / (Profits) from asset sale	(2.158)	95	40	95	(2.198)	0
Provisions / (Revenues from unused provisions of previous year-ends)	(4.632)	276	(4.632)	(155)	0	431
Losses / (Profits) of fair value property investments	0	0	0	0	0	0
Foreign exchange differences	(0)	0	(0)	0	0	0
Results (income, expenses, profits and losses) from investment activity	7.544	(2.044)	7.544	(2.044)	0	0
Joint venture valuation with the net equity method	(3.540)	(3.933)	(3.540)	(3.933)	0	0
Credit interest and similar income	(60)	(10)	(60)	(2)	(0)	(8)
Debit interest and similar charges	893	502	813	453	81	48
<i>Plus / less adjustments for changes of working capital accounts or accounts related with operating activities:</i>						
Decrease / (increase) of inventories	(5.161)	(6.418)	(9.616)	(5.510)	4.455	(909)
Decrease / (increase) of receivables	(27.489)	10.345	(9.404)	9.909	(18.085)	436
(Decrease) / increase of liabilities (except banks)	13.635	6.972	15.436	8.541	(1.801)	(1.568)
<i>Less:</i>						
Paid up Debit interest and similar charges	(893)	(490)	(841)	(455)	(52)	(35)
Paid up taxes	(9.056)	(13.164)	(8.344)	(11.712)	(712)	(1.452)
Total inflows / (outflows) from operating activities (a)	(7.139)	7.029	8.302	6.793	(15.442)	236
Investment activities						
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	(6.920)	1.608	(6.920)	1.608	0	0
Purchases of tangible and intangible assets	(3.055)	(1.906)	(3.055)	(1.626)	0	(280)
Collections from sales of tangible and intangible assets	16.322	612	55	612	16.267	0
Acquirement from property investments	0	0	0	0	0	0
Collection from property investment sales	0	0	0	0	0	0
Loans provided to affiliated parties	(6.653)	(3.593)	(6.653)	(3.593)	0	0
Share capital decrease of subsidiary	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
Collections from Government grants	0	0	0	0	0	0
Settlement of Derivative Financial Items	(5.360)	4.354	(5.360)	4.354	0	0
Collected dividends	147	323	147	323	0	0
Other	0	0	0	0	0	0
Total inflows / (outflows) from investment activities (b)	(5.518)	1.397	(21.785)	1.677	16.267	(280)
Financial Activities						
Collections from share capital increase	0	0	0	0	0	0
Collections from issued / undertaken loans	30.000	0	30.000	0	0	0
Sales / (Purchases) of own shares	1.689	6.239	1.689	6.239	0	0
Dividends paid to the parent company shareholders	0	0	0	0	0	0
Loan settlements	(8.000)	0	(8.000)	0	0	0
Liability settlements from financial leases (amortization)	(2.147)	(1.903)	(1.316)	(1.264)	(831)	(639)
Paid dividends	(10.925)	(9.029)	(10.925)	(9.029)	0	0
Total inflows / (outflows) from financial activities (c)	10.618	(4.694)	11.449	(4.055)	(831)	(639)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(2.040)	3.733	(2.034)	4.415	(6)	(683)
Cash and cash equivalents at the beginning of the period	21.814	18.081	21.797	17.381	17	700
Cash and cash equivalents at the end of the period	19.774	21.814	19.763	21.797	12	17

Possible differences in totals are due to number rounding

The attached notes constitute an integral part of these financial statements.

The negative operating flows of the parent company, amounting to € 7.139 thousand are caused mainly due to the increase of trade receivables and from participations in joint ventures/consortiums in addition to the increase in inventories resulting from the construction of luxurious apartments for sale. On a group basis the negative operating flows, amounting to € 13.480 thousand are caused due, apart from the pre-mentioned information, to the cash outflow from a subsidiary company for the construction of pipes that



will be delivered in the U.S. and the Greek State. The total cost of the new orders will amount to approximately € 16.000 thousand and already they have begun bringing about cash income to the Group.



AUDITORS REPORT

To the shareholders of Societe Anonyme "MICHANIKI S.A."

We have audited the accompanying Financial Statements in addition to the Consolidated Financial Statements of Societe Anonyme «MICHANIKI S.A.» as of and for the year end December 31st, 2005. The responsibility regarding the compilation of these Financial Statements falls upon the Company's Management. Our responsibility is limited in formulating and expressing an opinion upon these Financial Statements based on our audit.

We conducted our audit in accordance to the Greek Auditing Standards, which are harmonized with the International Auditing Standards. These Standards require the planning and execution of the auditing project in such a way in order to ensure with a reasonable certainty that these Financial Statements are free of substantial inaccuracies and omissions. The audit includes the examination, upon a sample base, of evidential facts that support the amounts and information included within the Financial Statements. The audit also includes the assessing of the accounting principles followed, the Company's Management estimates and, in general, the presentation of the facts within the Financial Statements, in addition to the assessment of the Board of Directors Report consistency to the Financial Statements. We believe that the audit conducted provides a reasonable basis in order to formulate our opinion.

In our opinion, the afore mentioned Financial Statements depict rigorously fair, the financial position of the Company and the Consolidated financial position of the Group (of which the Company is the parent company), as of December 31st, 2005, and the results of its operations and those of the Group, in addition to the changes of the shareholders' equity and the cash flows of the Company and the Group, for the year ended upon that date, according to the International Accounting Standards, that have been adopted from the European Union, and the contents of the Board of Directors Report is consistent with the afore mentioned Financial Statements.

Without stipulating reservation subject to the conclusion of our audit, we call upon your attention to the following matters:

- a) No provisions have been made for potential tax liabilities regarding the un-audited, tax wise, fiscal year ends of the Joint Ventures/Consortiums, as relevantly mentioned in note 6.18 which is cited in the Financial Statements Addendum, regarding the current tax position of the Company and the Group. The outcome of the Joint Venture/Consortiums tax audits can not be forecasted at this current stage and therefore no provision whatsoever has been made upon the Financial Statements relevant to this matter.
- b) The fact that the Total Shareholders' Equity of the subsidiary companies "BALKAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A." are less than the 1/2 of their share capital, concurrently implies the prerequisite application of the ordinance of article 47 of C.L. 2190 / 1920 for all three of the afore



mentioned companies and therefore it is imperative for these companies to take the measures for the removal of the prerequisite application of the respective article, as respectively mentioned in note 6.4 presented in the Financial Statements Addendum.

It is noted that our Report covers the "Modifications realized within the Accounting Estimates and Corrections" from the Company and are included in paragraph 6.29 of the Company's Notes (Addendum) upon the Financial Statements of the period 01/01/2005 – 31/12/2005 and specifically to the quote of the published information of the periods 01/01/2005 – 31/03/2005 (a' quarter 2005), 01/04/2005 – 30/06/2005 (b' quarter 2005) and 01/07/2005 – 30/09/2005 (c' quarter 2005) in addition to the respective quarters of the previous year of 2004. Relevant documents a) Ministry of Economy and Finance – Accounting and Auditing Supervisory Board (ELTE) Prot. No. 118 PN / 23.03.2006, b) Hellenic Capital Market Commission dated March 24th, 2006, for the actuarial adaptation of the Greek Auditing Standard 5560 and the International Auditing Standard 560.

Amarousio, May 25th, 2006
THE CERTIFIED AUDITOR PUBLIC ACCOUNTANT

IOANNIS EM. PAPASYMEON
REG. NO. (ICPA (GR)) 11831
S.O.L. S.A.

1. Company Information

1.1 General Information

MICHANIKI S.A. was established in 1974 (Official Legal Notice Issue 2160/31.12.1974), its registered office since January 1st, 1997 is in the Municipality of Marousi and its S.A. Registration No. is 8440/06/B86/16 (Ministry of Development, General Secretariat of Commerce). The Company's T.I.N. is 094047453. The Company's duration was set to 50 years (that is up to 2024) and its initial share capital amounted to Grd 20.000.000, paid-up in full and divided in 20.000 shares of Grd 1.000 face value each.

According to article 3 of the Company's statute, as amended by the Company's B' Repetitive Extraordinary General Assembly decision dated June 9th, 2000, the Company's scope is:

- The resumption and construction of technical works, public or private, through any method, including the assumption of technical projects through the "Study-Construction-Self Financed-Utilization" system.
- The elaboration of studies regarding the construction of technical projects, public or private.
- Investments for the development of civil and non civil real estate (indicatively: buildings, apartments, offices, commercial malls, hotels) and the construction of large residence units.
- The organization, utilization and management of commercial, industrial, tourist or agricultural establishments.
- The reclamation, management and utilization of civil and non civil buildings that belong to the Company or to third parties.
- The resumption of construction works, the building and utilization of real estate complexes and establishments upon privately owned plots or upon plots owned by third parties through the turnkey consideration system and with the scope to resale them with profit.
- The rendering of technical services and advice for the reclamation of real estate and the control of investment costs, through the elaboration of any kind of studies and technical reports.
- The rendering of technical support for bids regarding the assignment of technical projects.
- The utilization of hotel units and in general tourist complexes and establishments, in addition to the performance of all kinds of tourist businesses (indicatively: hotel accommodations, hostels, establishments of specific tourist infrastructure, including the lease, purchase, sale, erection of the equipment and the utilization of hotel units and tourist establishments of any kind and form and the tourist reclamation of stretches or buildings either owned by the Company or belonging to third parties, in addition to their utilization).
- The participation in any way either through contribution or through the acquirement of company securities, in other companies, that exist or will be established, domestic or foreign, in addition to the participation through a share capital increase of the above companies. The above companies include companies of the general financial sector, indicatively such as, banks, portfolio investment companies, financial services companies, abiding to the occasional legal framework in effect.

- Investments for the study, construction, development and utilization of energy works and mainly thermoelectric, hydroelectric and works arising from renewable sources of energy.
- The establishment and utilization of quarrying units and quarry production products and building materials in general.
- The industrial production, disposal and marketing of building and in general construction materials.
- The study, construction and assembly of any kind of industrial equipment and industrial installation.
- The construction of any kind of equipment and in general metallic, wood and all kinds of structures.
- The construction, complete or partial, and marketing of cars, tractors, agricultural machinery and in general vehicles of every type and use, in addition to their components and spare parts.
- The industrial processing of wood, up to the production, disposal and marketing of wood structures.
- The industrial production, disposal and marketing of metallurgy products of any kind, including iron pipes, and in general piping and plating products.
- The resumption of works related to factory equipment and buildings structures.
- The domestic representation of domestic or foreign houses and in general of corporations that pursue the same or similar activities with the ones previously mentioned.
- The participation in companies, which have the same or similar scope, up to real estate investment companies.

In order to achieve its scope the Company can:

- Participate in any company with a same or similar scope, of any legal entity type.
- Participate either through contributions or through the acquisition of company shares upon establishment and establish companies and consortiums/joint ventures, acquire companies of any legal entity type and in any way, in addition to cooperate with any physical or legal entity in any way domestically or abroad.
- Incur loan contracts with affiliated companies, banks and financial institutions.
- Participate in Mutual Funds with the scope to incur profits in addition to invest its cash in stocks of other companies listed or non-listed in the Athens Exchange.
- Establish anywhere branches, agencies or offices according to article 2, render guarantees in favor of companies and general businesses or consortiums/joint ventures, in which the Company participates or with which it cooperates in any way, rendering all kinds of securities, personal and collateral.
- Proceed in order to merge with other companies of any legal entity type or to assimilate other companies, up to levying one or more sectors to existing or constituted companies.

- Realize through appropriate investments all of the scopes and activities mentioned.

The Company operates in the construction sector and according to the analysis of the N.S.S. of Greece (STAKOD/03), it is accessed in the following categories:

Information based upon decision 58/28.12.2000 of the A.E. Board of Directors (Official Legal Notice Issue 129/B'/08.02.2001), case b): STAKOD/03-Codes	
28.11	Metallic frameworks and parts of metallic frameworks construction
40.11	Electricity production
45.21	Building and technical construction works civil engineering
45.23	Road, street, airport and sport facilities construction
45.24	Hydraulic works construction
45.39	Other building installations
51.53	Wholesale of timber products, construction material and sanitary products
70.11	Real estate development and sale
70.20	Real estate lease
70.32	Real estate management against fees or based upon a contract agreement
71.21	Lease of other ground transportation means
71.32	Lease of machinery/equipment for construction & civil engineer works
74.12	Accounting, auditing and tax consulting services
74.50	Personnel scouting and provision
74.14	Business consulting and management services

The Company was founded in 1974 by Prodromos Emfietzoglou engaging in public and private construction projects. During its multi-year presence, the Company not only managed to establish itself as one of the most significant and contemporary construction companies in the sector, but also play a primary role to the whole spectrum of the country's construction projects infrastructure. Already since 1990 the Company's shares are listed in the Athens Exchange.

The Company has been distinguished for a series of sophisticated and complex construction projects such as airports, hydroelectric stations, road construction projects, tunnels etc. Today the Company's aim, apart from its participation in public and private construction projects, is to develop its operations through the utilization of its real estate equity, the development of civil buildings, the investment in companies that create vertical integrations and synergies and the development of operations abroad.

During the year-end of 2001 and according to the new statutory framework of L. 2940/2001 (Official Legal Notice Issue A 180/06.08.2001) the new grading regarding the classification of construction companies was sanctioned with seven degrees, instead of the existing eight degrees based upon the initial statutory framework, whilst the grading judgment criteria were also differentiated to a big extent compared to the prior procedure, by adapting the principles and criteria of the Classification Model in order to ensure the fair evaluation of the companies based upon their fundamental figures.

Michaniki Group of companies during the fiscal year-end of 2001 submitted a petition to the Ministry for the Environment, Planning and Public Works for the degree of the new supreme 7th contractor class in addition to the degree of the 6th class.

The petition regarding the 7th class ranking involved the formation that was created with the merge of the parent Company MICHANIKI S.A. (H' class degree) and its 100% subsidiaries KERN S.A. (F' class degree), K.G. ASKOUNIS S.A. (F' class degree), BIOMILKA S.A. (F' class degree), KAPETANIDIS BRO. S.A. (G' class degree) and P.PEHLIVANIDIS S.A. (G' class degree). The above formation includes the non construction company BIEX METALLIC CONSTRUCTIONS S.A., a 100% subsidiary company of MICHANIKI S.A.

More over the assertion of the 6th class degree refers to the formation that was created from the merge of MICHANIKI S.A. 100% subsidiary companies, THOLOS S.A. (G' class degree), N. PAPADAKIS S.A. (F' class degree), AKRITAS S.A. (E' class degree) and CHRONOMICHANIKI S.A. (E' class degree).

During the fiscal year-end of 2002, MICHANIKI S.A. Group of companies obtained the above two degrees with the approval that it received from the qualified committee of the Ministry for the Environment, Planning and Public Works.

With the conclusion of the approval procedure, MICHANIKI S.A. Group of companies is represented through the degrees of the two supreme construction classifications which combined give the Company the potential to undertake public works budgeted from € 8,8 million and with no upper limit.

During the thirty years of its operations, MICHANIKI S.A. has participated in more than 120 major construction projects contributing to the country's infrastructure upgrading, economy invigoration but also to the strengthening of the role and importance of the domestic construction sector.

The strategy of MICHANIKI Group of companies lies upon the expansion of activities in lucrative sectors that are complementary to the construction subject, widen sources of income and yield substantial cost saving resources and economies of scale.

Particularly, MICHANIKI is focusing its interest in Constructions, Real Estate Development/Utilization and Energy.

Abroad the Company has turned its attention to the fast developing peripheral markets that present substantial opportunities in real estate development which will be further benefited from the rapid improvement of the general economic climate and the gradual approach with the European Union. Such markets are Bulgaria, Ukraine and Russia in which MICHANIKI already has a presence.

1.2 Nature of Activities

MICHANIKI Group of companies is one of the first that materialized a multiple and immediate complementary to its activities developmental strategy in the Greek market with the objective to expand beyond public works to new lucrative sectors with enriched sources of income and maximization of synergies.

The four basic categories in which MICHANIKI Group of companies is operating are the following:

- I. Constructions,
- II. Real Estate Development-Utilization,
- III. Energy, and
- IV. Industries

- The construction sector in which the parent company MICHANIKI S.A. and THOLOS S.A. operate in regard constructions of Public and Private Projects and mainly Building, Road, Bridge, Landscaping, Energy, Airport, Port, Tunnel and Environmental projects.

2. Financial statements form framework

The consolidated financial statements of MICHANIKI S.A. dated December 31st, 2005 (January 1st, 2004 is the transition date) that cover the period up to and December 31st, 2005, have been prepared based upon the principle of the historical cost as amended through the readjustment of specific asset and liability data in current values, the principle of going concern and are in compliance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB), in addition to their interpretations, as issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of IASB.

IASB has issued a series of standards that are referred to as "IFRS Stable Platform 2005". The Group applies the IFRS Stable Platform 2005 since January 1st, 2005. The standards that apply to the Group are the following:

I.A.S. 1	Presentation of Financial Statements
I.A.S. 2	Inventories
I.A.S. 7	Cash flow statements
I.A.S. 8	Net profit or loss for the period, fundamental errors and changes in accounting practices
I.A.S. 10	Events after the balance sheet date
I.A.S. 11	Construction contracts
I.A.S. 12	Income taxes
I.A.S. 14	Segment reporting
I.A.S. 16	Property, plant and equipment
I.A.S. 17	Leases
I.A.S. 18	Revenue
I.A.S. 19	Employee benefits
I.A.S. 20	Accounting for government grants and disclosure of government assistance
I.A.S. 21	The effects of changes in foreign exchange rates
I.A.S. 23	Borrowing costs
I.A.S. 24	Related party disclosures
I.A.S. 26	Accounting and reporting by retirement benefit plans
I.A.S. 27	Consolidated financial statements
I.A.S. 28	Investments in associates
I.A.S. 29	Financial reporting in hyperinflationary economies
I.A.S. 30	Disclosures in the financial statements of banks and similar financial institutions
I.A.S. 31	Financial reporting of interests in joint ventures
I.A.S. 32	Financial instruments: disclosure and presentation
I.A.S. 33	Earnings per share
I.A.S. 34	Interim financial reporting
I.A.S. 36	Impairment of assets
I.A.S. 37	Provisions, contingent liabilities and contingent assets
I.A.S. 38	Intangible assets
I.A.S. 39	Financial instruments: recognition and measurement
I.A.S. 40	Investment property
I.A.S. 41	Agriculture
I.F.R.S. 1	First-time adoption of I.F.R.S.
I.F.R.S. 2	Share based payment
I.F.R.S. 3	Business combinations
I.F.R.S. 4	Insurance contracts
I.F.R.S. 5	Non-current assets held for sale and discontinued operations

The Financial Statements are covered by the I.F.R.S. 1 "First-time adoption of I.F.R.S.", since they constitute the first financial statements that are prepared and published on such a basis.

The policies mentioned below have been applied with consistency to all periods presented.

The last financial statements of the Group were prepared according to the accounting principles of the Greek General Chart of Accounts (GGCA). The principles of GGCA differ in some areas to the ones of IFRS. During the preparation of the consolidated financial statements of the Group, the Administration adjusted some of the accounting, valuation and consolidation methods that it used according to the principles of GGCA in order to abide with IFRS. The comparable data of 2004 are presented in an adjusted way based upon these modifications.

The Agreement and description of the transition from the GGCA to the IFRS regarding the equity and results of the Group are quoted in note 6.28.

The compilation of financial statements according to the IFRS requires the use of estimations and judgments at the enforcement of the company's accounting principles. Important acknowledgments from the Administration have been noted wherever deemed necessary for the application of the Company's accounting methods

3. Basic Accounting Principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies consistently, are the following:

3.1 New accounting standards and IFRIC interpretations

The International Accounting Standards Board (IASB) as well as the International Financial Reporting Interpretations Committee (IFRIC) has already published a series of new accounting standards and interpretations, which are not included in the "IFRS Stable Platform 2005". The IFRS and the IFRIC are mandatory for the accounting periods beginning January 1st, 2006. The Group's assessment of the impact of these new standards and interpretations is presented below:

- IFRS 6, *Exploration and Evaluation of Mineral Resources*

Even though the application of the above standard is compulsory from January 1st, 2006, a retroactive application is provided (advised). Specifically the expenditures regarding the exploration and evaluation of mineral resources are consolidated, assessed according to their nature as intangible and tangible assets, subject to an impairment audit of their value in each balance sheet date. With the quarrying commencement these items are depreciated at the time of the mineral resource drawing, based upon the drawing quantities of each period.

Indications for the existence of impairment losses of these exploration and evaluation of mineral resources consolidated expenditures usually include:

- a) expiration of the exploration time.
- b) termination of the planning and financing of such expenditures.
- c) no discovery of commercially utilized quantities, or quantities through which it is implied that the relevant expenditures can not be fully recovered.

The Group has applied the ordinances of the above standard in its entirety.

- IFRS 7, " *Financial Instruments: disclosures* "

The group will apply the IFRS 7 from January 1st, 2007.

- IFRIC 3, *Emission Rights*

The above standard is not applicable to the Group and will not affect the Group's financial statements.

- IFRIC 4, *Determining whether a receivable contains a Lease*

IFRIC 4 is applicable to annual periods beginning on January 1st, 2006. The Group has not decided to apply IFRIC 4 earlier. It will apply IFRIC 4 in its 2006 financial statements according to the transition ordinances of IFRIC 4. Therefore, the Group will apply IFRIC 4 according to the facts and circumstances that existed at January 1st, 2005. The implementation of IFRIC 4 is not expected to change the accounting handling of any of the Group's contracts in effect.

- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

The above standard is not applicable to the Group and will not affect the Group's financial statements.

- IFRIC 6, Liabilities arising from participating in specific markets – Waste electrical and electronic equipment.

The above standard is not applicable to the Group and will not affect the Group's financial statements.

3.2 Segment reporting

A business segment is defined as a group of assets and operations engaged in providing products and services, that are subject to different risks and returns from those of other business segments. A geographical sector is defined as a geographical area, within which products and services are provided and which is subject to different risks and returns from other segments.

The Group operates in the following segments:

- 1) Hydroelectric Energy
- 2) Utilization of Parking Stations
- 3) Utilization of a Cemetery
- 4) Metallic Structures (Termination of operations in fiscal year-end 2005)
- 5) Technical Works
- 6) Wood Industry
- 7) Pipelines
- 8) Marble Quarrying & Marketing
- 9) Real Estate Utilization

The above segregation was set in order to ensure the in depth analysis of the company's aggregate operations in segments with particular technical and economic characteristics.

3.3 Consolidation

Subsidiaries: Are all of the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority of shares in the undertaking by the investee company or through its dependence on the know-how provided from the Group. Meaning, that subsidiaries are companies in which control is exercised by the parent. MICHANIKI gains and exercises control through voting rights. The existence of potential voting rights that are exercisable at the time the financial statements are compiled is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are fully consolidated (full consolidation) with the acquisition method

from the date that control over them is acquired and are de-consolidated from the date on which control ceases.

The acquisition of a subsidiary by the Group is accounted for using the acquisition method. The acquisition cost of a subsidiary is the fair value of the assets given, the shares issued and the liabilities undertaken on the date of the exchange plus any possible costs directly associated with the transaction. The individualized assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is recorded as goodwill. If the total cost of the acquisition is less than the fair value of the individual assets acquired, the difference is immediately recorded in the income statement.

Specifically for the business combinations that had taken place prior to the Group's transition date to the IFRS (January 1st, 2004) the exemption provided under IFRS 1 was used and the acquisition method was not applied retrospectively. Within the framework of the above exemption, the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the date of transition to the IFRS, nor the fair value of the acquired assets and liabilities at the date of acquisition. At the transition date, the review went forward with the impairment review of goodwill.

Inter-company transactions, balances and unrealized profits from transactions between the companies of the Group are crossed out. Unrealized losses are also crossed out except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be uniform to the ones adopted by the Group.

Consortiums/joint ventures: These refer to contractual settlements, according to which two or more parties undertake a financial activity subject to a joint control.

Joint control is the contractual distributable allocation of control upon an enterprise that is the capability to direct the financial and business policy of an enterprise, in order to jointly receive benefits from its operations.

The Company's participations in joint ventures are consolidated with the Net Equity method. The Net Equity Method is an accounting method through which an investment in the joint venture is initially recognized at its acquisition cost and thereafter is adjusted (recognizing the modifications in the joint venture's equity) for the after the acquirement modification of the share of the joint venture participant to the net equity of the joint venture. The profit (or the loss) of the joint venture participant includes its share in the year-end income statement of the joint venture. The company in any case directly recognizes in its income statement any liability or binding which burdens the Joint Ventures and for which, the latter are not in a position to correspond.

The contractual settlement requires the joint control upon the joint venture and therefore, none of the joint venture participants can control solely the joint venture's operations. This fact constitutes the essence of the joint venture. The contractual settlement designates if the making of certain decisions for the attainment of the joint venture's goals requires the consent of all participants or of a particular majority.

Within the contractual settlement it may be stated who will be the administrator of the joint venture. The administrator does not control the joint venture, but acts within the framework of the financial and business policy that has been agreed by the joint venture participants.

Associates: Associates are companies upon which the Group can exert significant influence but which do not fulfil the conditions in order to be classified either as subsidiaries or participation in joint ventures. The assumptions used by the Group constitute that the possessed percentage between 20% and 50% of a company's voting rights suggests significant influence upon that company. The company's participation in BALKAN EXPORT S.A. with a percentage that is less than 50%, is regarded as a subsidiary company due to the fact that the parent company MICHANIKI S.A. exercises management and consolidates the subsidiary with the full consolidation method. Investments in associates are initially recognized at cost and are subsequently valued using the equity method. At the end of each fiscal year-end, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

Regarding the surplus acquisition, this reduces the value of the participation with charge of the income statement, when its value is reduced.

The Group's share in the profits or losses of its associated companies after the acquisition is recognized in the income statement, whereas the share of the reserve changes, after the acquisition is recognized, in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or greater than its participation in the associate, including any other doubtful debts, the Group does not recognize further losses, unless it has covered liabilities or has made payments on behalf of the associate company and in general those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are crossed out based upon the percentage that the Group holds in these associate companies. Unrealized losses are crossed out, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

3.4 Group Structure – Consolidated Financial Statements

Group Structure

Apart for the parent Company the consolidated financial statements include through the full consolidation method the following subsidiary companies:

Company Name	Headquarters	Participation Percentage	Relation that dictated the consolidation
BALKAN EXPORT S.A.	AGHIALOS SALONIKA	42,21%	Control after shareholders agreement
THOLOS S.A.	AMAROUSIO ATTICA	100%	The participation percentage
MICHANIKI REAL ESTATE S.A.	AMAROUSIO ATTICA	100%	The participation percentage
HELLENIC PIPE WORKS S.A.	CHALKIDA	100%	The participation percentage
MARMARA KAVAS S.A.	KAVALA	77,07%	The participation percentage
HELLENIC WOOD INDUSTRY S.A.	SAPES KOMOTINI	98,62%	The participation percentage
MICHANIKI UKRAINE S.A.	UKRAINE	100%	The participation percentage
MICHANIKI BULGARIA S.A.	BULGARIA	95,70%	The participation percentage
MICHANIKI RUSSIA S.A.	RUSSIA	60,00% direct 24,41% indirect	The participation percentage

Also the joint ventures/consortiums that the parent company participates in are included with the net equity method and which proceed in the joint execution of projects. These are the following:

Company Name	Headquarters	Participation Percentage	Un-audited Tax Year-Ends	Consolidation Method
JOINT VENTURE:"MICHANIKI S.A.-EDISTRA EDILIZIA STRADALE SPA"	GREECE	99,00%	2003-2005	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-ELLISDON CONSTRUCTION INC."	GREECE	50,00%	2003-2005	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-EMPEDOS S.A.-EYCLIDES-ELLINIKI DYNAMIKI"	GREECE	93,00%	2002-2005	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-ATHINA S.A."	GREECE	50,00%	2002-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-TERNA S.A."	GREECE	2,00%	2002-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-ATTI-KAT S.A."	GREECE	99,80%	2003-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-ATHINAIKI CONSTRUCTION S.A.-PARNON S.A."	GREECE	62,50%	2003-2005	NET EQUITY
JOINT VENTURE:"AKTOR-PANTEHNIKI- MICHANIKI"	GREECE	20,00%	2003-2005	NET EQUITY
JOINT VENTURE:"AKTOR- MICHANIKI-MOHLOS-ALTE"	GREECE	4,38%	2003-2005	NET EQUITY
JOINT VENTURE:"AKTOR- MICHANIKI-MOHLOS-ALTE(EGNATIA AVE. – VEROIA)"	GREECE	20,00%	2003-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-THEMELI S.A.-PARNON S.A."	GREECE	90,00%	2003-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PANTEHNIKI S.A."	GREECE	50,00%	2003-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-CHR. KONSTANTINIDIS S.A."	GREECE	50,00%	2000-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PARNON S.A."	GREECE	92,50%	1993-2005	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PANTEHNIKI S.A. (ALEXANDROUPOLI)"	GREECE	50,00%	2003-2005	NET EQUITY
JOINT VENTURE:"THESSALIKI-ELTER- MICHANIKI-TE CHR. KON/DIS"	GREECE	28,33%	2002-2005	NET EQUITY
JOINT VENTURE:"THESSALIKI- MICHANIKI-ELTER"	GREECE	25,00%	2002-2005	NET EQUITY
JOINT VENTURE:"ATHINA- MICHANIKI"	GREECE	50,00%	2005	NET EQUITY
JOINT VENTURE:"TERNA- MICHANIKI"	GREECE	35,00%	2005	NET EQUITY
JOINT VENTURE:"THEMELIODOMI- MICHANIKI-MOHLOS"	GREECE	40,00%	2003-2005	NET EQUITY

During 2005 the participation percentage of the company in "BALKAN S.A." was altered from 39,04% (31/12/2004) to 42,21%.

3.5 Foreign currency conversion

The asset currency items and the currency liabilities that are expressed in foreign currency are converted to the operational currency of the company with the exchange rate of the operational and foreign currency of the Balance Sheet date. The emerging exchange differences are recognized to the period results. The non currency asset and liability items that are expressed in a foreign currency are converted to the operational currency with the exchange rate of the initial recognition. Exception from this adjustment constitute the non asset currency items that are measured at the fair value or another value except from the acquisition cost value and are converted to the operational currency based upon the exchange rates of the date in which this measurement was assessed. In this case the emerging exchange differences follow the accounting handling of the recognition of the difference between the prior accounting value of these items and the measurement at their fair value, or the other value except from the acquisition cost value.

When the financial statements of a company are presented in one currency which is different from the company's operational currency, the conversion of the items of these financial statements from the operational currency to the presented currency is done in the following way:

- a) the asset and liability items are converted with the exchange rates of the date of the balance sheet.
- b) the equity items are converted with the conversion exchange rates of the date they resulted.
- c) the results of each period are converted with the exchange rates of the dates that the relevant income, profits, expenses and losses occurred. The weighted average period exchange rate may be used, if the outcome that resulted in this way approaches the one that would have resulted from the use of the real exchange rates that were in effect when the relevant transactions took place.
- d) The exchange differences that result from the above conversion are recognized in the equity reserve.

3.6.i Tangible Assets

Fixed assets are depicted in the financial statements at their acquisition cost or deemed cost, as defined based upon fair values at the transition dates, less, first of all the accumulated depreciations and secondly, any asset impairment.

The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditures are registered to the incremental book value of the tangible fixed assets or as a separate fixed asset only to the extent that these expenditures increase the future economic benefits that

are expected to inflow from the use of the asset and their cost can be accurately measured. The repair and maintenance cost is recorded in the results when realized.

Depreciation of the other subjects of the tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

- Buildings	20-50 years
- Mechanical equipment	4-20 years
- Transportation means	6-12 years
- Other equipment	4-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately recorded as an expense in the income statement.

Upon sale of tangible fixed assets, the difference between the proceeds and the book value is recorded as profit or loss to the income statement. Repairs and maintenance is recorded as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at values that include the direct cost of employee's salaries that participate in the construction (including the relevant employer's contributions), the cost of materials used and other general costs.

3.6.ii Non current items occupied for sale

The non current asset items that are occupied for sale are measured in the lowest between the accounting and fair value price, after the subtraction from the fair value of the cost required for the sale to be realized. If these items are depreciable, with their characterization as occupied for sale, their depreciation ceases, even if they continue to be used. From the measurement of this ordinance the following data, which is related with the occupied for sale items and which are measured according to the relevant ordinances of this law, is excluded:

- a) the asset deferred taxes.
- b) the asset items that cover provisions for employee benefits.
- c) the financial asset items.
- d) property investments measured at fair value.
- e) the asset items that are measured at their fair value decreased by the estimated costs at the point of sale.

f) the contractual rights that emerge from insurance contracts.

For a sum of non current items that are occupied in order to be sold as a group, and to which sum potential items may be included that are excluded from the measurement of the above ordinance in addition to liabilities that are directly related with the items of that group, the measurement is done in the following way:

a) Prior to the initial classification of the group items characterized as occupied for sale, the accounting values of all the group items are measured according to the relevant ordinances of that law.

b) At the initial classification of the group as occupied for sale and subsequently, the measurement is done for the group as a uniform sum at the lowest value between the accounting value of the group and its fair value, after the subtraction from the fair value of the cost required for the realization of the group sale. The accounting value of the group is calculated based upon the accounting value of its apportioned items, according to the anticipated article.

c) When the fair value of the group is less than its accounting value, the difference is recognized as an impairment of the value of a probable existing surplus and the remaining value is allocated in the other intangible and self-used tangible assets of the group, depending on their accounting values prior to the impairment.

Non current asset items or groups of such items that have been characterized as occupied for sale I they cease to be considered as such, they are measured at their lowest value between their accounting value before these items are characterized as occupied for sale, after this value is adjusted for depreciation or rearrangements that would have taken place if these items had not been characterized as occupied for sale and their recovery value at the date of their declassification.

3.7 Property Investments

Property investments are investments that concern all of that property (which include land, the buildings or parts of the buildings or both) held by the owner (or by the lessee under a finance lease), either for the purpose of earning rentals from the lease, or for their increase in value (capital strengthening) or for both.

A company estimates according to the recognition criteria all the expenses incurred for a property investment at the time realized. These expenses include expenses that initially were realized for the property acquisition and expenses that were realized subsequently for the accretion or partial replacement of the property. According to the recognition criteria, a company does not include the repair costs in the accounting value of an investment in properties, which are expenses recognized directly to the Year-end Profit and Loss Account.

Property investments are initially recognised at their acquisition cost, which is surcharged with all expenses related to the transaction for their acquisition (e.g. notary fees, broker's fees, transfer taxes). The cost of investment of a property is equivalent, in cash, price. In the case where the payment for the acquisition of a property for investment is postponed further from the usual credit limits, then the difference between the

sum of payments and the equivalent, cash, amount will be recognized and depicted in the year-end results, as an interest (expenses) during the whole duration of the credit.

The cost of an investment that is self-constructed from the company, includes all the expenses that were required in order to be build, with the condition that the total cost does not exceed the repossessed amount.

The valuation of an investment after the initial registration, can be done either with the policy of the acquisition cost or the fair value policy. The accounting policy chosen, must be applied for all property investments.

Acquisition Cost Policy: After the initial recognition, the company can valuate its property, at its acquisition cost less the accumulated depreciation and the accumulated losses incurred from their value reduction (application of all those appointed in I.A.S. 16).

Fair Value Policy: The fair value of an investment in properties is the value at which the property can be exchanged between informed and prompt parties in a regular commercial transaction. The fair value excludes an estimated value augmented or decreased due to specific terms or instances, such as unusual financing, sale with a leaseback agreement, special considerations or concessions that are being don from anyone related to the sale.

Every profit (or loss) resulting from the modification of the fair value of the investment, constitutes a result and it is recognized in the year-end results in which it is realized.

A determinant factor of the fair value is the current value in an active market for similar properties, in the same location and in the same condition. If no current prices exist for similar properties in an active, market in the same location, than the following can be used:

- Current prices of an active market for different properties, with relevant adjustments in order to reflect the differences.
- Recent prices in less active markets with adjustments that will reflect the differences in the economic conditions in relation to the date that the transactions were realized.
- Discounted cash flows from current lease contracts for similar properties, in the same location and in the same condition.

The group applies the fair value policy. The valuation of property investments has been conducted by an independent professional evaluator.

3.8 Intangible Assets

Intangible assets include software licenses.

Software: The authorisations of software are valued at their acquisition cost less the accumulated depreciation. The accumulated depreciation is held with the constant method at the duration of the asset's beneficial life which vacillates from 1 up to 3 years.

3.9 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an annual impairment review and when some events indicate that the book value may not be recoverable. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater amount between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or Cash Flow Generating Unit) is greater than its recoverable amount.

Net sales value is the amount from the sale of an asset within the framework of a reciprocal transaction in which participating parties have full knowledge and adhere voluntarily, after deducting any additional direct cost for the sale of the asset, while, value in use is the present value of the estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

3.10 Financial Instruments

A financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise of assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).

- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. This category (loans and receivables) does not include:

- a) receivables from advances for the purchase of goods or services,
- b) receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) any receivable not covered by a contract in order to give the company the right to receive cash or other financial fixed assets.

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends and has the ability to hold until their maturity.

The Group did not hold investments of this category.

iv) Financial assets available for sale and Termination Activities.

These include non derivative financial assets that are either designated in this category or cannot be included in any of the previous ones.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is recorded in an equity reserve until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the income statement. Impairment losses that have been recorded to the income statement are not reversed through the income statement.

The purchases and sales of investments are recognized at the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at their fair value plus the directly related to the transaction costs, with the exception regarding the directly attributed to the transaction expenditures, for these items that are values at their fair value with changes in the income statement. Investments are crossed out when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

Loans and receivables are recognized in the net book value based on the real interest rate method.

Realized and unrealized profits or losses that arise from changes in the fair value of financial assets valued at their fair value with changes in the income statements, are recognized in the income statement at the period in which they result.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the Cash category financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assesses whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is composed, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the income statement.

The Group did not hold investments of this category.

3.11 Inventories

At the balance sheet date, inventories are valued at the lower cost or net realizable value. The net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

3.12 Trade receivables

Receivables from customers are initially recorded at their value of sale. In the case where the cost of a financial instrument exceeds the fair value, then this instrument is valued at its recovery amount and the relevant loss is carried directly to the year-end income statement. The impairment losses, that is when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

3.14 Non-current assets classified as held for sale

The assets held for sale include the other assets (including goodwill) and the tangible assets that the Group intends to sell within one year starting from the date on which they were classified as "held for sale".

The assets, which are classified as "held for sale", are valued at the lowest price between their book value right before their classification as held for sale and their fair value less the cost of sale. The assets classified as "held for sale" are not subject to depreciation. The profit or the loss resulting from the sale and revaluation of the "held for sale" assets is included in the "Other income" and "Other expenses" items, respectively, of the income statement.

3.15 Share capital

Expenses incurred for the issuance of shares, are shown after deducting the relevant income tax, reducing the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

At the acquisition of own shares, the consideration paid, including the relevant expenses, is depicted as deducted from shareholders equity.

3.16 Income tax & deferred tax

The period charge for income tax is comprised from the current tax and deferred tax, which refers to tax charges or tax credits that are associated with economic benefits accruing in the period but which have been already or will be assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been recorded directly to equity, in which case it is, accordingly, recorded directly to equity.

Current income taxes include the short-term liabilities to the fiscal authorities that are related to taxes payable on the taxable income of the period and any additional income taxes from previous periods.

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of the assets and liabilities. Deferred tax is not accounted if it results from the initial recognition of an asset or liability in a transaction, except a business combination, which when the transaction occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are calculated and recognized for all the temporary differences between the book value and the tax base of the assets and liability items. The calculation is done with the income tax rates that are expected to be in effect during the period in which the asset items will be recovered and liability items will be settled, and must reflect the way with which the recovery or settlement will be expected to take place. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect is applied on the day after the balance sheet date.

Deferred tax assets are recognized to the extent that there will be a future tax profit for the use of the temporary difference that creates the deferred tax assets.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, with the exception of the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future. Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only the changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, result in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

3.17 Employee benefits

Short-term benefits: Short-term benefits to employees (except for indemnities for termination of the employment relation) in money or in kind are recognised as an expense when they are accrued. Any outstanding amounts are classified as a liability, while in case the amount already paid exceeds the amount of the benefits, the company recognises the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future or in return payments.

Benefits on retirement: The benefits on retirement include a lump sum pension indemnity or other benefits (social security or medical coverage) that the company provides upon retirement to its employees in exchange for their service. Therefore, they include both defined contribution plans and defined benefit plans. The accrued cost of the defined contribution plans is recorded as an expense in the period to which it refers.

- **Defined contribution plan**

According to the defined contribution plan, the company's obligation (legal or inferred) is limited to the amount agreed to be contributed to the entity (e.g. social security entity), which manages the contributions and grants the benefits. Therefore, the amount of benefits received by the employee is defined by the amount contributed by the company (or the employee as well) and the paid investments of these contributions.

The contribution paid by the company in a defined contribution plan is recognized either as a liability after deducting the contribution paid or as an expense.

- **Defined benefit plan**

The liability recorded in the balance sheet for the defined benefit plans constitutes the present value of the liability for the defined benefit less the fair value of the assets of the plan (if any) and the changes that result from any other actuarial profit or loss and the cost of the work experience. The commitment of the defined benefit is calculated on a yearly basis from an independent actuary with the projected unit credit method. For the discounting, the exchange rate of the long-term Greek Government bonds is used.

The actuarial profits and losses are items of the company's rendering obligation and the cost which will be recognized in the Income Statement. Those arising from adjustments based on historical data that are higher or lower than the 10% margin of the accumulated obligation are recorded in the Income Statement within the anticipated average insurance time of the participants to the plan. The cost of previous service is recognized directly in the Income Statement, except for the case where the changes in the plan are dependent upon the remaining time of service of the employees. In this case, the cost of previous service is recorded in the Income Statement using the straight-line method within the maturity period.

Employee termination benefits: Benefits due to termination of the employment relationship are paid when employees leave before their normal retirement date. The Group records such benefits when it is committed, either when it actually terminates the employment of current employees based upon a detailed formal plan for which there is no possibility of withdrawal, or when it provides these benefits as an

incentive for voluntary (early) redundancy. When these benefits are due for payment in periods exceeding twelve months from the Balance Sheet date, then they should be discounted according to the returns of high quality company bonds or government bonds.

In case of an offer made to encourage voluntary redundancy, the valuation of employment termination benefits should be based upon the number of employees expected to accept the offer.

In case of an employment termination where the number of employees that will be using those benefits cannot be determined, no recording takes place but a notification as a contingent liability instead.

3.18 Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria: a) There is reasonable certainty that the company has complied or will comply with the conditions of the grant and b) it is probable that the amount of the grant will be received. They are recorded at their fair value and are systematically recognized as revenue according to the principle of grants correlation with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in the long-term liabilities as deferred income and are recognized systematically and rationally in the revenue over the useful life of the fixed asset.

3.19 Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, their settlement through an outflow of resources is probable and the estimation of the exact amount of the obligation can be accomplished with credibility. Provisions are reviewed during the date when each balance sheet is compiled and are adjusted so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are acknowledged, unless the probability that there will be an outflow of resources that embody economic benefits is minimal. Contingent claims are not recognized in the financial statements but are acknowledged provided that the inflow of economic benefits is probable.

3.20 Recognition of income and expenses

Income: Income includes the fair value of executed projects, goods and services sold, net of Value Added Tax, discounts and returns. Inter-company revenues within the Group are completely crossed out. The recognition of revenue is done as follows:

- **Construction Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Rendering of services:** Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Income Interest:** Interest income is recognized on a time proportion basis and with the use of the real interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted with the initial real interest rate. Interest is then recorded using the same interest rate calculated on the impaired (new book) value.
- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is substantiated.
- **Income from participation in Joint Ventures/Consortiums:** Profits or losses from construction project joint ventures are recognized in the parent company's each quarter balance sheet. This accounting practise is followed since according to the joint venture operational practise in effect in Greece, the members of the joint venture can assume profits during the duration of the year-end. The management believes that this specific accounting practise serves the essence principal.

Expenses: expenses are recognized in the income statement on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease equipment is used. Interest expenses are recognized on an accrued basis.

3.21 Leases

Group Company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are financial leases. These leases are capitalized at the inception of the lease at the lower value between the fair value of the asset or the present value of the minimum lease payments. Each lease payment is apportioned between the liability and the finance charges so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from lease payments, net of finance charges, are depicted as liabilities. The part of the finance charge that relates to financial leases is recognized in the income statement during the term of the lease. Fixed assets acquired through financial leasing are depreciated over the duration of their useful lives.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as

operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

3.22 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when realized.

In the case where the result of one construction contract may not be reliably valued, and especially in the case where the project is at a premature stage, then:

- the income must be recognized only to the extent that the contractual cost may be recovered, and
- the contractual cost must be recognized in the expenses of the period in which it was undertaken.

Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valued reliably, the contract's income and expenses are recognized throughout the contract's duration, respectively as income and expense.

The Group uses the percentage completion method in order to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date relevant to the total estimated construction cost of each project.

When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's income statement as an expense.

For the calculation of the cost realized until the end of the year-end period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoicing until the end of the year-end period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoicing exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

3.23 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Assembly of the Shareholders.

4. Risk management

Financial risk factors

The Group is exposed to a limited range of financial risks. The usual risks upon which it is theoretically subject to are market risks (interest rate, market process), credit risks, liquidity risks and cash flow risks.

Foreign exchange risk

The Group uses loans based upon the domestic currency, in relation to its needs and thus does not run any foreign exchange risks.

Risk management is performed through the General and Financial Administration.

Prior to the effect of the relevant transactions, an approval is received from the executives that have the right to commit the company towards the counter-party.

Credit risk

The Group's turnover consists mainly from transactions with the State in addition to large reliable companies, with which a long term cooperation exists. Upon this basis and in conjunction with the existing experience it is estimated that credit risk is minor.

Liquidity risk

Liquidity risk is preserved in particularly low levels.

Cash flow risks and fair value risk due to changes in interest rates

The Group's operational expenses and cash flows are dependant from interest rate changes since the Group has Bank Loans.

5. Segment analysis

Group

1/1-31/12/2004

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATIO	MARBLES	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
Total gross sales turnover per sector	1.033	1.412	818	70.792	19.492	9.982	8.672	3.497	0	115.697	4.962	120.659
Domestic sales turnover	0	0	0	(148)	(2)	(470)	(4)		0	(624)	0	(624)
Net Sales Turnover	1.033	1.412	818	70.644	19.490	9.512	8.668	3.497	0	115.073	4.962	120.035
Cost of Sales	333	614	619	61.670	18.125	8.281	3.324	3.067	0	96.033	1.840	97.873
Domestic sales turnover Cost of Sales	0	0	0	(148)	(2)	(470)	(4)		0	(624)	0	(624)
Gross Result	700	798	198	9.122	1.368	1.701	5.348	429	0	19.664	3.122	22.785
Administrative Expenses	58	79	46	4.666	921	339	186	237	451	6.982	467	7.449
Selling Expenses	0	0	0	57	1.112	260	0	247	0	1.677	0	1.677
Other income	(5)	1	0	2.682	686	96	2.288	556	2.031	8.335	135	8.470
Other expenses	0	50	0	724	4.685	236	75	125	243	6.137		6.137
Operating result	637	670	152	6.357	(4.664)	963	7.374	375,81	1.338	13.203	2.790	15.992
Financial results	(0)	(3)	0	4.307	(1.623)	(32)	(310)	(107)	2.733	4.966	(40)	4.925
Profit before income tax	637	667	152	10.664	(6.287)	931	7.064	268	4.071	18.168	2.749	20.918
Income tax	(208)	(234)	(53)	(2.395)	0	(490)	(1.504)	(239)	(3.068)	(8.191)	(1.084)	(9.276)
Net profit	429	433	99	8.269	(6.287)	440	5.560	30	1.003	9.977	1.664	11.642

1/1-31/12/2005

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATIO	MARBLES	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
Total gross sales turnover per sector	824	1.458	1.282	81.859	16.064	11.907	1.452	2.774	(0)	117.622	720	118.342
Domestic sales turnover	0	0	0	(1.353)	(14)	(35)	(4)		0	(1.406)	0	(1.406)
Net Sales Turnover	824	1.458	1.282	80.506	16.050	11.872	1.448	2.774	(0)	116.216	720	116.936
Cost of Sales	322	679	930	58.029	16.020	8.704	1.151	2.436	0	88.271	3.313	91.584
Domestic sales turnover Cost of Sales	0	0	0	(1.068)	(14)	(35)	(4)		0	(1.121)	0	(1.121)
Gross Result	503	779	352	23.545	45	3.203	301	338	(0)	29.066	(2.593)	26.473
Administrative Expenses	72	128	112	6.017	730	466	399	196	230	8.351	771	9.122
Selling Expenses	0	0	0	57	741	535	0	273	0	1.606	0	1.606
Other income	138	1	0	5.313	992	96	9.950	159	137	16.786	3.532	20.318
Other expenses	1	27	0	816	212	242	1.763	210	699	3.970	67	4.037
Operating result	567	625	239	21.969	(646)	2.056,61	8.089	(183)	(792)	31.925	101	32.026
Financial results	(0)	(2)	0	4.010	719	(99)	(400)	(118)	(9.387)	(5.276)	(81)	(5.357)
Profit before income tax	567	623	239	25.979	73	1.958	7.689	(301)	(10.179)	26.649	20	26.669
Income tax	(175)	(181)	(69)	(5.256)	0	(522)	(1.344)	(141)	132	(7.557)	370	(7.187)
Net profit	392	442	170	20.722	73	1.436	6.345	(442)	(10.047)	19.091	391	19.482

1/1-31/12/2004

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATIO	MARBLES	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
<i>Sector Assets</i>	8.491	3.043	18.384	110.764	39.715	23.785	62.643	15.535	0	282.359	21.290	303.649
Non distributable Asset items	0	0	0	0					27.468	27.468		27.468
<i>Consolidated Assets</i>	8.491	3.043	18.384	110.764	39.715	23.785	62.643	15.535	27.468	309.827	21.290	331.117
<i>Sector Liabilities</i>	2.902	173	0	44.167	5.720	7.055	18.947	5.884		84.848	4.228	89.076
Non distributable Liability items	0	0	0	0					33.087	33.087	0	33.087
<i>Consolidated Liabilities</i>	2.902	173	0	44.167	5.720	7.055	18.947	5.884	33.087	117.935	4.228	122.163

1/1-31/12/2005

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATIO	MARBLES	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
<i>Sector Assets</i>	8.195	2.964	17.954	145.714	39.627	32.673	63.246	15.622	0	325.996	3.470	329.466
Non distributable Asset items	0	0	0	0					54.013	54.013	0	54.013
<i>Consolidated Assets</i>	8.195	2.964	17.954	145.714	39.627	32.673	63.246	15.622	54.013	380.009	3.470	383.479
<i>Sector Liabilities</i>	80	129	0	57.676	5.791	14.661	20.570	6.572	0	105.479	747	106.226
Non distributable Liability items	0	0	0	0					54.725	54.725	0	54.725
<i>Consolidated Liabilities</i>	80	129	0	57.676	5.791	14.661	20.570	6.572	54.725	160.205	747	160.951

Company

1/1 - 31/12/2004

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
Total gross sales turnover per sector	1.033	1.412	818	68.240	0	71.503	4.962	76.465
Domestic sales turnover	0	0	0	0	0	0	0	0
Net Sales Turnover	1.033	1.412	818	68.240	0	71.503	4.962	76.465
Cost of Sales	333	614	619	58.133	0	59.699	1.840	61.539
Domestic sales turnover Cost of Sales	0	0	0	0	0	0	0	0
Gross Result	700	798	198	10.108	0	11.804	3.122	14.925
Administrative Expenses	58	79	46	3.906	451	4.540	467	5.007
Selling Expenses	0	0	0	57	0	57	0	57
Other Income	-5	1	0	2.090	2.031	4.117	135	4.252
Other expenses	0	50	0	300	243	592		592
Operating result	637	670	152	7.934	1.338	10.731	2.790	13.521
Financial results	0	-3	0	4.265	-6.078	-1.816	-40	-1.856
Profit before income tax	637	667	152	12.199	-4.740	8.916	2.749	11.665
Income tax	-208	-234	-53	-2.370	-3.068	-5.933	-1.084	-7.018
Net profit	429	433	99	9.829	-7.808	2.982	1.664	4.647

The results for each sector for 2005 are analyzed below:

1/1 - 31/12/2005

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
Total gross sales turnover per sector	824	1.458	1.282	80.014	0	83.579	720	84.299
Domestic sales turnover	0	0	0	0	0	0	0	0
Net Sales Turnover	824	1.458	1.282	80.014	0	83.579	720	84.299
Cost of Sales	322	679	930	55.614	0	57.545	3.313	60.858
Domestic sales turnover Cost of Sales	0	0	0	0	0	0	0	0
Gross Result	503	779	352	24.401	0	26.034	-2.593	23.441
Administrative Expenses	72	128	112	5.707	230	6.250	771	7.021
Selling Expenses	0	0	0	57	0	57	0	57
Other Income	138	1	0	5.301	137	5.576	3.532	9.108
Other expenses	1	27	0	772	699	1.499	67	1.566
Operating result	567	625	239	23.165	-792	23.805	101	23.906
Financial results	0	-2	0	3.498	-6.518	-3.022	-81	-3.103
Profit before income tax	567	623	239	26.663	-7.310	20.781	20	20.801
Income tax	-175	-181	-69	-5.835	132	-6.129	370	-5.759
Net profit	392	442	170	20.828	-7.178	14.653	391	15.042

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
<i>Sector Assets</i>	8.491	3.043	18.384	98.594	0	128.512	21.290	149.802
Non distributable Asset items	0	0	0	0	109.541	109.541		109.541
<i>Consolidated Assets</i>	8.491	3.043	18.384	98.594	109.541	238.053	21.290	259.343
<i>Sector Liabilities</i>	2.902	173	0	32.785		35.860	4.228	40.088
Non distributable Liability items	0	0	0	0	31.199	31.199	0	31.199
<i>Consolidated Liabilities</i>	2.902	173	0	32.785	31.199	67.059	4.228	71.287
31/12/2005	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	OTHER	CONTINUING UTILIZATIONS TOTAL	TERMINATED METALLIC CONSTRUCTIONS	TOTAL
<i>Sector Assets</i>	8.195	2.964	17.954	129.242	0	158.355	3.470	161.825
Non distributable Asset items	0	0	0	0	128.819	128.819	0	128.819
<i>Consolidated Assets</i>	8.195	2.964	17.954	129.242	128.819	287.174	3.470	290.644
<i>Sector Liabilities</i>	80	129	0	42.236	0	42.364	747	43.111
Non distributable Liability items					53.314	53.314	0	53.314
<i>Consolidated Liabilities</i>	80	129	0	42.236	53.314	95.679	747	96.425

6. Financial Statement Notes

6.1 Tangible Assets

	THE GROUP				
	Plots, Quarries & Buildings	Transportation means & mechanical equipment	Furniture and Other Equipment	Tangible assets under construction	Total
Gross Book Value	71.526	94.549	4.861	-	170.936
Accumulated Depreciation and impairment value	(21.906)	(55.434)	(4.110)	-	(81.450)
Book Value January 1st 2004	49.620	39.115	751	-	89.486
Gross Book Value	71.327	94.913	4.979	-	171.220
Accumulated Depreciation and impairment value	(23.090)	(59.833)	(4.378)	-	(87.301)
Book Value January 1st 2005	48.237	35.081	602	-	83.920
Gross Book Value	57.716	73.605	5.064	-	136.385
Accumulated Depreciation and impairment value	(22.561)	(43.121)	(4.626)	-	(70.309)
Book Value December 31st 2005	35.155	30.483	438	-	66.076

	Plots & Buildings	Transportation means & mechanical equipment	Furniture and Other Equipment	Tangible assets under construction	Total
Book Value January 1st 2004	49.620	39.115	751	-	89.486
Additions	355	1.270	126	-	1.751
Sales - Reductions	(554)	(906)	(8)	-	(1.467)
Total depreciation in Results	(1.184)	(5.152)	(272)	-	(6.608)
Depreciation of Sold Assets	-	(753)	(5)	-	(758)
Depreciation in Acc. Statement	(1.184)	(4.399)	(268)	-	(5.850)
Bok Value December 31st 2004	48.237	35.081	602	-	83.920
Additions	355	3.135	94	-	3.583
Sales - Reductions	(13.966)	(24.443)	(9)	-	(38.418)
Total depreciation in Results	(1.003)	(4.877)	(255)	-	(6.135)
Depreciation of Sold Assets	(1.532)	(21.588)	(6)	-	(23.126)
Depreciation in Acc. Statement	529	16.711	(249)	-	16.991
Bok Value December 31st 2005	35.155	30.483	438	-	66.076

	Plots & Buildings	Transportation means & mechanical equipment	Furniture and Other Equipment	Tangible assets under construction	Total
Book Value January 1st 2004	32.841	21.919	581	-	55.340
Additions	278	1.118	88	-	1.483
Sales - Reductions	(554)	(508)	(8)	-	(1.069)
Total depreciation in Results	(658)	(2.439)	(196)	-	(3.294)
Depreciation of Sold Assets	-	(362)	(5)	-	(367)
Depreciation in Acc. Statement	(658-)	(2.078)	(191)	-	(2.927)
Bok Value December 31st 2004	31.906	20.451	470	-	52.828
Additions	20	2.393	71	-	2.485
Sales - Reductions	(13.817-)	(3.192-)	(9)	-	(17.017)
Total depreciation in Results	(468-)	(2.370-)	(201)	-	(3.038)
Depreciation of Sold Assets	(1.532-)	(1.337-)	(6)	-	(2.875)
Depreciation in Acc. Statement	1.064	(1.033)	(195)	-	(164)
Bok Value December 31st 2005	19.174	18.620	338	-	38.132

The Tangible items of the Assets in total, are depicted in the financial statements at their acquisition cost less, first of all the accumulated depreciation and secondly possible asset impairments. At the compilation of the interim financial statements, the termination of a Novopan production unit during the fiscal year-end of 2003 of the subsidiary company BALKAN EXPORT S.A. was not taken into account, and consequently the value of its assets were not impaired during that year-end and moreover depreciation was accounted upon these assets in the following, inactive year-ends. In the present financial statements an audit regarding the impairment value of these assets took place and the impairment provision was recorded in the equity of the year-end that the operation of the production unit was terminated (2003).

The acquisition cost includes all the directly attributed expenditures for the acquisition of the items.

The group's assets are free of mortgages and charging orders in favor of third parties, with the exception of a building of the company THOLOS S.A., upon which a mortgage amounting to € 0,15 million exists for liability guarantees.

6.2 Non current asset items occupied for sale and terminated utilizations

The termination of the utilization of the parent company's Metallic Construction sector took place. The alteration that resulted, due to the termination of the utilization of the above sector, to the Group's turnover or and to its results or and to its equity during the current year-end was less than 25%.

In § 5 the analysis of the above sector's turnover, results and asset items is included. The cash flow statement of the terminated activity is presented separately from the Group and company cash flows in the relevant paragraph.

6.3 Intangible asset items – Expenditures for the exploration and evaluation of mineral resources

The Group and company intangible asset items included a purchased software. The company, according to the provision of IFRS 6 proceeded to the consolidation of the expenditures regarding the exploration and valuation of mineral resources, which are depreciated during a period of 1 to 5 years. Analytically:

	THE GROUP		
	Software	Expenditures for the exploration and evaluation of mineral resources	Total
Gross Book Value	91	1.287	1.379
Accumulated Depreciation and impairment value	(71)	(591)	(661)
Book Value January 1st 2004	21	697	717
Gross Book Value	93	1.296	1.389
Accumulated Depreciation and impairment value	(78)	(650)	(728)
Book Value December 31st 2004	15	646	661
Gross Book Value	94	1.296	1.390
Accumulated Depreciation and impairment value	(84)	(709)	(793)
Book Value December 31st 2005	11	587	598

	Expenditures for the exploration and evaluation of mineral resources		
	Software		Total
Book Value January 1st 2004	21	697	717
Additions	2	9	10
Sales - Reductions	-	-	-
Depreciation	(7)	(60)	(67)
Transfers	-	-	-
Net foreign exchange differences	-	-	-
Book Value December 31st 2004	15	646	661
Additions from subsidiary company acquisitions	-	-	-
Additions	1	-	1
Sales - Reductions	-	-	-
Depreciation	(6)	(58)	(64)
Transfers	-	-	-
Net foreign exchange differences	-	-	-
Book Value December 31st 2005	11	587	598

THE COMPANY			
	Expenditures for the exploration and evaluation of mineral resources		
	Software		Total
Gross Book Value	68	0	68
Accumulated Depreciation and impairment value	(53)	0	(53)
Book Value January 1st 2004	15	0	15
Gross Book Value	68	0	68
Accumulated Depreciation and impairment value	(58)	0	0
Book Value December 31st 2004	10	0	10
Gross Book Value	68	0	68
Accumulated Depreciation and impairment value	(62)	0	(62)
Book Value December 31st 2005	5	0	5

	Software	Expenditures for the exploration and evaluation of mineral resources	Total
Book Value January 1st 2004	15	-	15
Additions	-	-	-
Sales - Reductions	-	-	-
Depreciation	(5)	-	(5)
Transfers	-	-	-
Net foreign exchange differences	-	-	-
Book Value December 31st 2004	10	-	10
Additions from subsidiary company acquisitions	-	-	-
Additions	-	-	-
Sales - Reductions	-	-	-
Depreciation	(5)	-	(5)
Transfers	-	-	-
Net foreign exchange differences	-	-	-
Book Value December 31st 2005	5	-	5

6.4 Investments

The parent company participates in subsidiaries, associates, joint ventures in addition to other companies. The participations/investments in the parent company financial statements have been evaluated at their acquisition cost less potential impairments. Due to the fact that the total shareholders' equity of the subsidiary companies "BALKAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A.", are less than the 1/2 of their share capital through the IFRC application, they are subject to the ordinance of article 47 of C.L. 2190/1920. The management of each company is willing to convene the General Assembly in order to settle the Shareholders Equity.

The company consolidates all of its subsidiaries through the full consolidation method. The variations of the company's participations/investments in its subsidiaries are the following:

	THE GROUP					
	Subsidiaries		Other		Total	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Beginning of period	0	0	37	8.713	37	8.713
Additions - Valuations	0	0	0	0	0	0
Sales	0	0	0	(8.676)	0	(8.676)
End of Period Balance	0	0	37	37	37	37
Provisions for devaluations	0	0	(3)	(3)	(3)	(3)
End of Period Balance	0	0	34	34	34	34

THE COMPANY						
	Subsidiaries		Other		Total	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Beginning of period	121.857	127.025	18	8.687	121.875	135.712
Additions - Valuations	6.529	1.470	0	0	6.529	1.470
Sales	0	(6.638)	0	(8.669)	0	(15.307)
End of Period Balance	128.386	121.857	18	18	128.404	121.875
Provisions for devaluations	(39.047)	(41.516)	(3)	(3)	(39.050)	(41.520)
End of Period Balance	89.340	80.341	15	15	89.354	80.356

Other companies include the Group's participations/investments in associate companies (€ 13 thousand) and financial items that are evaluated at their fair value with alterations in the results (€ 24 thousand).

Summarized financial information for affiliate companies:

31/12/2004

Company Name	Establishment country	Assets	Liabilities	Sales Turnover	Gross Profit	Profits / (losses)	Participation Percentage
BALKAN EXPORT S.A.	Greece	37.758	5.428	19.491	1.370	(6.071)	39,04%
MARMARA KAVAS S.A.	Greece	15.535	5.884	3.497	429	22	77,07%
HELLENIC PIPEWORKS S.A.	Greece	23.785	7.055	9.982	1.701	440	100,00%
THOLOS S.A.	Greece	12.170	11.382	2.551	-986	(1.560)	100,00%
HELLENIC WOOD INDUSTRY S.A.	Greece	1.957	292	1	-2	(209)	98,62%
MICHANIKI BULGARIA S.A.	Bulgaria	4.909	264	0	0	1.498	95,70%
MICHANIKI RUSSIA S.A.	Russia	2.988	0	0	0	(14)	83,55%
MICHANIKI UKRAINE S.A.	Ukraine	29.564	9.779	8.159	4.839	3.719	100,00%
MICHANIKI REAL ESTATE SA.	Greece	33.078	9.168	513	508	357	100,00%

31/12/2005

Company Name	Establishment country	Assets	Liabilities	Sales Turnover	Gross Profit	Profits / (losses)	Participation Percentage
BALKAN EXPORT S.A.	Greece	37.957	5.652	16.061	45	207	42,21%
MARMARA KAVAS S.A.	Greece	15.622	6.572	2.774	338	(442)	77,07%
HELLENIC PIPEWORKS S.A.	Greece	32.673	14.661	11.907	3.203	1.436	100,00%
THOLOS S.A.	Greece	16.472	15.441	1.845	-570	180	100,00%
HELLENIC WOOD INDUSTRY S.A.	Greece	1.671	139	3	0	(134)	98,62%
MICHANIKI BULGARIA S.A.	Bulgaria	13.158	1.463	0	0	6.790	95,70%
MICHANIKI RUSSIA S.A.	Russia	9.836	4	0	0	(570)	84,41%
MICHANIKI UKRAINE S.A.	Ukraine	31.032	11.840	1.304	177	234	100,00%
MICHANIKI REAL ESTATE SA.	Greece	32.214	8.730	148	125	(109)	100,00%

6.5 Fixed Asset Investments

The analysis of the Group's fixed asset investments is as follows:

	THE GROUP	THE COMPANY
Value according to the previous accounting principles at 31/12/2003	30.288	0
Profits / (losses) from fair value (in year-end results and Equity Capital)	1.314	0
Fair Value at 31/12/2003	31.602	0

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Beginning of Period	34.806	31.602	0	0
Foreign Exchange Differences				
Additions	320	1.215		
Sales/Write-offs				
Profits / (losses) from fair value	8.129	1.989	0	0
Expropriations of investments in properties				
End of Period	43.255	34.806	0	0

Fixed asset investments are estimated at regular time intervals at their fair value, which is the purchasing value which is valued from an independent, recognized and professional evaluator. The company has no contractual liabilities regarding the purchase, construction or repair of the assets of this category.

6.6 Other long-term receivables

The other long-term receivables of the Group and the Company are analyzed in the table below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Bills receivable (long-term maturity)	3.571	4.286	3.571	4.286
Less: Non accrued interest	(249)	(290)	(249)	(290)
Other long-term receivables	296	477	136	322
Total other long-term receivables	3.618	4.472	3.459	4.318

The total long-term receivables refer to securities from the sale of a Financial item occupied for sale.

6.7 Inventories

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

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Merchandise	1.577	1.178	4	4
Finished and semi finished products - By-products and sediments	67.451	65.740	17.690	18.628
Production in progress	17.153	11.054	16.223	10.182
Raw and auxiliary materials - Consumables - Spare parts and Packing materials	10.061	5.855	1.484	1.426
Vital kai agricultural production	0	0	0	0
Total	96.242	83.827	35.401	30.240
Less: Provisions for devaluation				
Merchandise	450	450	0	0
Finished and semi finished products - By-products and sediments	12.000	12.000	0	0
Production in progress	0	0	0	0
Raw and auxiliary materials - Consumables - Spare parts and Packing materials	1.900	1.900	0	0
Vital kai agricultural production	0	0	0	0
	14.350	14.350	0	0
Total net liquidation value	81.892	69.477	35.401	30.240

The total inventories have been valued at the end of the year-end at their net liquidation value.

6.8 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The analysis regarding receivables and liabilities from construction contracts of the Group and the Company is depicted below:

	THE GROUP	
	31/12/2005	31/12/2004
Contractual income accounted to the year-end results	78.238	61.994
Contractual cost realized and registered profits (less registered losses) up to now	252.074	182.366
Collected prepayments	1.928	-
Retentions	75	1.293
Gross amount owed by clients for the contractual project, depicted as a receivable	10.295	4.000
Gross amount owed to clients for the contractual project, depicted as a liability	384	643
Unexecuted Projects	237.405	56.141

	THE COMPANY	
	31/12/2005	31/12/2004
Contractual income accounted to the year-end results	76.911	61.994
Contractual cost realized and registered profits (less registered losses) up to now	250.748	182.366
Collected prepayments	1.928	-
Retentions	75	1.293
Gross amount owed by clients for the contractual project, depicted as a receivable	9.770	4.000
Gross amount owed to clients for the contractual project, depicted as a liability	384	643
Unexecuted Projects	219.267	56.141

6.9 Trade and Other commercial receivables

The trade receivables of the Group and the Company are analyzed below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Trade receivables	38.558	21.723	28.139	11.946
Less: Impairment provisions	(2.264)	(3.020)	(160)	(916)
Bills receivable	471	532	234	290
Client accruals (IAS 11)	10.295	4.000	9.770	4.000
Bills receivable overdue	133	132	0	0
Cheques receivable	20.547	19.588	2.885	2.775
Cheques receivable overdue	2.829	2.075	50	0
Less: Non accrued interest of bills	0	0	0	0
Letters of engagement and other titles	0	0	0	0
Less: Provisions of overdue securities	(50)	0	(50)	0
Short-term receivables from executed projects	26.301	26.301	26.301	26.301
Less: Provisions of bad debt short-term receivables from executed projects	(26.301)	(26.301)	(26.301)	(26.301)
Doubtful receivables	6.702	5.935	1.750	947
Less:provisions	(4.421)	(3.665)	(756)	0
Receivables against management instruments	0	0	0	0
Long-term receivables collected in the following year-end	0	0	0	0
Sundry debtors	11.773	8.925	4.721	2.362
Prepayment and credit accounts	3.837	3.776	169	162
Provisions for bad debt prepayments and credit accounts	0	0	0	0
Less:Other bad debt provisions	(11.781)	(11.781)	(1.634)	(1.634)
Net Comercial Receivables	76.629	48.220	45.117	19.932

6.10 Joint Ventures/Consortiums

As a member of joint ventures/consortiums the company recognizes its participation/investment to the jointly audited financial entities with the net equity method. It is noted that the company in all cases directly recognizes in its results any liability or commitment that burdens these joint ventures/consortiums, for which the latter can not self respond, recognizing such liabilities directly to them.

The most significant joint venture/consortium participations of the company are mentioned in § 3.4 "Group Structure-Consolidated Financial Statements". From these joint ventures/consortiums most of them are inactive. For the active joint ventures/consortiums the management estimates that they will be profitable and no potential liabilities will emerge apart from liabilities that have been recorded through the valuation with the net equity method.

The analysis regarding the participations/investments of the Group and the company in joint ventures/consortiums is depicted below:

	THE GROUP	
	Joint Ventures/Consortiums	
	31/12/2005	31/12/2004
Beginning of period	11.050	11.098
Additions	1.657	0
Reductions	0	(49)
End of period balance	12.706	11.050
Net Equity method Valuation		
Surplus / (undervalue) of joint ventures with a positive net equity	1.719	(2.329)
	0	0
Surplus / (undervalue) of joint ventures with a negative net equity	(20.128)	(20.408)
	0	0
Net equity of joint ventures proportionate to the company	(5.702)	(11.688)
Investments in joint ventures		
<i>Joint Ventures with a positive net equity</i>		
Beginning of period	8.721	2.709
Additions	1.657	3
Reductions	0	(44)
Profit-loss proportion to an associate company	4.048	6.053
End period balance	14.425	8.721
<i>Joint Ventures with a negative net equity</i>		
Liabilities towards other investment interest companies		
Beginning of period	(20.408)	(18.442)
Additions	0	0
Reductions	0	0
Profit-loss proportion to an associate company	281	(1.966)
End period balance	(20.128)	(20.408)
	0	
Total effect to the result		
Proportion of profit/ (loss) to an associate company	4.329	4.087

	THE COMPANY	
	Joint Ventures/Consortiums	
	31/12/2005	31/12/2004
Beginning of period	11.039	11.091
Additions	1.657	0
Reductions	0	(52)
End of period balance	12.696	11.039
Net Equity method Valuation		
Surplus / (undervalue) of joint ventures with a positive net equity	777	(2.482)
	0	0
Surplus / (undervalue) of joint ventures with a negative net equity	(20.128)	(20.408)
	0	0
Net equity of joint ventures proportionate to the company	(6.655)	(11.852)
Investments in joint ventures		
<i>Joint Ventures with a positive net equity</i>		
Beginning of period	8.557	2.701
Additions	1.657	0
Reductions	0	(44)
Profit-loss proportion to an associate company	3.260	5.899
End period balance	13.473	8.557
<i>Joint Ventures with a negative net equity</i>		
Liabilities towards other investment interest companies		
Beginning of period	(20.408)	(18.442)
Additions		
Reductions		
Profit-loss proportion to an associate company	281	(1.966)
End period balance	(20.128)	(20.408)
Total effect to the result		
Proportion of profit/ (loss) to an associate company	3.540	3.933

The total amounts for each one of the current asset items, and the short-term liabilities, the income and expenditures that are related with the investments of the company and the Group in joint ventures/consortiums are analyzed in the table below. Long-term asset items and liabilities do not exist.

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Trade Receivables	1.687	1.410	1.687	1.410
Affiliated Companies	35.129	28.866	35.129	28.866
Other investment interest receivables	7	173	0	0
Sundry debtors	1.520	1.195	1.225	1.105
Total receivables	38.343	31.644	38.041	31.380
Trade Creditors	408	1.454	211	170
Sundry creditors	134	930	0	653
Total Liabilities	543	2.384	211	823
Income	683	2.881	683	2.881
Expenses	663	2.062	663	2.062
Results	20	819	20	819

The above table depicts receivables from joint ventures/consortiums amounting to approximately € 35.129 thousand, which is judged as non-secure to collect. However no subject exists in performing a bad debt provision since these receivables have been indirectly written off through the valuation (with the creation of the liability resulting from it, as analyzed in a previous table of this current paragraph).

6.11 Other Short-term receivables and Prepayments

The other receivables of the Group and the Company are analyzed below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Escrow accounts	5	4	0	0
Deferred expenses	1.072	1.015	466	665
Accrued income	115	114	0	0
Other interim accounts	1.218	206	0	0
Total	2.410	1.339	466	665

The prepayments of the company and the Group are:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Income tax prepayments	2.877	2.558	2.430	2.430
Asset acquisition prepayments	7.738	6.812	1.467	1.440
Inventory purchase prepayments	3.267	2.036	334	1.455
Total Prepayments	13.882	11.406	4.231	5.325

6.11a Fair value Financial Items though results

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Shares	5	5	0	0
Bonds	0	0	0	0
Other securities	540	556	540	556
Provisions for devaluations of securities	0	0	0	0
Total	545	562	540	556

6.11b Receivables from affiliated and other participation/investment interest Companies.

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Short-term receivables from affiliated companies	35.129	28.866	35.129	28.866
Short-term receivables from other investment interest companies	7	173	0	0
Bad debt provisions from affiliated companies	0	0	0	0
TOTAL	35.136	29.039	35.129	28.866

The receivables of the above category are analyzed through the Joint Venture/Consortium remarks in § 6.10.

6.12 Cash and cash equivalents

The cash and cash equivalents of the Group and the Company are analyzed below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash at hand	535	170	237	104
Short-term bank deposits	37.657	31.795	19.538	21.710
Total	38.192	31.965	19.774	21.814

Cash represents cash at hand in addition to bank deposits available at first demand. The real weighted average interest rate of the bank deposits for the period presented is 2%.

During the above dates there were no overdrafts from bank accounts.

6.13 Equity

i) Share capital

The Company's share capital is constituted from 66.937.526 common fully paid up shares and from 25.968.987 preferred shares of € 1,48 face value each. The total share capital amounts to € 137.501 thousand. The shares of MICHANIKI S.A. are listed in the Stock Exchange.

During the presented period (and the relevant comparable period) no alteration was made to the Company's share capital.

ii) Share Premium

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Share premium	129.629	129.629	129.629	129.629
less: Own shares	(3.745)	(18.450)	(3.136)	(4.793)
Total	125.884	111.179	126.493	124.835

The Company's share premium (above par value) capital resulted from the issue of shares against cash in a value greater than its face value.

The shares of MICHANIKI S.A. as well as the shares of its subsidiary "BALKAN EXPORT S.A." are freely negotiable in the Athens Exchange and participate in the following indexes:

	MICHANIKI S.A.	BALKAN EXPORT S.A.
Capitalization	High	Low
FTSE Ase Small Cap 80 Index	V	V
Eurobank Mid Cap 50 Index	V	
FTSE Athex Construction & Materials Index	V	V

iii) Other Reserves

The other reserves of the Group and the Company are analyzed below:

THE GROUP

	Statutory Legal Reserve	Fair Value Investment Reserves	Readjustment Differences	Tax free reserves	Reserves from tax free profits of construction & Technical Companies	Reserves from specially taxed revenues	Foreign Exchange Differences Conversion Reserves	Reserves from Intention Rights of Shareholders to personnel	Own Shares Reserves	Other Reserves	Dividends for appropriation	Total
Balance at 1/1/2004	4.371	934	795	4.985	369	995	436	0	6.431	11.017	9.613	39.947
Foreign exchange differences	0	0	0	0	0	0	(586)	0	0	0	0	(586)
Changes during the year-end	(1.269)	1.744	0	(217)	480	2	0	0	(1.536)	239	1.393	836
Other	0	0	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/2004	3.102	2.678	795	4.768	849	997	(150)	0	4.895	11.256	11.006	40.196
Foreign exchange differences	0	0	0	0	0	0	(732)	0	0	0	0	(732)
Changes during the year-end	50	7.749	(0)	113	(193)	0	0	0	132	479	(11.006)	(2.677)
Other	0	0	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/2005	3.152	10.427	795	4.881	655	997	(882)	0	5.027	11.735	0	36.787

THE COMPANY

	Statutory Legal Reserve		Readjustment Differences	Tax free reserves	Reserves from tax free profits of construction & Technical Companies	Reserves from specially taxed revenues	Foreign Exchange Differences Conversion Reserves	Reserves from Intention Rights of Shareholders to personnel	Own Shares Reserves	Other Reserves	Dividends for appropriation	Total
Balance at 1/1/2004	3.840	0	795	1.872	369	995	0	0	6.431	10.533	9.291	34.125
Foreign exchange differences	0	0	0	0	0	0	0	0	0	0	0	0
Changes during the year-end	(1.255)	0	0	0	480	0	0	0	(1.638)	290	1.568	(555)
Other	0	0	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/2004	2.584	0	795	1.872	849	995	0	0	4.793	10.823	10.859	33.570
Foreign exchange differences	0	0	0	0	0	0	0	0	0	0	0	0
Changes during the year-end	32	0	(0)	0	(193)	0	0	0	0	452	(10.859)	(10.569)
Other	0	0	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/2005	2.616	0	795	1.872	655	995	0	0	4.793	11.275	0	23.002

The statutory legal reserve has been formed according to the ordinances of the Commercial Law 2190/1920.

iv) Retained earnings

The amount of (98.570) thousand € / (92.777) thousand € refers to accumulated losses of the Group/Company at December 31st, 2005.

6.14 Deferred tax receivable and liability

The deferred tax receivables and liabilities are analyzed below:

	THE GROUP				THE COMPANY			
	31/12/2005		31/12/2004		31/12/2005		31/12/2004	
	D.T. Receivable	D.T. Liability	D.T. Receivable	D.T. Liability	D.T. Receivable	D.T. Liability	D.T. Receivable	D.T. Liability
Non Current Items								
Tangible Assets & property Investments	800	(6.248)	468	(5.613)	303	(1.423)	434	(1.680)
Current Items								
Construction Contracts	3.552	(10.136)	3.514	(2.716)	3.552	(10.027)	3.514	(2.716)
Equity Capital								
Reserves	175	(1.296)	175	(1.296)	175	(1.296)	175	(1.296)
Grants	240	-	218	-	4	-	3	-
Long-term Liabilities								
Personel Benefits	347	-	303	-	277	-	237	-
Joint Ventures	326	(3)	-	-	-	(3)	-	-
Short-term Liabilities								
Financial Leases	356	(1.151)	1.899	(2.848)	231	(846)	1.571	(2.376)
Impact fro Change of Tax Rate								
Tangible Assets & property Investments	(20)	(119)	(37)	352	(21)	125	(37)	144
Construction Contracts	9	598	-	83	9	598	-	83
Grants	(26)	-	(19)	-	(1)	-	(0)	-
Personel Benefits	(32)	-	(26)	-	(26)	-	(20)	-
Financial Leases	(0)	(54)	-	81	(0)	(71)	-	69
Other								
Tax Deductible year-end losses	1.059	-	-	-	1.059	-	-	-
Total	6.787	(18.409)	6.496	(11.958)	5.563	(12.944)	5.876	(7.773)
Offsetting		(11.622)		(5.462)		(7.381)		(1.896)

The income tax rate in which the companies of the Group, operating in Greece, are subject to for 2005 is 32%.

The Group has not recognized a deferred taxation for the accumulated losses from the valuation and sale of securities. These losses are setoff only with respective profits from sale of securities. Moreover it does not calculate a deferred taxation in the valuation of financial derivative products since the tax law does not recognize realized losses, but only the profits incurred.

According to the tax legislation certain incomes are not taxed at the time of their possession, but at the time of their distribution to the shareholders. The Group's accounting principle is to recognize a deferred tax liability for these incomes at the time of their attainment, regardless from the time of their distribution.

6.15 Employee Benefit Liabilities and Other provisions

The Group and the company recognises as a retirement benefit obligation the present value of the legal commitment that has been assumed by them for the payment of a lump sum compensation to retired personnel. The relative obligation was determined based upon an actuarial study.

The respective obligation of the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Balance Sheet Liabilities for:				
Retirement benefits	1.919	1.897	866	679
Health care benefits after retirement	-	-	-	-
Total	1.919	1.897	866	679
Charges to results:				
Retirement benefits (provisions and payments)	(284)	(663)	-	(181)
Health care benefits after retirement	-	-	-	-
Net Actuarial (profits) / losses registered in the period	306	261	187	108
Total	23	(402)	187	(73)

The principal actuarial assumptions used were as follows:

THE GROUP / THE COMPANY

Technical Interest Rate	3,00%
Future Salary Increases	3,15%
Yearly average long-term inflation increase rate	2,00%

Personnel mobility:

Age Group	Voluntary Resignation	Dismissal
up to 30 years old	4%	15%
31-40	3%	12%
41 and above	1%	10%

The provisions regarding the Group and the Company are recognized provided that present legal or implicit liabilities consequent to prior facts exist, provided that the potential to be settled through outflow resources exists, and provided that the amount of the liability can be reliably calculated. The other provisions of the company and the group are analyzed below:

THE GROUP						
	Recognition of accrued personel benefits	Asset item devaluation provisions	Provisions of loss-making construction projects	Derivative financial product provisions	Other provisions	Total Provisions
1/1/2004	2.298	0	6.675	2.403	909	12.284
Additions from acquisition of subsidiary company	0	0	0	0	0	0
Additional year-end provisions	261	0	42	1.584	0	1.888
Non used provisions that were reversed	(663)	0	(1.844)	(2.403)	150	(4.760)
Foreign exchange differences	0	0	0	0	0	0
Additional year-end provisions	0	0	0	0	0	0
Non used provisions that were reversed & Used year-end provisions	0	0	0	0	0	0
31/12/2004	1.897	0	4.872	1.584	1.059	9.412
Additions from acquisition of subsidiary company	0	0	0	0	0	0
Additional year-end provisions	306	0	5	2.277	0	2.589
Non used provisions that were reversed	(284)	0	(4.872)	(1.584)	165	(6.575)
Foreign exchange differences	0	0	0	0	0	0
Additional year-end provisions	0	0	0	0	0	0
Non used provisions that were reversed & Used year-end provisions	0	0	0	0	0	0
31/12/2005	1.919	0	5	2.277	1.224	5.426

THE COMPANY

	Recognition of accrued personel benefits	Asset item devaluation provisions	Provisions of loss-making construction projects	Derivative financial product provisions	Other provisions	Total Provisions
1/1/2004	752	0	6.675	2.403	585	10.414
Additions from acquisition of subsidiary company	0	0	0	0	0	0
Additional year-end provisions	108	0	42	1.584	237	1.971
Non used provisions that were reversed	(181)	0	(1.844)	(2.403)	0	(4.428)
Foreign exchange differences	0	0	0	0	0	0
Additional year-end provisions	0	0	0	0	0	0
Non used provisions that were reversed & Used year-end provisions	0	0	0	0	0	0
31/12/2004	679	0	4.872	1.584	822	7.958
Additions from acquisition of subsidiary company	0	0	0	0	0	0
Additional year-end provisions	187	0	5	2.277	0	2.470
Non used provisions that were reversed	0	0	(4.872)	(1.584)	198	(6.259)
Foreign exchange differences	0	0	0	0	0	0
Additional year-end provisions	0	0	0	0	0	0
Non used provisions that were reversed & Used year-end provisions	0	0	0	0	0	0
31/12/2005	866	0	5	2.277	1.020	4.169

The company retains options and forwards which it evaluates according to the IFRS ordinances. The total amount invested in options and forwards at December 31st, 2005 amounted to € 27.000.000 and JPY 320.400.000 (Euro equivalent at the initiation date of the term exchange transaction: € 2.367.895,94). Therefore the total amount of the investment in Euros is € 29.367.895,94.

The scope of the foreign exchange forwards is the foreign exchange risk management for commercial or investment purposes. The profits or losses from foreign exchange forwards from the interest rate and

foreign exchange fluctuations may be significant. The risk originates from the fluctuation of the exchange rates of the reference currency of the considered financial tool and from the course of the depository and loan interest rates of the two currencies. For the foreign exchange forwards no guarantees whatsoever are given to cover the above risks.

The company has the capability to terminate at any time the use of this specific tool even after the effective initiation of the term contract. The company mainly proceeds in contracting term contracts with a duration of one year. Last the reap of profits or the payment of losses can take place either at the termination of the term contract through the discounting of the profit or loss or at any other date until the maturity of the foreign exchange forward term contract.

Within the other provisions there are included provisions that the company and the Group have performed for potential taxes.

The provision amounting to € 5 thousand, refers to the loss-making projects which according to I.A.S. 11 "Construction Contracts" the estimate of the loss-making result of the project is directly recorded to the results. Other than the above there are no potential receivables and liabilities that may arise from the construction contracts.

6.16 Loan liabilities

The duration of the loans of the companies of the group is indefinite. Their full payment date depends upon the cash liquidity of each company separately. Therefore the loan liabilities of the group based upon the Managements' estimate (long-term and short-term) is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Long-term loans				
Bank Loans	8.392	6.607	0	0
Financial Lease Liabilities	7.120	8.900	(0)	890
Bonds	0	0	0	0
Total Long-term loans	15.512	15.507	(0)	890
Bank overdrafts	0	0	0	0
Short-term loans				
Bank loans	36.892	11.436	22.000	0
Bank overdrafts	0	0	0	0
Bonds	0	0	0	0
Financial Lease Liabilities	2.502	3.622	692	1.949
Total Short-term loans	39.394	15.058	22.692	1.949
total Loans	54.906	30.566	22.692	2.839

The real weighted average bank loan interest rates of the Group at the balance date are depicted below:

	31/12/2005	31/12/2004
Bank Loans in €	4,236%	
Bank Loans in US \$	5,665%	4,064%
Bank Loans in YEN	2,040%	1,960%

The table below presents the analysis of the contractual liability resulting from the Financial Leasing.

THE GROUP					THE COMPANY				
Future minimum lease pymment rentals at December 31st, 2005					Future minimum lease pymment rentals at December 31st, 2005				
	<1 year € '000s	1<5 years € '000s	>5 years € '000s	Total € '000s		<1 year € '000s	1<5 years € '000s	>5 years € '000s	Total € '000s
Rental payments	2.501	6.233	888	9.622	Rental payments	692	0	0	692
Discount (Future financial charges of financial leases)	0	0	0	0	Discount (Future financial charges of financial leases)	0	0	0	0
Net Present Value	2.501	6.233	888	9.622	Net Present Value	692	0	0	692

THE GROUP					THE COMPANY				
Future minimum lease pymment rentals at December 31st, 2004					Future minimum lease pymment rentals at December 31st, 2004				
	<1 year € '000s	1<5 years € '000s	>5 years € '000s	Total € '000s		<1 year € '000s	1<5 years € '000s	>5 years € '000s	Total € '000s
Rental payments	3.622	6.753	2.146	12.521	Rental payments	1.949	890	0	2.839
Discount (Future financial charges of financial leases)	0	0	0	0	Discount (Future financial charges of financial leases)	0	0	0	0
Net Present Value	3.622	6.753	2.146	12.521	Net Present Value	1.949	890	0	2.839

6.17 Commercial Liabilities and prepayments

The analysis of the remaining balance of the trade creditors and the other similar liabilities of the Group and the Company are depicted below:

Commercial Liabilites	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Trade creditors	24.525	16.953	10.511	10.475
Bills payable	332	0	0	0
Cheques payable	14.689	10.238	12.464	8.406
Less: Non accrued bills payable interest				
	39.546	27.191	22.975	18.881

Liabilities to clients	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Client advances	2.543	322	1.853	0
Client accruals (IAS 11)	385	1.403	385	1.403
Total	2.929	1.725	2.238	1.403

6.18 Taxes and Social Security

The liabilities from taxes-duties and social security are analyzed below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
<i>Tax Expenditure proportionate to the period</i>				
Tax audit differences	238	233	6	33
Recognition of potential taxes	230	271	200	236
Deferred Taxes	6.161	3.949	5.485	2.224
Income tax	558	4.822	68	4.524
Total taxes to the year-end results	7.187	9.275	5.759	7.017

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Liabilities from taxes and duties	3.358	6.656	2.311	4.693
Social Security	962	1.163	505	778
Total	4.320	7.819	2.815	5.471

The parent company has not been audited by the tax authorities for the fiscal year-ends 2002 up to and 2005. The tax un-audited fiscal year-ends for the other companies of the Group are depicted in the table below:

COMPANY NAME	TAX UN-AUDITED FISCAL YEAR-ENDS
HELLENIC PIPE WORKS S.A.	2001-2005
BALKAN EXPORT S.A.	2000-2005
MARMARA KAVALLAS S.A.	2003-2005
THOLOS S.A.	2003-2005
HELLENIC WOOD INDUSTRY S.A.	1999-2005
MICHANIKI REAL ESTATE S.A.	2005
MICHANIKI BULGARIA S.A.	1995-2005
MICHANIKI UKRAINE	1/4/2004 -31/12/2005
MICHANIKI RUSSIA LTD	2004-2005

There have been recognized potential taxes for the parent company amounting to € 1.016 thousand and for the Group € 1.220 thousand. The outcome of the joint venture/consortium tax liabilities in which the company participates in can not be forecasted at this current stage. It is estimated that as far as the inactive joint ventures/consortiums is concerned an additional taxation will not emerge due to the implicit taxation, and as far as the active joint ventures/consortiums is concerned any potential taxation will limit the profits towards its members.

6.19 Other short-term liabilities

The analysis of the other short-term liabilities is depicted below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Dividends Payable	820	886	820	886
Deferred revenues	5.765	6.707	2.892	3.540
Accrued expenses	66	65	0	0
Other liability interim accounts	9	9	0	0
Sundry creditors	8.236	5.415	4.750	2.127
Total	14.895	13.083	8.462	6.553
Amounts owed to affiliated parties	20.520	20.410	20.129	20.410
Total	20.520	20.410	20.129	20.410

Almost the total of the account "Amounts owed to affiliate parties", refers to the liability registered by the company from the valuation of the joint ventures/consortiums in which it participates in with the Net Equity Method. More information is stated in § 6.10.

6.20 Turnover

The turnover analysis of the Group and the Company is analyzed in § 5.

6.21 Cost of sales

The cost of sales of the company and the group is analyzed below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Cost of inventories recognized as an expense	44.080	48.480	23.462	23.443
Fees & other employee benefits	11.723	14.821	7.641	10.359
Fees and expenses of third parties	24.404	22.804	23.556	20.792
Third party grants	1.956	1.880	1.028	839
Operating lease rentals	897	367	795	364
Asset repair and maintenance expenses	469	617	342	563
Taxes and duties	376	403	289	313
Advertising	13	41	13	41
Other general expenses	2.051	1.517	972	996
Asset depreciation	5.616	6.184	2.761	3.071
Other provisions	0	759	0	759
Total	91.584	97.873	60.858	61.539
Intergroup/company cross-outs	(1.121)	(624)		
Final Total	90.463	97.249		

6.22 Administrative expenses

The administrative expenses of the company and the group are analyzed below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Personnel fees	3.252	1.834	2.539	1.211
Fees and expenses of third parties	1.733	1.119	945	434
Third party grants	491	412	297	206
Operating lease rentals	419	1.088	419	757
Asset repair and maintenance expenses	304	339	289	332
Taxes and duties	208	187	184	138
Advertising	233	135	233	134
Other general expenses	2.165	2.062	1.885	1.619
Asset depreciation	318	273	229	177
Total	9.122	7.449	7.021	5.007

6.23 Selling expenses

The selling expenses of the company and the group are analyzed below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Cost of inventories recognized as an expense	53	52	0	0
Fees & other employee benefits	559	771	0	0
Fees and expenses of third parties	57	125	0	0
Third party grants	159	131	4	6
Asset repair and maintenance expenses	3	2	0	0
Taxes and duties	14	14	0	0
Advertising	6	0	0	0
Other general expenses	584	480	0	0
Asset depreciation	171	101	53	51
Total	1.606	1.677	57	57

6.24 Other operating revenues/ expenses

The other operating revenues/expenses are analyzed below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Other operational income				
Foreign exchange differences profits	1.332	2.098	1	1.584
Income from Subsidies - Grants	472	987	317	394
Insurance Indemnities	39	24	4	24
Other idemnities	57	17	33	-
Income from rents	46	66	38	60
Income from sales commissions	27	24	27	24
Income from unused provisions	4.892	1.996	4.872	1.844
Profits from asset sales	4.323	366	3.519	3
Fair value of property investments	8.129	1.989	-	-
Profits from sale and leaseback of assets	604	604	293	293
Other income from previous year-ends	14	128	1	25
Other income	384	171	2	0
Total	20.318	8.470	9.108	4.252
Other operating expenses				
Foreign exchange differences losses	1.972	17	1	12
Bad debt provision	50	106	50	-
Losses from asset sales	1.411	400	1.361	98
Tax fines and increments	55	51	53	20
Tax fines and increments of previous year-ends	37	76	-	4
Gurantees forfeitures	-	10	-	-
Provision for inventory devaluation	-	4.373	-	-
Depreciation not incorporated to the operational cost	95	117	-	-
Taxes not incorporated to the operational cost	87	374	20	34
Other income from previous year-ends	266	553	51	390
Other income	64	60	30	35
Total	4.036	6.137	1.566	592

6.25 Financial revenues/expenses – Other financial results

The financial result of the group and the company is analyzed below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Financial Income from:				
- Bank interest	65	31	5	10
- Derivative financial product valuation	0	104	0	104
- Trade receivables	48	100	14	0
- Cash for investment sale	41	0	41	0
- Securities	237	458	148	332
- Investments	312	273	0	0
Total	704	967	208	446
Financial Expenses from:				
- Derivative financial product valuation	2.277	1.688	2.277	1.688
- Bank Loans	768	348	257	140
- Guarantees commission	522	176	435	157
- Financial Leases	416	493	98	151
- Other bank expenses	185	135	103	53
Total	4.168	2.840	3.171	2.190
Other Financial Results				
- Profits from investment and securities sales	911	237	535	14
- Derivative financial product result	(6.687)	5.175	(6.687)	5.175
- Valuation differences from investments and securities	2.469	(10.560)	2.469	(8.475)
- Investments and securities expenses and losses	(48)	(952)	(1)	(759)
Profit-loss proportion to associate company	4.329	4.087	3.540	3.933
Total	975	(2.013)	(142)	(112)
Intergroup/company cross-outs	(2.868)	8.811		
PERIOD FINANCIAL RESULT	(5.358)	4.926	(3.104)	(1.856)

6.26 Transactions with associated parties

The transactions referring to sales and purchases to and from associated parties of the group are analyzed below:

INTERGROUP TRANSACTIONS RECEIVABLES - LIABILITIES 01/01/2005-31/12/2005												
LIABILITIES												
	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
R E C E I V A B L E S	MICHANIKI S.A.			32		2.644						2.676
	BALKAN S.A.	17										17
	MARMARA S.A.											-
	PIPING S.A.	5										5
	THOLOS S.A.				1.477							1.477
	ELVIX S.A.	0										0
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	22	-	32	1.477	2.644	-	-	-	-	-	4.175

INTERGROUP TRANSACTIONS RECEIVABLES - LIABILITIES 01/01/2004-31/12/2004												
LIABILITIES												
	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
R E C E I V A B L E S	MICHANIKI S.A.			74		2.644						2.718
	BALKAN S.A.	0										0
	MARMARA S.A.											-
	PIPING S.A.	348										348
	THOLOS S.A.											-
	ELVIX S.A.	0										0
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	348	-	74	-	2.644	-	-	-	-	-	3.067

INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2005-31/12/2005												
BUYER												
S E L L E R		MICHANI KI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANI KI BULGARIA	MICHANI KI RUSSIA	MICHANI KI UKRAINE	MICHANI KI REAL ESTATE S.A.	TOTAL
	MICHANI KI S.A.				112							112
	BALKAN S.A.		14									14
	MARMARA S.A.											-
	PIPING S.A.		35									35
	THOLOS S.A.					1.241						1.241
	ELVIX S.A.											-
	MICHANI KI BULGARIA S.A.											-
	MICHANI KI RUSSIA											-
	MICHANI KI UKRAINE											-
MICHANI KI REAL ESTATE S.A.		4									4	
TOTAL		53	-	112	1.241	-	-	-	-	-	-	1.407

INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2004-31/12/2004												
BUYER												
S E L L E R		MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
	MICHANIKI S.A.				148							148
	BALKAN S.A.	2										2
	MARMARA S.A.											-
	PIPING S.A.	470										470
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
MICHANIKI REAL ESTATE S.A.	4										4	
TOTAL	476	-	148	-	-	-	-	-	-	-	-	624

6.27 Profits per share

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Profits proportioned to the parent company shareholders	19.631	14.185	15.043	4.648
Total number of shares	92.906.513	92.906.513	92.906.513	92.906.513
Basic profits (losses) per share (€ per share)	0,211	0,153	0,162	0,050

6.28 Application analysis of the I.F.R.S. first time application

TABLE OF ADJUSTMENTS IN EQUITY AT THE BEGINNING OF THE PERIOD (JANUARY 1ST, 2005 AND JANUARY 1ST, 2004 RESPECTIVELY) BETWEEN THE GREEK GENERAL CHART OF ACCOUNTS (GGCA) AND THE INTERNATIONAL ACCOUNTING STANDARDS (I.A.S.) (amounts in € thousands)

	THE GROUP		THE COMPANY	
	1/1/2005	1/1/2004	1/1/2005	1/1/2004
Total Equity Capital, as previously depicted according to the G.G.C.A.	374.841	364.792	249.750	256.546
<i>Adoptions of the I.F.R.S.</i>				
Impact from the characterization of company assets as Property Investments	3.303	1.314	-	-
Impact from the non recognition of the establishment expenses as intangible assets	(16.103)	(21.197)	(1.388)	(2.646)
Impact from Construction Contracts	(636)	(3.878)	(636)	(3.878)
Reversion of the adjustment value of property tax laws	(5.027)	-	-	-
Impact from the depreciation of assets	(31.734)	(31.165)	(2.785)	(2.930)
Impact from the consolidation of subsidiary companies	(7.080)	(16.753)	-	-
Impact from the valuation of Subsidiary and Associate companies			4.683	(350)
Impact for the valuation of inventories	(17.968)	(13.592)	(2.424)	(2.424)
Recognition of accrued employee benefits	(1.833)	(2.235)	(616)	(689)
Recognition of deferred taxation	(7.122)	(3.173)	(3.652)	(1.428)
Recognition of Financial Leases	1.602	(585)	1.957	635
Valuation of derivative financial items	(1.584)	(2.403)	(1.584)	(2.403)
Impact from bad debt provisions	(47.709)	(45.479)	(28.850)	(26.700)
Impact from the participation/investments in Joint Ventures/Consortiums	(29.397)	(26.824)	(29.007)	(26.824)
Impact of asset item grants	(3.844)	(4.107)	(2.863)	(2.929)
Own Shares	(4.793)	(6.431)	(4.793)	(6.431)
Transfer of recognition of the dividends payable to the time of approval by the General Assembly	11.296	9.613	11.149	9.291
Transfer of recognition of the Board of Directors fees to the time of approval by the General Assembly	290	200	230	200
Cross outs of capital owed by subsidiary companies and other	(6.556)	-	(299)	-
Recognition of potential taxes	(990)	(719)	(816)	(580)
Total Adoptions	(165.887)	(167.414)	(61.695)	(70.087)
Invested capital according to the International Accounting Standards	208.954	197.378	188.055	186.459

TABLE OF ADJUSTMENTS IN YEAR-END PROFITS (DECEMBER 31ST, 2004) BETWEEN THE GREEK GENERAL CHART OF ACCOUNTS (GGCA) AND THE INTERNATIONAL ACCOUNTING STANDARDS (I.A.S.) (amounts in € thousands)

	THE GROUP	THE COMPANY
	19.089	10.758
Total Equity Capital, as previously depicted according to the G.G.C.A.		
<i>Adoptions of the I.F.R.S.</i>		
Impact from the characterization of company assets as Property Investments	1.989	-
Impact from the non recognition of the establishment expenses as intangible assets	5.094	1.258
Impact from Construction Contracts	3.242	3.242
Reversion of the adjustment value of property tax laws	-	-
Impact from the depreciation of assets	(435)	279
Impact from the consolidation of associate companies with the Net Equity method	0	0
Impact from the consolidation of Subsidiary companies	(3.120)	-
Valuation of financial items at their fair value through the results	-	-
Impact from the valuation of Subsidiary and Associate companies		(3.585)
Impact for the valuation of inventories	(4.375)	-
Recognition of accrued employee benefits	402	73
Recognition of deferred taxation	(3.949)	(2.224)
Recognition of Financial Leases	2.187	1.322
Valuation of derivative financial items	818	818
Impact from bad debt provisions	(2.230)	(2.150)
Impact from the participation/investments in Joint Ventures/Consortiums	(2.573)	(2.182)
Impact of asset item grants	164	(5)
Own Shares	(1.587)	(2.461)
Transfer of recognition of the dividends payable to the time of approval by the General Assembly	0	0
Transfer of recognition of the Board of Directors fees to the time of approval by the General Assembly	30	30
Cross outs of capital owed by subsidiary companies and other	(290)	(290)
Recognition of potential taxes	(271)	(236)
Total Adoptions	(4.903)	(6.110)
Results according to the International Accounting Standards	14.185	4.648

(i) – Impact from the characterization of company assets as Property Investments.

Property investments can be valued at the fair value at each balance sheet date. In this case no depreciation is accounted for, and the changes of the fair value are recognized in the period results. The change presented on a group basis is due to the above factors.

(ii) – Impact from the non recognition of the establishment expenses as intangible assets

The ordinances of the I.F.R.S. set strict requirements for the registration in the balance sheet of the intangible assets contrary to the previous accounting principles. At the transition date to the I.F.R.S., intangible asset items were attested to be the software programs of the group in addition to the mineral wealth quarrying expenses. The difference with the amounts of the previous accounting principles charged the equity capital and results of the Group. Moreover the expenditures for the exploration and evaluation of mineral resources were consolidated and incorporated in intangible assets that are subject to, at each balance sheet date, an impairment audit of their value.

(iii) – Impact from Construction Contracts

The accounting handling of income and expenses from construction project contracts, is designated based upon on the provisions of IAS 11. Income and expenses that relate to each construction project contract are recognized in the profit and loss account, depending on the completion stage of the contractual activity at the date of the financial statement compilation. Therefore the cost of the construction project that has been executed, but has not been respectively invoiced to the client, is registered in the year-end profit and loss account together with the proportionate contractual income. On the contrary, according to the prior accounting standards, the cost of this construction project was recognized as a reserve and the relevant profit was recognized in the year-end where it was invoiced and not in the year-end that was constructed. Moreover, for the construction projects for which it was estimated that at their completion there will be a loss result, IAS 11 requires that this loss be recognized directly to the income statement.

(iv) – Impact from the depreciation of assets

The tangible assets (buildings, equipment, transportation means, furniture and computers) were valued at their initial acquisition cost less the accumulated depreciation. The depreciation of these assets was reassessed based upon their useful life and were calculated at their depreciable amount (acquisition cost less the residual value). During the fiscal year-end of 2004 the companies of the group, based upon the ordinances of law 2065/1992 (wherever it applied), adjusted the acquisition vales and depreciation of their property. The above handling is contrary to the basic principle of recognition of the fixed assets at the acquisition cost (I.A.S. 16). Therefore in the fiscal year-end of 2004 the overvaluation realized was reverted, charging the group's equity.

(v) – Impact from the consolidation of joint ventures/consortiums with the Net Equity method

The Company consolidates through the net equity method all of the construction project joint ventures/consortiums in which it participates in.

The differences that emerge to the Group's equity from the consolidation of these joint ventures/consortiums, result from the adjustments that have been realized to their relevant financial statements, in order for these statements to be compatible with the International Accounting Standards.

(vi) –Valuation of financial items at their fair value through the results

Within the parent company financial statements investments in subsidiary companies were valued at their fair value. Any difference with the acquisition cost was transferred to the equity though the results. At the consolidation the above valuation is reverted and the equity of the subsidiaries is crossed out with the parent company's participations/investments, designating retained earnings and Minority Rights. At the first consolidation of the subsidiary BALKAN EXPORT retained earnings were recalculated which based upon the previous accounting principles they had been assessed according to taxation ordinances.

(vii) Impact for the valuation of inventories

Inventories were valued at the lowest price between the acquisition costs and the liquidation value charging the equity and results.

(viii) – Recognition of accrued employee benefits due to retirement

Based upon the new accounting principles, the Group recognises as a retirement benefit obligation the present value of the legal commitment that it has assumed for the payment of a lump sum compensation

to retired personnel. Based upon the previous accounting principles, the compensation, due to retirement, expenditure was recognized on a cash basis. The relative obligation, at the transition date, was determined based upon an actuarial study.

Specifically, the relevant study referred to the investigation and calculation of actuarial amounts that are required from the specifications set by the International Accounting Standards (I.A.S. 19) and which are mandatory to be recorded in the Balance Sheet and the Profit and Loss Statement of each company. The basic date used as the date of the actuarial valuation of the different amounts is December 31st, 2004 (or equivalently January 1st, 2005). For the calculation of the respective liability at January 1st, 2004 the respective actuarial cases-acknowledgements were used.

(ix) – Recognition of deferred taxation

Any difference between the accounting value of asset and liability items relative to its tax base, to the extent that it involves a temporary difference, constitute the company's liability to account a deferred tax either by charging the year-end results or directly the equity. The deferred taxation was not anticipated by the previous accounting standards.

(x) – Recognition of assets acquired through financial leasing

According to the new accounting principles imposed by the I.F.R.S., the company's assets that have been acquired through a financial lease are depicted in the company's fixed assets and the relevant liability to the company's long-term liabilities. The assets are depreciated based upon their useful life. The liabilities arising from the financial lease are presented in the long-term and short-term liabilities depending upon their settlement date. These assets have been depicted upon the group's financial statements on the present value of the minimum payments which are lower than their fair value. Additionally for the group assets that were leased back (sale and lease back) through a financial leasing, their profit from the sale is transferred, according to the I.A.S. 17, as deferred revenues and benefits partially the results of each year-end remaining until the payment in full of the lease rentals of the financial lease. The benefit of the group's equity arises from the reversion of the leasing rental payments that had charged the results decreased by the depreciation amounts that have been accounted upon these assets.

(xi) – Valuation of derivative financial items

The open end foreign exchange position of the company at the compilation date of the financial statements is valued at that date and any difference is recognized in the results.

(xii) – Bad debt provisions

At the transition date most provision were cumulatively accounted for regarding bad debts for trade receivables, subsidiary companies and other receivables charging the equity. The provisions were supported upon the company's management estimates. In fiscal year-end of 2004 the parent company additionally charged its results due to the formation of an extra provision.

(xiii) – Impact from the participation/investments in Joint Ventures/Consortiums

The financial statements of the joint ventures/consortiums in which the company participates in were reformed according to the I.A.S. Thus the analogy upon their revenues (for the parent company) and equity (for the consolidation) was amended in relation to the prior accounting principles.

(xiv) – Impact of asset item grants

According to the I.A.S. the received grants are not items of the equity capital but of the liabilities. Therefore the transfer of the said item equivalently reduces the equity.

(xv) – Own Shares

Own shares are not accounted for asset items, but as a reducing equity item. Its transfer to equity burdens the equity of the company and the group. Moreover the result from the sale of Own Shares is directly recorded to the Equity Capital.

(xvi) – Transfer of recognition of the dividends payable and the Board of Directors fees to the time of approval by the General Assembly.

Contrary to the previous accounting principles in effect, the dividends payable are recognized as a liability at the approval date of the proposed distribution by the Board of Directors from the Shareholders General Assembly. Respectively the proposed fees of the Board of Directors members are recognized as an expenditure at the same date.

(xvii) – Impact from the valuation of Subsidiary and Associate Companies

In the parent Balance Sheet the shares which are listed in a main financial market are valued with the price of the last date and not with the average price of the month. Moreover investments are valued at their acquisition cost and an impairment audit takes place (contrary to the previous accounting principles that required a valuation upon the net equity).

(xviii) – Recognition of potential taxes

The recognition of potential taxes from tax audits concerns the managements' estimate, which is based upon results of previous year-end tax audits.

6.29 Corrections in relation to the published interim financial statements

The interim financial information was published by the company upon the compliance framework with the ordinances of the PD 360/1985 as amended and in effect and relevant decisions of the Hellenic Capital Market Commission for informational purposes to investors. The company at the compilation of the interim financial information had the obligation to use, based upon the Management's optimum estimations, feasible the accounting principles in addition to the standards of recognition, measurement and presentation of the Balance Sheet and Income Statement information expected to be used at the compilation of the first yearly financial statements according to the IFRS at December 31st, 2005. Due to the fact that the transition procedure to the IFRS is a continuous effort that begins from the commencement transition date at January 1st, 2004 and ends at December 31st, 2005, the recognition, measurement and presentation of certain asset or liability elements was adjusted at the compilation of the yearly financial statements either due to the change of ordinances of some standards or due to the issuance of new standards during the transition period, change of options of a particular accounting principle from the Management, or even due to the trace from the Management or the Auditors during the performance of the ordinary audit, of certain errors that took place at the transition.

The changes that took place refer to correction of errors of the first adaptation and are stated below:

- *Impact from the recognition of Assets as Property Investments:* The use of a land parcel of a foreign subsidiary that has been acquired with the scope to construct building complexes, for sale and exploitation, as a property investment, was reassessed. An Independent recognized appraiser reassessed its value.
- *Asset depreciation impact – Impact from Asset Grants:* At the compilation of the interim financial statements, the termination of operation of a Novopan production line of a subsidiary company in the fiscal year-end of 2003 was not taken into consideration, and consequently no impairment of the value of these assets had been performed at that year-end and additionally depreciation upon these assets was calculated in the following inactive fiscal year-ends. In the present financial statements, an impairment audit of the value of these assets took place and the impairment provision was recorded to the equity capital of the fiscal year-end were the termination of the operation production line took place (2003). Additionally a reclassification of the GGCA-IAS modification characterizations took place (See below).
- *Impact from the non-recognition of Formation Expenses as assets– Reversion of the adjustment value of property tax laws:* Reclassification of the GGCA-IAS modification characterizations with an impact from assets.
- *Impact from construction contracts:* A re-estimation of certain works takes place (upon the total estimated income and costs) due to the assignment of complementary activities to existent contracts or due to their impending termination.
- *Impact from the effect of provisions for bad debts:* The bad debts that had been characterized in the interim financial statements were revised and the bad debts from joint ventures were cancelled.
- *Impact from the valuation of subsidiary and affiliate companies – Accrued personnel benefits:* Due to the reclassifications of the GGCA-IAS modification characterizations.
- *Impact from investments/participations in Joint Ventures:* The valuation of joint ventures in association to their bad debts was readjusted.
- *Impact from the valuation of Inventories:* A re-estimation of the net liquidity value of the parent company inventories took place and an impairment of their value to prior fiscal year-ends was realized.
- *Recognition of deferred taxation:* A re-estimation of the deferred taxes of the foreign subsidiaries was realized.
- *Recognition of potential taxes:* Potential taxes that will probably result for the un-audited fiscal year-ends of the group's companies were recognized.
- *Transfer of the recognition of dividends paid within the year approved from the General Assembly – Transfer of recognition of BoD fees paid within the year approved from the General Assembly:* Inadvertently the company's dividends and BoD fees were not transferred.



- *Impact from the consolidation of subsidiary companies:* The above modifications had an impact upon the consolidated accounts. Additionally a reassessment of the result was realized from the sale of own shares.

Last reclassifications and fragmentation of Balance Sheet accounts, of the year-end results and the cash flows were realized for optimum reporting.

The impacts and the formation of the Balance Sheet accounts of the interim periods are the following:

All of the presented accounts are in € thousands. Possible differences in totals are due to number rounding

	ADJUSTED				PUBLISHED				MODIFICATIONS			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	31/3/2005	31/12/2004	31/3/2005	31/12/2004	31/3/2005	31/12/2004	31/3/2005	31/12/2004	31/3/2005	31/12/2004	31/3/2005	31/12/2004
ASSETS												
Fixed Assets	148.643	139.163	160.816	151.944	158.548	151.089	150.384	148.607	(9.905)	(11.926)	10.432	3.337
Inventories	73.407	69.477	30.781	30.240	75.813	71.883	33.188	32.647	(2.406)	(2.406)	(2.407)	(2.407)
Trade Receivables	53.624	47.300	24.972	19.041	52.423	46.422	24.900	19.725	1.201	878	72	(684)
Other assets	66.231	75.177	48.855	58.117	40.084	49.587	36.446	38.185	26.147	25.590	12.409	19.932
TOTAL ASSETS	341.905	331.117	265.424	259.343	326.868	318.981	244.918	239.164	15.037	12.136	20.506	20.179
LIABILITIES												
Long-term Liabilities	37.853	36.877	17.526	16.621	40.710	39.733	21.118	20.213	(2.857)	(2.856)	(3.592)	(3.592)
Short-term bank loans	10.963	11.436	0	0	10.963	11.436	0	0	0	0	0	0
Other short-term liabilities	74.971	73.850	53.058	54.667	53.584	53.173	32.351	33.890	21.387	20.677	20.707	20.777
Total Liabilities (a)	123.787	122.163	70.584	71.287	105.257	104.342	53.469	54.103	18.530	17.821	17.115	17.184
Share Capital	137.502	137.502	137.502	137.502	137.502	137.502	137.502	137.502	0	0	0	0
Other company shareholders's equity accounts	58.762	49.998	57.339	50.554	60.647	53.295	53.947	47.559	(1.885)	(3.297)	3.392	2.995
Total Company Shareholder's Equity (b)	196.264	187.500	194.841	188.055	198.149	190.797	191.449	185.061	(1.885)	(3.297)	3.392	2.994
Minority Rights (c)	21.853	21.454	0	0	23.462	23.842			(1.609)	(2.388)	0	0
Total Net Equity (d) = (b) + (c)	218.117	208.954	194.841	188.055	221.611	214.639	191.449	185.061	(3.494)	(5.685)	3.392	2.994
TOTAL LIABILITIES (e) = (a) + (d)	341.905	331.117	265.424	259.343	326.868	318.981	244.918	239.164	15.037	12.136	20.506	20.179

	ADJUSTED				PUBLISHED				MODIFICATIONS			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004	30/6/2005	31/12/2004	30/6/2005	31/12/2004	30/6/2005	31/12/2004	30/6/2005	31/12/2004
ASSETS												
Fixed Assets	151.184	139.108	159.756	151.944	157.916	149.578	148.282	147.029	(6.732)	(10.470)	11.474	4.915
Inventories	74.426	69.477	31.641	30.240	76.733	71.784	34.065	32.664	(2.307)	(2.307)	(2.424)	(2.424)
Trade Receivables	59.207	47.300	29.441	19.041	55.338	41.272	47.842	30.040	3.869	6.028	(18.401)	(10.999)
Other assets	71.821	75.231	54.267	58.117	45.489	51.324	21.840	28.288	26.332	23.907	32.427	29.829
TOTAL ASSETS	356.638	331.117	275.105	259.343	335.476	313.958	252.029	238.021	21.162	17.159	23.076	21.322
LIABILITIES												
Long-term Liabilities	34.616	36.877	13.880	16.621	31.928	34.290	11.867	14.770	2.688	2.587	2.013	1.851
Short-term bank loans	10.991	11.436	0	0	10.991	11.436	0	0	0	0	0	0
Other short-term liabilities	100.278	73.850	76.747	54.667	98.852	73.388	56.470	34.249	1.426	462	20.277	20.418
Total Liabilities (a)	145.885	122.163	90.628	71.287	141.771	119.114	68.337	49.019	4.114	3.049	22.291	22.268
Share Capital	137.502	137.502	137.502	137.502	137.502	137.502	137.502	137.502	0	0	0	0
Other company shareholders's equity accounts	51.564	49.998	46.976	50.554	33.318	33.500	46.191	51.500	18.246	16.498	785	(946)
Total Company Shareholder's Equity (b)	189.066	187.500	184.478	188.055	170.820	171.002	183.693	189.002	18.246	16.498	785	(947)
Minority Rights (c)	21.687	21.454	0	0	22.885	23.842			(1.198)	(2.388)	0	0
Total Net Equity (d) = (b) + (c)	210.753	208.954	184.478	188.055	193.705	194.844	183.693	189.002	17.048	14.110	785	(947)
TOTAL LIABILITIES (e) = (a) + (d)	356.638	331.117	275.105	259.343	335.476	313.958	252.030	238.021	21.162	17.159	23.075	21.322

	ADJUSTED				PUBLISHED				MODIFICATIONS			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	30/9/2005	31/12/2004	30/9/2005	31/12/2004	30/9/2005	31/12/2004	30/9/2005	31/12/2004	30/9/2005	31/12/2004	30/9/2005	31/12/2004
ASSETS												
Fixed Assets	143.586	139.108	153.972	151.944	148.148	149.011	143.177	145.883	(4.562)	(9.903)	10.795	6.061
Inventories	77.453	69.477	34.695	30.240	77.453	69.477	34.695	30.240	0	0	0	0
Trade Receivables	60.381	47.300	30.658	19.041	72.974	57.271	41.430	27.070	(12.593)	(9.971)	(10.772)	(8.029)
Other assets	71.987	75.231	54.415	58.117	30.158	36.355	30.172	32.493	41.829	38.876	24.243	25.624
TOTAL ASSETS	353.407	331.117	273.740	259.343	328.733	312.114	249.474	235.686	24.674	19.003	24.266	23.657
LIABILITIES												
Long-term Liabilities	35.500	36.877	14.525	16.621	31.972	33.348	12.675	14.771	3.528	3.529	1.850	1.850
Short-term bank loans	19.233	11.436	8.000	0	19.233	11.436	8.000	0	0	0	0	0
Other short-term liabilities	88.500	73.850	66.106	54.667	88.951	75.744	45.899	34.249	(451)	(1.894)	20.207	20.418
Total Liabilities (a)	143.233	122.163	88.632	71.287	140.156	120.528	66.574	49.020	3.077	1.635	22.058	22.267
Share Capital	137.502	137.502	137.502	137.502	137.502	137.502	137.502	137.502	0	0	0	0
Other company shareholders's equity accounts	50.749	49.998	47.606	50.554	28.244	30.356	45.398	49.164	22.505	19.642	2.208	1.390
Total Company Shareholder's Equity (b)	188.250	187.500	185.108	188.055	165.746	167.858	182.900	186.666	22.504	19.642	2.208	1.389
Minority Rights (c)	21.923	21.454	0	0	22.831	23.728			(908)	(2.274)	0	0
Total Net Equity (d) = (b) + (c)	210.173	208.954	185.108	188.055	188.577	191.586	182.900	186.666	21.596	17.368	2.208	1.389
TOTAL LIABILITIES (e) = (a) + (d)	353.407	331.117	273.740	259.343	328.733	312.114	249.474	235.686	24.674	19.003	24.266	23.657

The impacts and the formation of the results and the profits per share accounts of the interim periods are the following:

	ADJUSTED				PUBLISHED				MODIFICATIONS			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	1/1- 31/3/2005	1/1- 31/3/2004	1/1- 31/3/2005	1/1- 31/3/2004	1/1- 31/3/2005	1/1- 31/3/2004	1/1- 31/3/2005	1/1- 31/3/2004	1/1- 31/3/2005	1/1- 31/3/2004	1/1- 31/3/2005	1/1- 31/3/2004
Total turnover (sales)	24,273	29,627	17,406	18,400	24,273	29,627	17,406	18,400	0	0	0	0
Gross profits/ (losses)	7,139	9,243	6,280	6,604	5,721	8,871	6,280	6,604	1,418	372	0	0
Profits / (losses) before tax, financial and investment results and depreciation	8,049	4,748	6,099	5,963	7,195	4,143	6,093	5,963	854	605	6	0
Profits / (losses) before tax, financial and investment results	6,431	2,119	5,262	5,140	4,561	1,499	5,256	5,140	1,870	620	6	0
Profits / (losses) before tax	9,359	4,084	7,484	3,868	7,660	368	7,647	1,534	1,699	3,716	(163)	2,334
Less tax	1,205	1,080	1,040	871	1,723	1,571	1,601	1,402	(518)	(491)	(561)	(531)
Profits / (losses) after tax	8,154	3,004	6,444	2,997	5,937	1,203	6,046	133	2,217	1,801	398	2,864
Distributed to the:												
Company Shareholders	8,057	6,312	6,444	2,997	6,155	2,897	6,046	133	1,902	3,415	398	2,864
Minority Shareholders	96	(3,308)			(219)	(4,099)			315	791	0	0
Profits after tax per Share (in €/share)	0,0867	0,0679	0,0694	0,0323	0,0600	(0,0100)	0,0700	0,0010	0,0267	0,0779	(0,0006)	0,0313

	ADJUSTED				PUBLISHED				MODIFICATIONS			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	1/1- 30/6/2005	1/1- 30/6/2004	1/1- 30/6/2005	1/1- 30/6/2004	1/1- 30/6/2005	1/1- 30/6/2004	1/1- 30/6/2005	1/1- 30/6/2004	1/1- 30/6/2005	1/1- 30/6/2004	1/1- 30/6/2005	1/1- 30/6/2004
Total turnover (sales)	60,519	60,228	45,624	37,611	60,519	60,228	45,624	37,611	0	0	0	0
Gross profits/ (losses)	16,882	11,254	15,315	8,523	15,581	11,254	15,315	8,523	1,301	0	0	0
Profits / (losses) before tax, financial and investment results and depreciation	20,107	9,174	14,035	8,266	24,878	11,990	14,029	8,266	(4,771)	(2,816)	6	0
Profits / (losses) before tax, financial and investment results	16,789	3,841	12,362	6,629	20,312	6,658	12,356	6,629	(3,523)	(2,817)	6	0
Profits / (losses) before tax	16,983	7,357	11,287	4,085	13,692	7,391	9,386	4,834	3,291	(34)	1,901	(749)
Less tax	4,430	2,671	4,142	2,192	4,176	3,481	3,972	3,088	254	(810)	170	(896)
Profits / (losses) after tax	12,552	4,687	7,145	1,893	9,516	3,910	5,414	1,746	3,036	777	1,731	147
Distributed to the:												
Company Shareholders	12,471	8,786	7,145	1,893	10,303	9,049	5,414	1,746	2,168	(263)	1,731	147
Minority Shareholders	81	(4,099)			(787)	(5,139)			868	1,040	0	0
Profits after tax per Share (in €/share)	0,1342	0,0946	0,0769	0,0204	0,1100	0,1000	0,0600	0,0200	0,0242	(0,0054)	0,0169	0,0004

	ADJUSTED				PUBLISHED				MODIFICATIONS			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	1/1- 30/9/2005	1/1- 30/9/2004	1/1- 30/9/2005	1/1- 30/9/2004	1/1- 30/9/2005	1/1- 30/9/2004	1/1- 30/9/2005	1/1- 30/9/2004	1/1- 30/9/2005	1/1- 30/9/2004	1/1- 30/9/2005	1/1- 30/9/2004
Total turnover (sales)	86.849	88.811	64.892	54.765	86.849	88.811	64.892	54.765	0	0	0	0
Gross profits/ (losses)	19.239	15.225	16.806	10.392	22.380	16.415	21.335	11.582	(3.141)	(1.190)	(4.529)	(1.190)
Profits / (losses) before tax, financial and investment results and depreciation	25.791	14.336	18.185	10.821	23.836	14.145	18.179	10.808	1.955	191	6	13
Profits / (losses) before tax, financial and investment results	20.858	6.342	15.722	8.368	17.480	6.151	15.716	8.355	3.378	191	6	13
Profits / (losses) before tax	17.015	18.311	12.223	13.855	13.106	11.081	11.433	7.628	3.909	7.230	790	6.227
Less tax	5.448	2.811	4.960	2.356	5.283	3.527	4.989	3.200	165	(716)	(29)	(844)
Profits / (losses) after tax	11.567	15.500	7.263	11.499	7.823	7.554	6.444	4.428	3.744	7.946	819	7.071
Distributed to the:												
Company Shareholders	11.502	20.241	7.263	11.499	8.577	13.441	6.444	4.428	2.925	6.800	819	7.071
Minority Shareholders	65	(4.741)			(754)	(5.887)			819	1.146	0	0
Profits after tax per Share (in €/share)	0,1238	0,2179	0,0782	0,1238	0,0920	0,1450	0,0690	0,0480	0,0318	0,0729	0,0092	0,0758

The agreements between the Greek GCA and IFRS for the fiscal year end of 2004 and the transition date are the ones presented in § 6.28 of the present report.

The changes in equity capital and results of the interim periods as published and adjusted are presented below:

A' QUARTER

GROUP EQUITY CAPITAL CHANGES

	31/12/2004
Impact from the recognition of Assets as Property Investments	(3.283)
Impact from the non-recognition of Formation Expenses as assets	8.164
Impact from construction contracts	5.337
Asset depreciation impact	(8.956)
Impact from the consolidation of affiliate companies with the net equity method	21.122
Impact from the consolidation of subsidiary companies	973
Valuation of financial items at their fair value through the results	7.134
Impact from the valuation of subsidiary and affiliate companies	(6.549)
Impact from the valuation of Inventories	(2.426)
Recognition of deferred taxation	(4.776)
Recognition of Financial Leases	430
Impact from the effect of provisions for bad debts	(2.259)
Impact from investments/participations in Joint Ventures	(26.797)
Impact from Asset Grants	912
Own Shares	12.775
Transfer of recognition of BoD fees paid within the year approved from the General Assembly	60
Obliterations of capital owed of subsidiary companies and other	(6.556)
Recognition of potential taxes	(990)
Total modifications	(5.685)

A' QUARTER

COMPANY EQUITY CAPITAL CHANGES

	31/12/2004
Impact from the non-recognition of Formation Expenses as assets	1.739
Impact from construction contracts	4.214
Asset depreciation impact	(1.745)
Valuation of financial items at their fair value through the results	338
Impact from the valuation of subsidiary and affiliate companies	9.202
Impact from the valuation of Inventories	(2.424)
Recognition of deferred taxation	(1.779)
Impact from the effect of provisions for bad debts	20.682
Impact from investments/participations in Joint Ventures	(26.407)
Obliterations of capital owed of subsidiary companies and other	(10)
Recognition of potential taxes	(816)
Total modifications	2.994

B' QUARTER

GROUP EQUITY CAPITAL CHANGES

	30/6/2005	31/12/2004
Impact from the recognition of Assets as Property Investments	7,323	595
Impact from the non-recognition of Formation Expenses as assets	9,254	4,941
Impact from construction contracts	17,282	(738)
Reversion of the adjustment value of property tax laws	(5,027)	(5,027)
Asset depreciation impact	(8,164)	(4,586)
Impact from the consolidation of subsidiary companies	14,480	31,191
Impact from the valuation of subsidiary and affiliate companies	0	4,491
Impact from the valuation of Inventories	(6,780)	(2,424)
Recognition of accrued employee benefits	1,065	263
Recognition of deferred taxation	(8,435)	(1,978)
Recognition of Financial Leases	3,334	0
Valuation of derivative financial items	2,409	0
Impact from the effect of provisions for bad debts	17,965	20,682
Impact from investments/participations in Joint Ventures	(22,127)	(27,016)
Impact from Asset Grants	1,809	912
Own Shares	1,765	(0)
Transfer of the recognition of dividends paid within the year approved from the General Assembly	(7,613)	0
Transfer of recognition of BoD fees paid within the year approved from the General Assembly	(200)	60
Obliterations of capital owed of subsidiary companies and other	(299)	(6,266)
Recognition of potential taxes	(990)	(990)
Total modifications	17,048	14,109

B' QUARTER

COMPANY EQUITY CAPITAL CHANGES

	30/6/2005	31/12/2004
Impact from the non-recognition of Formation Expenses as assets	1,739	1,739
Impact from construction contracts	(738)	(738)
Reversion of the adjustment value of property tax laws	67	0
Asset depreciation impact	(1,812)	(1,745)
Impact from the valuation of subsidiary and affiliate companies	9,202	9,202
Impact from the valuation of Inventories	(2,424)	(2,424)
Recognition of accrued employee benefits due to retirement	263	263
Recognition of deferred taxation	(646)	(474)
Impact from the effect of provisions for bad debts	20,682	20,682
Impact from investments/participations in Joint Ventures	(24,731)	(26,625)
Own Shares	(281)	0
Transfer of the recognition of dividends paid within the year approved from the General Assembly	290	0
Obliterations of capital owed of subsidiary companies and other	(10)	(10)
Recognition of potential taxes	(816)	(816)
Total modifications	785	(946)

B' QUARTER

GROUP RESULT CHANGES

	30/6/2005	30/6/2004
Impact from the recognition of Assets as Property Investments	920	484
Impact from the non-recognition of Formation Expenses as assets	0	107
Asset depreciation impact	3,873	0
Impact from the consolidation of affiliate companies with the net equity method	(1,284)	0
Impact from the consolidation of subsidiary companies	570	(8,749)
Valuation of financial items at their fair value through the results	(1,337)	0
Impact from the valuation of subsidiary and affiliate companies	0	7,886
Recognition of deferred taxation	(164)	896
Recognition of Financial Leases	82	0
Impact from investments/participations in Joint Ventures	2,169	(672)
Impact from Asset Grants	(2,285)	(214)
Own Shares	(317)	0
Transfer of recognition of BoD fees paid within the year approved from the General Assembly	(60)	0
Total modifications	2.168	(263)

B' QUARTER

COMPANY RESULT CHANGES

	30/6/2005	30/6/2004
Recognition of deferred taxation	(164)	896
Impact from investments/participations in Joint Ventures	1,895	(749)
Total modifications	1.731	147

C' QUARTER

GROUP EQUITY CAPITAL CHANGES

	30/9/2005	31/12/2004
Impact from the recognition of Assets as Property Investments	1.974	595
Impact from the non-recognition of Formation Expenses as assets	3.421	4.941
Impact from construction contracts	(738)	(738)
Reversion of the adjustment value of property tax laws	(5.027)	(5.027)
Asset depreciation impact	(551)	(4.586)
Impact from the consolidation of subsidiary companies	25.543	30.348
Impact from the valuation of subsidiary and affiliate companies	4.805	0
Recognition of accrued employee benefits	(5)	0
Recognition of deferred taxation	(1.679)	(1.715)
Recognition of Financial Leases	5	0
Impact from the effect of provisions for bad debts	20.682	20.682
Impact from investments/participations in Joint Ventures	(25.942)	(27.104)
Impact from Asset Grants	272	912
Transfer of the recognition of dividends paid within the year approved from the General Assembly	(147)	0
Transfer of recognition of BoD fees paid within the year approved from the General Assembly	0	60
Obliterations of capital owed of subsidiary companies and other	(27)	(10)
Recognition of potential taxes	(990)	(990)
Total modifications	21.596	17.368

C' QUARTER

COMPANY EQUITY CAPITAL CHANGES

	30/9/2005	31/12/2004
Impact from the non-recognition of Formation Expenses as assets	219	1.739
Impact from construction contracts	(738)	(738)
Asset depreciation impact	(225)	(1.745)
Impact from the valuation of subsidiary and affiliate companies	9.202	9.202
Recognition of deferred taxation	(175)	(211)
Impact from the effect of provisions for bad debts	20.682	20.682
Impact from investments/participations in Joint Ventures	(25.930)	(26.714)
Obliterations of capital owed of subsidiary companies and other	(10)	(10)
Recognition of potential taxes	(816)	(816)
Total modifications	2.209	1.389

C' QUARTER

GROUP RESULT CHANGES

	30/9/2005	30/9/2004
Impact from the recognition of Assets as Property Investments	3.836	(12.892)
Impact from the non-recognition of Formation Expenses as assets	(17.047)	3.590
Impact from construction contracts	19.004	(1.054)
Reversion of the adjustment value of property tax laws	(7.297)	(2.360)
Asset depreciation impact	9.812	(3.695)
Impact from the consolidation of subsidiary companies	(5.521)	7.527
Valuation of financial items at their fair value through the results	(362)	0
Impact from the valuation of Inventories	(750)	(4.376)
Recognition of accrued employee benefits due to retirement	5.932	6.169
Recognition of deferred taxation	(5.663)	1.917
Recognition of Financial Leases	231	1.420
Valuation of derivative financial items	365	4.403
Impact from the effect of provisions for bad debts	(4.185)	(1.790)
Impact from investments/participations in Joint Ventures	6.518	1.830
Impact from Asset Grants	(1.872)	303
Own Shares	(17)	1.320
Transfer of the recognition of dividends paid within the year approved from the General Assembly	230	(570)
Transfer of recognition of BoD fees paid within the year approved from the General Assembly	(369)	1.744
Obliterations of capital owed of subsidiary companies and other	79	3.316
Total modifications	2.925	6.800

C' QUARTER

COMPANY RESULT CHANGES

	30/9/2005	30/9/2004
Impact from the non-recognition of Formation Expenses as assets	0	1.230
Asset depreciation impact	0	(1.230)
Impact from the valuation of subsidiary and affiliate companies	0	(3.605)
Recognition of deferred taxation	36	857
Impact from investments/participations in Joint Ventures	784	6.213
Obliterations of capital owed of subsidiary companies and other	0	3.605
Total modifications	820	7.070



After the above the financial statements of the interim periods are depicted below:

Balance Sheets:

BALANCE SHEET	THE GROUP		THE COMPANY	
	31/3/2005	31/12/2004	31/3/2005	31/12/2004
Non current assets				
Fixed assets	82.595	83.920	52.053	52.828
Property investments	36.526	34.806	0	0
Other intangible	13	15	9	10
Expenditures for the Exploration and Evaluation of Mineral Resources	631	646	0	0
Investments/participations in subsidiaries	0	0	123.357	121.857
Investments/participations in joint ventures	16.972	8.710	16.622	8.557
Financial Assets available for sale	29	29	0	0
Financial assets valued at their fair value with changes in results	18	18	18	18
Less: Provisions for devaluations	(3)	(3)	(42.357)	(41.520)
Other Long-term Receivables	4.476	4.472	4.323	4.318
Deferred tax receivables	7.386	6.496	6.792	5.876
	148.643	139.108	160.816	151.944
Current assets				
Inventories	73.407	69.477	30.781	30.240
Commercial receivables	53.624	47.300	24.972	19.041
Receivables from Affiliated and other investment interest Companies	30.316	29.039	30.316	28.866
Other Receivables	498	920	414	890
Financial assets valued at their fair value with changes in results	742	562	736	556
Other Current item Assets	1.309	1.339	380	665
Prepayments	11.352	11.406	5.325	5.325
Cash and cash equivalent	22.014	31.965	11.683	21.814
	193.261	192.008	104.608	107.398
Total Assets	341.905	331.117	265.424	259.343

Shareholders Equity & Liabilities

Equity

	THE GROUP		THE COMPANY	
Share Capital	137.502	137.502	137.502	137.502
Share Premium	129.629	129.629	129.629	129.629
Own Shares	(18.160)	(18.450)	(4.465)	(4.793)
Foreign Exchange Differences	271	(150)	0	0
Statutory Legal Reserve	3.104	3.102	2.584	2.584
Other Reserves	27.728	26.238	20.127	20.127
Distributional Dividends	10.859	10.859	10.859	10.859
Retained Earnings	(94.668)	(101.229)	(101.395)	(107.852)

Equity Attributable to Parent Company

Shareholders	196.264	187.500	194.841	188.055
Minority Rights	21.853	21.454	0	0
Total Equity	218.117	208.954	194.841	188.055

LIABILITIES

Long-term Liabilities

Bank Loans	6.942	6.607	0	0
Provisions for employee retirement benefits and other long-term grants	1.714	1.897	609	679
Deferred tax liabilities	13.575	11.958	9.357	7.773
Other Long-term Liabilities	8.223	8.900	396	890
Other Provisions	7.400	7.515	7.164	7.279
Total Long-term Liabilities	37.853	36.877	17.526	16.621

Short-term Liabilities

Bank Loans	10.963	11.436	0	0
Short-term part of other short-term liabilities	3.622	3.622	1.949	1.949
Commercial Liabilities (trade creditors etc)	28.312	27.191	17.525	18.881
Taxes and social security	7.397	7.819	5.256	5.471
Other liabilities	12.699	13.083	6.584	6.553
Advances	2.057	1.725	1.403	1.403
Liabilities to affiliated and other investment interest companies	20.883	20.410	20.340	20.410
Total Short-term Liabilities	85.934	85.286	53.058	54.667

Total Liabilities

Total Shareholders Equity and Liabilities

123.787	122.163	70.584	71.287
341.905	331.117	265.424	259.343

BALANCE SHEET	THE GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Non current assets				
Fixed assets	81.399	83.920	51.637	52.828
Property investments	40.460	34.806	0	0
Other intangible	13	15	8	10
Expenditures for the Exploration and Evaluation of Mineral Resources	617	646	0	0
Investments/participations in subsidiaries	0	0	123.547	121.857
Investments/participations in joint ventures	17.323	8.710	16.775	8.557
Financial Assets available for sale	29	29	0	0
Financial assets valued at their fair value with changes in results	18	18	18	18
Less: Provisions for devaluations	(3)	(3)	(42.814)	(41.520)
Other Long-term Receivables	4.471	4.472	4.317	4.318
Deferred tax receivables	6.858	6.496	6.267	5.876
	151.184	139.108	159.756	151.944
Current assets				
Inventories	74.426	69.477	31.641	30.240
Commercial receivables	59.207	47.300	29.441	19.041
Receivables from Affiliated and other investment interest Companies	31.461	29.039	31.461	28.866
Other Receivables	553	920	1.063	890
Financial assets valued at their fair value with changes in results	742	562	736	556
Other Current item Assets	794	1.339	361	665
Prepayments	11.406	11.406	5.325	5.325
Cash and cash equivalent	26.864	31.965	15.320	21.814
	205.454	192.008	115.349	107.398
Total Assets	356.638	331.117	275.105	259.343

Shareholders Equity & Liabilities

Equity

Share Capital	137.502	137.502
Share Premium	129.629	129.629
Own Shares	(18.094)	(18.450)
Foreign Exchange Differences	(439)	(150)
Statutory Legal Reserve	3.105	3.102
Other Reserves	31.270	26.238
Distributional Dividends	(290)	10.859
Retained Earnings	(93.616)	(101.229)

Equity Attributable to Parent Company

Shareholders

Minority Rights

Total Equity

LIABILITIES

Long-term Liabilities

Bank Loans	7.526	6.607
Provisions for employee retirement benefits and other long-term grants	1.497	1.897
Deferred tax liabilities	16.550	11.958
Other Long-term Liabilities	7.604	8.900
Other Provisions	1.440	7.515

Total Long-term Liabilities

Short-term Liabilities

Bank Loans	10.991	11.436
Short-term part of other short-term liabilities	3.553	3.622
Commercial Liabilities (trade creditors etc)	37.440	27.191
Taxes and social security	5.335	7.819
Other liabilities	30.408	13.083
Advances	2.889	1.725
Liabilities to affiliated and other investment interest companies	20.653	20.410

Total Short-term Liabilities

Total Liabilities

Total Shareholders Equity and Liabilities

THE GROUP

	137.502	137.502
	129.629	129.629
	(18.094)	(18.450)
	(439)	(150)
	3.105	3.102
	31.270	26.238
	(290)	10.859
	(93.616)	(101.229)
	189.066	187.500
	21.687	21.454
	210.753	208.954
	7.526	6.607
	1.497	1.897
	16.550	11.958
	7.604	8.900
	1.440	7.515
	34.616	36.877
	10.991	11.436
	3.553	3.622
	37.440	27.191
	5.335	7.819
	30.408	13.083
	2.889	1.725
	20.653	20.410
	111.269	85.286
	145.885	122.163
	356.638	331.117

THE COMPANY

	137.502	137.502
	129.629	129.629
	(4.376)	(4.793)
	0	0
	2.584	2.584
	20.127	20.127
	(290)	10.859
	(100.698)	(107.852)
	184.478	188.055
	0	0
	184.478	188.055
	0	0
	370	679
	12.300	7.773
	(0)	890
	1.211	7.279
	13.880	16.621
	0	0
	1.846	1.949
	25.322	18.881
	3.075	5.471
	23.869	6.553
	2.367	1.403
	20.270	20.410
	76.747	54.667
	90.628	71.287
	275.105	259.343

BALANCE SHEET	THE GROUP		THE COMPANY	
	30/9/2005	31/12/2004	30/9/2005	31/12/2004
Non current assets				
Fixed assets	78.639	83.920	49.832	52.828
Property investments	40.920	34.806	0	0
Other intangible	12	15	6	10
Expenditures for the Exploration and Evaluation of Mineral Resources	602	646	0	0
Investments/participations in subsidiaries	0	0	123.547	121.857
Investments/participations in affiliates	0	0	0	0
Investments/participations in joint ventures	14.157	8.710	13.411	8.557
Financial Assets available for sale	29	29	0	0
Financial assets valued at their fair value with changes in results	18	18	18	18
Less: Provisions for devaluations	(3)	(3)	(41.443)	(41.520)
Other Long-term Receivables	3.578	4.472	3.425	4.318
Deferred tax receivables	5.634	6.496	5.175	5.876
	143.586	139.108	153.972	151.944
Current assets				
Inventories	77.453	69.477	34.695	30.240
Commercial receivables	60.381	47.300	30.658	19.041
Receivables from Affiliated and other investment interest Companies	34.510	29.039	34.510	28.866
Other Receivables	3.542	920	3.634	890
Financial assets valued at their fair value with changes in results	562	562	556	556
Other Current item Assets	1.248	1.339	361	665
Prepayments	11.442	11.406	5.325	5.325
Cash and cash equivalent	20.682	31.965	10.028	21.814
	209.821	192.008	119.767	107.398
Total Assets	353.407	331.117	273.740	259.343

	THE GROUP		THE COMPANY	
Shareholders Equity & Liabilities				
Equity				
Share Capital	137.502	137.502	137.502	137.502
Share Premium	129.629	129.629	129.629	129.629
Own Shares	(17.600)	(18.450)	(3.873)	(4.793)
Foreign Exchange Differences	(784)	(150)	0	0
Statutory Legal Reserve	3.106	3.102	2.584	2.584
Other Reserves	31.549	26.238	19.837	20.127
Distributional Dividends	0	10.859	0	10.859
Retained Earnings	(95.150)	(101.229)	(100.571)	(107.852)
Amounts destined fro a share capital increase	(0)	0	0	0
Consolidation differences	0	0	0	0
Equity Attributable to Parent Company				
Shareholders	188.250	187.500	185.108	188.055
Minority Rights	21.923	21.454	0	0
Total Equity	210.173	208.954	185.108	188.055
LIABILITIES				
Long-term Liabilities				
Bank Loans	8.221	6.607	0	0
Provisions for employee retirement benefits and other long-term grants	1.128	1.897	102	679
Deferred tax liabilities	16.155	11.958	11.957	7.773
Other Long-term Liabilities	7.356	8.900	(0)	890
Other Provisions	2.640	7.515	2.466	7.279
Total Long-term Liabilities	35.500	36.877	14.525	16.621
Short-term Liabilities				
Bank Loans	19.233	11.436	8.000	0
Short-term part of other short-term liabilities	2.802	3.622	1.033	1.949
Commercial Liabilities (trade creditors etc)	36.342	27.191	25.583	18.881
Taxes and social security	4.035	7.819	2.087	5.471
Other liabilities	22.023	13.083	15.197	6.553
Advances	2.555	1.725	2.006	1.403
Liabilities to affiliated and other investment interest companies	20.743	20.410	20.199	20.410
Total Short-term Liabilities	107.733	85.286	74.106	54.667
Total Liabilities	143.233	122.163	88.632	71.287
Total Shareholders Equity and Liabilities	353.407	331.117	273.740	259.343

Period Results-Profits per share

	THE GROUP		THE COMPANY	
	1/1- 31/3/20 05	1/1- 31/3/20 04	1/1- 31/3/20 05	1/1- 31/3/20 04
Sales Turnover	24.273	29.627	17.406	18.400
Cost of Sales	(17.134)	(20.384)	(11.126)	(11.796)
Gross Profit	7.139	9.243	6.280	6.604
Other Operating Income	2.725	806	652	184
Selling Expenses	(305)	(495)	(11)	(11)
Administrative Expenses	(2.746)	(2.349)	(1.604)	(1.238)
Other Operating Expenses	(382)	(5.086)	(56)	(400)
Profit before Interest, Financial and Investment Results	6.431	2.119	5.262	5.140
Depreciation	1.618	2.629	837	823
Profit before Interest, Financial and Investment Results and depreciation	8.049	4.748	6.099	5.963
Financial Income	75	4.113	488	4.224
Financial Expenses	(3.943)	(3.170)	(4.864)	(6.479)
Other Financial Results	0	0	0	0
Share of profit from associate companies	6.796	1.022	6.599	983
Financial Result	2.928	1.964	2.222	(1.272)
Depreciation	(1.618)	(2.629)	(837)	(823)
Profit before Income Tax	9.359	4.084	7.484	3.868
Income Tax	(1.205)	(1.080)	(1.040)	(871)
Profit after tax	8.154	3.004	6.444	2.997
Attributable to:				
<i>Equity shareholders of the parent company</i>	8.057	6.312	6.444	2.997
<i>Minority Rights</i>	96	(3.308)	0	0
Profit after tax per share - basic (in €)	0,0867	0,0679	0,0694	0,0323

	THE GROUP				THE COMPANY			
	1/1- 30/6/2005	1/4- 30/6/2005	1/1- 30/6/2004	1/4- 30/6/2004	1/1- 30/6/2005	1/4- 30/6/2005	1/1- 30/6/2004	1/4- 30/6/2004
Sales Turnover	60.519	36.246	60.228	30.601	45.624	28.218	37.611	19.212
Cost of Sales	(43.637)	(26.503)	(48.974)	(28.590)	(30.309)	(19.183)	(29.088)	(17.293)
Gross Profit	16.882	9.743	11.254	2.011	15.315	9.035	8.523	1.919
Other Operating Income	6.658	3.933	3.065	2.258	542	(110)	772	588
Selling Expenses	(653)	(348)	(904)	(409)	(20)	(8)	(24)	(13)
Administrative Expenses	(5.177)	(2.431)	(3.962)	(1.612)	(3.354)	(1.751)	(2.194)	(956)
Other Operating Expenses	(921)	(539)	(5.612)	(526)	(122)	(66)	(449)	(49)
Profit before Interest, Financial and Investment Results	16.789	10.358	3.841	1.722	12.362	7.100	6.629	1.489
Depreciation	3.318	1.700	5.332	2.704	1.673	836	1.637	814
Profit before Interest, Financial and Investment Results and depreciation	20.107	12.058	9.174	4.426	14.035	7.936	8.266	2.303
Financial Income	2.334	2.259	4.613	501	2.389	1.901	4.814	590
Financial Expenses	(9.237)	(5.294)	(3.141)	29	(10.166)	(5.302)	(9.324)	(2.845)
Other Financial Results	0	0	0	0	0	0	0	0
Share of profit from associate companies	7.096	300	2.043	1.022	6.702	103	1.967	983
Financial Result	194	(2.734)	3.516	1.551	(1.075)	(3.297)	(2.543)	(1.272)
Depreciation	(3.318)	(1.700)	(5.332)	(2.704)	(1.673)	(836)	(1.637)	(814)
Profit before Income Tax	16.983	7.624	7.357	3.273	11.287	3.803	4.085	217
Income Tax	(4.430)	(3.226)	(2.671)	(1.591)	(4.142)	(3.102)	(2.192)	(1.321)
Profit after tax	12.552	4.399	4.687	1.682	7.145	701	1.893	(1.104)
Attributable to:								
Equity shareholders of the parent company	12.471	4.414	8.786	2.474	7.145	701	1.893	(1.104)
Minority Rights	81	(15)	(4.099)	(791)	0	0	0	0
Profit after tax per share - basic (in €)	0,1342	0,0475	0,0946	0,0266	0,0769	0,0075	0,0204	(0,0119)

	THE GROUP				THE COMPANY			
	1/1- 30/9/2005	1/7- 30/9/2005	1/1- 30/9/2004	1/7- 30/9/2004	1/1- 30/9/2005	1/7- 30/9/2005	1/1- 30/9/2004	1/7- 30/9/2004
Sales Turnover	86.849	26.330	88.811	28.582	64.892	19.268	54.765	17.153
Cost of Sales	(67.609)	(23.973)	(73.585)	(24.611)	(48.086)	(17.777)	(44.373)	(15.284)
Gross Profit	19.239	2.357	15.225	3.971	16.806	1.490	10.392	1.869
Other Operating Income	12.492	5.834	4.879	1.815	5.392	4.849	2.232	1.459
Selling Expenses	(1.102)	(449)	(1.288)	(384)	(27)	(8)	(26)	(2)
Administrative Expenses	(7.519)	(2.342)	(6.959)	(2.998)	(5.073)	(1.719)	(3.979)	(1.785)
Other Operating Expenses	(2.253)	(1.331)	(5.515)	96	(1.375)	(1.254)	(251)	198
Profit before Interest, Financial and Investment Results	20.858	4.069	6.342	2.501	15.722	3.360	8.368	1.740
Depreciation	4.933	1.615	7.994	2.661	2.464	790	2.453	815
Profit before Interest, Financial and Investment Results and depreciation	25.791	5.684	14.336	5.162	18.185	4.150	10.821	2.555
Financial Income	2.627	293	12.103	7.490	2.794	405	12.366	7.553
Financial Expenses	(11.970)	(2.733)	(3.199)	(58)	(11.202)	(1.036)	(9.830)	(506)
Other Financial Results	0	0	0	0	0	0	0	0
Share of profit from associate companies	5.500	(1.596)	3.065	1.022	4.909	(1.793)	2.950	983
Financial Result	(3.843)	(4.037)	11.969	8.453	(3.499)	(2.424)	5.486	8.030
Depreciation	(4.933)	(1.615)	(7.994)	(2.661)	(2.464)	(790)	(2.453)	(815)
Profit before Income Tax	17.015	32	18.311	10.954	12.223	936	13.855	9.769
Income Tax	(5.448)	(1.018)	(2.811)	(140)	(4.960)	(818)	(2.356)	(164)
Profit after tax	11.567	(985)	15.500	10.814	7.263	118	11.499	9.606
Attributable to:								
Equity shareholders of the parent company	11.502	(970)	20.241	11.455	7.263	118	11.499	9.606
Minority Rights	65	(16)	(4.741)	(642)	0	0	0	0
Profit after tax per share - basic (in €)	0,1238	(0,0104)	0,2179	0,1233	0,0782	0,0013	0,1238	0,1034

Cash flow statement

Due to the changes realized but also to the changes of the depicted accounts of the published cash flow statements at 31/12/2005 the cash flows of the interim financial statements are the following:

	THE GROUP		THE COMPANY	
	1/1-31/3/2005	1-31/3/2004	1-31/3/2005	1/1-31/3/2004
Operating activities				
Profit before tax	9.359	4.084	7.484	3.868
Plus / less adjustments for:				
Depreciation / (depreciation of grants)	1.589	2.600	820	806
Losses / (Profits) from asset sale	(111)	(9)	0	(6)
Provisions / (Revenues from unused provisions of previous year-ends)	(298)	2.201	(185)	2.177
Losses / (Profits) of fair value property investments	(1.538)	(295)	0	0
Foreign exchange differences	0	0	0	0
Results (income, expenses, profits and losses) from investment activity	413	3.000	673	1.722
Joint venture valuation with the net equity method	(6.599)	(983)	(6.599)	(983)
Credit interest and similar income	(108)	(15)	(5)	(4)
Debit interest and similar charges	374	271	150	109
Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:				
Decrease / (increase) of inventories	(3.930)	139	(541)	(1.259)
Decrease / (increase) of receivables	(7.976)	(1.279)	(7.656)	(2.126)
(Decrease) / increase of liabilities (except banks)	5.784	(5.692)	2.764	(917)
Less:				
Paid up Debit interest and similar charges	(373)	(271)	(150)	(109)
Paid up taxes	(2.846)	(3.566)	(2.078)	(2.911)
Total inflows / (outflows) from operating activities (a)	(6.262)	185	(5.321)	368
Investment activities				
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	(1.717)	0	(3.217)	1.557
Purchases of tangible and intangible assets	(349)	(1.891)	(61)	(534)
Collections from sales of tangible and intangible assets	287	17	0	12
Acquirement from property investments	0	(14)	0	0
Collection from property investment sales	0	0	0	0
Loans provided to affiliated parties	(1.663)	(1.407)	(1.663)	(1.407)
Share capital decrease of subsidiary	0	0	0	0
Interest received	32	41	0	8
Collections from Government grants	0	0	0	0
Settlement of Derivative Financial Items	354	1.208	354	1.208
Collected dividends	0	0	0	0
Other	0	0	0	0
Total inflows / (outflows) from investment activities (b)	(3.055)	(2.046)	(4.587)	844
Financial Activities				
Collections from share capital increase	0	0	0	0
Collections from issued / undertaken loans	659	730	0	0
Sales / (Purchases) of own shares	253	6.643	342	6.643
Dividends paid to the parent company shareholders	0	0	0	0
Loan settlements	(797)	(0)	0	(0)
Liability settlements from financial leases (amortization)	(677)	(656)	(494)	(476)
Paid dividends	(71)	(37)	(71)	(37)
Total inflows / (outflows) from financial activities (c)	(633)	6.680	(223)	6.130
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(9.951)	4.819	(10.131)	7.342
Cash and cash equivalents at the beginning of the period	31.965	30.422	21.814	18.081
Cash and cash equivalents at the end of the period	22.014	35.241	11.683	25.423

	THE GROUP		THE COMPANY	
	1/1-30/6/2005	1/1-30/6/2004	1/1-30/6/2005	1/1-30/6/2004
Operating activities				
Profit before tax	16.983	7.357	11.287	4.085
Plus / less adjustments for:				
Depreciation / (depreciation of grants)	3.261	5.266	1.640	1.595
Losses / (Profits) from asset sale	(66)	(59)	1	(7)
Provisions / (Revenues from unused provisions of previous year-ends)	(6.476)	(1.723)	(6.377)	(2.048)
Losses / (Profits) of fair value property investments	(5.227)	(1.181)	0	0
Results (income, expenses, profits and losses) from investment activity	(323)	2.320	(297)	314
Joint venture valuation with the net equity method	(6.702)	(1.967)	(6.702)	(1.967)
Credit interest and similar income	(51)	(70)	(3)	(7)
Debit interest and similar charges	711	481	349	225
Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:				
Decrease / (increase) of inventories	(4.949)	(3.649)	(1.400)	(3.119)
Decrease / (increase) of receivables	(13.028)	(7.083)	(10.594)	(2.669)
(Decrease) / increase of liabilities (except banks)	24.271	5.629	18.712	8.183
Less:				
Paid up Debit interest and similar charges	(639)	(514)	(349)	(225)
Paid up taxes	(6.057)	(6.278)	(4.690)	(5.123)
Total inflows / (outflows) from operating activities (a)	1.707	(1.469)	1.577	(763)
Investment activities				
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	(1.837)	97	(3.527)	967
Purchases of tangible and intangible assets	(547)	(892)	(502)	(750)
Collections from sales of tangible and intangible assets	441	123	20	41
Acquirement from property investments	(330)	(799)	0	0
Loans provided to affiliated parties	(2.501)	(1.185)	(2.951)	(1.185)
Interest received	64	128	1	16
Settlement of Derivative Financial Items	(577)	920	(578)	920
Collected dividends	147	323	147	323
Total inflows / (outflows) from investment activities (b)	(5.140)	(1.285)	(7.390)	332
Financial Activities				
Collections from share capital increase	0	0	0	0
Collections from issued / undertaken loans	6.443	625	0	0
Sales / (Purchases) of own shares	287	7.751	426	6.829
Loan settlements	(6.914)	0	0	0
Liability settlements from financial leases (amortization)	(1.369)	(1.320)	(993)	(957)
Paid dividends	(114)	207	(114)	(53)
Total inflows / (outflows) from financial activities (c)	(1.667)	7.263	(681)	5.820
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(5.100)	4.509	(6.494)	5.388
Cash and cash equivalents at the beginning of the period	31.965	30.422	21.814	18.081
Cash and cash equivalents at the end of the period	26.864	34.931	15.320	23.470

	THE GROUP		THE COMPANY	
	1/1-30/9/2005	1/1-30/9/2004	1/1-30/9/2005	1/1-30/9/2004
Operating activities				
Profit before tax	17.015	18.311	12.223	13.855
Plus / less adjustments for:				
Depreciation / (depreciation of grants)	4.847	8.259	2.414	2.403
Losses / (Profits) from asset sale	669	(33)	1.107	29
Provisions / (Revenues from unused provisions of previous year-ends)	(5.340)	(1.034)	(5.086)	(1.124)
Losses / (Profits) of fair value property investments	(5.687)	(1.332)	0	0
Foreign exchange differences	0	0	0	0
Results (income, expenses, profits and losses) from investment activity	(701)	228	(415)	(2.298)
Joint venture valuation with the net equity method	0	0	0	0
Credit interest and similar income	(123)	(120)	(49)	(9)
Debit interest and similar charges	1.223	783	536	335
Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:				
Decrease / (increase) of inventories	(7.977)	(9.902)	(4.454)	(5.500)
Decrease / (increase) of receivables	(16.619)	(6.632)	(15.594)	(12.801)
(Decrease) / increase of liabilities (except banks)	25.243	13.301	19.449	13.138
Less:				
Paid up Debit interest and similar charges	(1.065)	(780)	(536)	(335)
Paid up taxes	(9.205)	(11.053)	(7.181)	(9.150)
Total inflows / (outflows) from operating activities (a)	2.279	9.997	2.414	(1.457)
Investment activities				
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	(1.622)	234	(3.312)	5.904
Purchases of tangible and intangible assets	(3.207)	(8.647)	(1.794)	(915)
Collections from sales of tangible and intangible assets	1.724	635	916	551
Acquirement from property investments	(330)	(1.047)	0	0
Collection from property investment sales	0	0	0	0
Loans provided to affiliated parties	(5.591)	(3.899)	(5.951)	(3.899)
Share capital decrease of subsidiary	0	0	0	0
Interest received	99	204	4	18
Collections from Government grants	0	0	0	0
Settlement of Derivative Financial Items	(781)	1.278	(782)	1.278
Collected dividends	147	323	147	323
Other	0	0	0	0
Total inflows / (outflows) from investment activities (b)	(9.559)	(10.920)	(10.771)	3.260
Financial Activities				
Collections from share capital increase	0	0	0	0
Collections from issued / undertaken loans	14.996	805	8.000	0
Sales / (Purchases) of own shares	780	6.742	938	6.527
Dividends paid to the parent company shareholders	0	0	0	0
Loan settlements	(7.166)	(328)	0	0
Liability settlements from financial leases (amortization)	(2.364)	(1.989)	(1.806)	(1.442)
Paid dividends	(10.249)	(8.428)	(10.561)	(8.688)
Total inflows / (outflows) from financial activities (c)	(4.002)	(3.198)	(3.428)	(3.603)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(11.282)	(4.122)	(11.786)	(1.800)
Cash and cash equivalents at the beginning of the period	31.965	30.422	21.814	18.081
Cash and cash equivalents at the end of the period	20.682	26.300	10.028	16.281

Statement of Group Equity Capital Changes

	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Earnings	Total	Minority Rights	Total
Balance at January 1st 2004	137.502	129.629	0	35.480	2.472	305.082	59.710	364.792
Transition Adoptions to the IFRS	0	0	0	(20.070)	(110.491)	(130.561)	(36.853)	(167.415)
Balance at January 1st 2004, according to IFRS	137.502	129.629	0	15.410	(108.020)	174.521	22.857	197.378
Change in Equity for the period 01/01 - 31/3/2004								
Foreign Exchange Conversion Differences	0	0	0	(84)	0	(84)	0	(84)
Minority rights from share capital increase of subsidiary company	0	0	0	0	0	0	1.464	1.464
Distributed dividends	0	0	0	0	0	0	0	0
Purchases (sales) of Own Shares	0	0	0	5.563	0	5.563	0	5.563
Profits / (Losses) from sale of Own Shares	0	0	0	(9)	6.405	6.396	(3.661)	2.736
Net Income recorded directly to the net equity	0	0	0	0	0	0	0	0
Net Period Results 01/01-31/3/2004	0	0	0	0	3.004	3.004	0	3.004
	0	0	0	0	0	0	0	0
Total Period Change	0	0	0	5.471	9.409	14.880	(2.196)	12.684
Remaining Equity Balance at March 31st 2004	137.502	129.629	0	20.881	(98.610)	189.401	20.661	210.062
Remaining balance at January 1st 2005, according to the previous accounting principles	137.502	129.629	0	39.859	3.462	310.452	64.390	374.841
Adoption Transitions to the IFRS	0	0	0	(18.260)	(104.692)	(122.952)	(42.936)	(165.887)
Remaining balance at January 1st 2005, according to the IFRS	137.502	129.629	0	21.599	(101.229)	187.500	21.454	208.954
Change of Equity for the period 01/01 - 31/3/2005								
Change of Foreign Exchange Conversion Differences	0	0	0	689	0	689	0	689
Minority rights from investment percentage change in subsidiary	0	0	0	0	0	0	(49)	(49)
Distributed Dividends	0	0	0	0	0	0	0	0
Purchases (sales) of Own Shares	0	0	0	289	0	289	0	289
Profits / (Losses) from sale of Own Shares	0	0	0	1.225	(1.592)	(368)	449	81
Net Period Results 01/01-31/3/2005	0	0	0	0	8.154	8.154	0	8.154
Net income recorded directly to the net equity	0	0	0	0	0	0	0	0
Total Period Change	0	0	0	2.203	6.561	8.764	399	9.164
Remaining balance of Equity at March 31st 2005	137.502	129.629	0	23.802	(94.668)	196.264	21.853	218.117

	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Earnings	Total	Minority Rights	Total
Balance at January 1st 2004	137.502	129.629	0	35.480	2.472	305.082	59.710	364.792
Transition Adoptions to the IFRS	0	0	0	(20.070)	(110.491)	(130.561)	(36.853)	(167.415)
Balance at January 1st 2004, according to IFRS	137.502	129.629	0	15.410	(108.020)	174.521	22.857	197.378
Change in Equity for the period 01/01 - 30/6/2004								
Foreign Exchange Conversion Differences	0	0	0	(645)	0	(645)	0	(645)
Minority rights from share capital increase of subsidiary company	0	0	0	0	0	0	2.232	2.232
Distributed dividends	0	0	0	(7.291)	0	(7.291)	0	(7.291)
Purchases (sales) of Own Shares	0	0	0	6.193	0	6.193	0	6.193
Profits / (Losses) from sale of Own Shares	0	0	0	0	2.469	2.469	0	2.469
Net Income recorded directly to the net equity	0	0	0	0	94	94	0	94
Net Period Results 01/01-30/6/2004	0	0	0	1.188	8.277	9.465	(4.778)	4.687
	0	0	0	0	0	0	0	0
Total Period Change	0	0	0	(555)	10.840	10.286	(2.546)	7.739
Remaining Equity Balance at June 30th 2004	137.502	129.629	0	14.855	(97.179)	184.807	20.310	205.117
Remaining balance at January 1st 2005, according to the previous accounting principles	137.502	129.629	0	39.859	3.462	310.452	64.390	374.841
Adoption Transitions to the IFRS	0	0	0	(18.260)	(104.692)	(122.952)	(42.936)	(165.887)
Remaining balance at January 1st 2005, according to the IFRS	137.502	129.629	0	21.599	(101.229)	187.500	21.454	208.954
Change of Equity for the period 01/01 - 30/6/2005								
Change of Foreign Exchange Conversion Differences	0	0	0	(38)	0	(38)	0	(38)
Minority rights from investment percentage change in subsidiary	0	0	0	0	0	0	(77)	(77)
Distributed Dividends	0	0	0	(11.149)	0	(11.149)	0	(11.149)
Purchases (sales) of Own Shares	0	0	0	355	0	355	0	355
Profits / (Losses) from sale of Own Shares	0	0	0	0	0	0	8	8
Net Period Results 01/01-30/6/2005	0	0	0	0	12.552	12.552	0	12.552
Net Income recorded directly to the net equity	0	0	0	4.784	(4.939)	(155)	302	147
Total Period Change	0	0	0	(6.047)	7.613	1.566	233	1.799
Remaining balance of Equity at June 30th 2005	137.502	129.629	0	15.552	(93.616)	189.066	21.687	210.753

	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Earnings	Total	Minority Rights	Total
Balance at January 1st 2004	137.502	129.629	0	35.480	2.472	305.082	59.710	364.792
Transition Adoptions to the IFRS	0	0	0	(20.070)	(110.491)	(130.561)	(36.853)	(167.415)
Balance at January 1st 2004, according to IFRS	137.502	129.629	0	15.410	(108.020)	174.521	22.857	197.378
Change in Equity for the period 01/01 - 30/9/2004								
Foreign Exchange Conversion Differences	0	0	0	(819)	0	(819)	0	(819)
Minority rights from share capital increase of subsidiary company	0	0	0	0	0	0	2.194	2.194
Distributed dividends	0	0	0	(7.291)	0	(7.291)	0	(7.291)
Purchases (sales) of Own Shares	0	0	0	5.868	0	5.868	0	5.868
Profits / (Losses) from sale of Own Shares	0	0	0	0	0	0	1.944	1.944
Net Income recorded directly to the net equity	0	0	0	0	0	0	583	583
Net Period Results 01/01-30/9/2004	0	0	0	1.344	22.469	23.812	(8.312)	15.500
	0	0	0	0	0	0	0	0
Total Period Change	0	0	0	(899)	22.469	21.570	(3.592)	17.978
Remaining Equity Balance at September 30th 2004	137.502	129.629	0	14.512	(85.551)	196.091	19.265	215.356
Remaining balance at January 1st 2005, according to the previous accounting principles	137.502	129.629	0	39.859	3.462	310.452	64.390	374.841
Adoption Transitions to the IFRS	0	0	0	(18.260)	(104.692)	(122.952)	(42.936)	(165.887)
Remaining balance at January 1st 2005, according to the IFRS	137.502	129.629	0	21.599	(101.229)	187.500	21.454	208.954
Change of Equity for the period 01/01 - 30/9/2005								
Change of Foreign Exchange Conversion Differences	0	0	0	(439)	0	(439)	0	(439)
Minority rights from investment percentage change in subsidiary	0	0	0	0	0	0	(87)	(87)
Distributed Dividends	0	0	0	(11.149)	0	(11.149)	0	(11.149)
Purchases (sales) of Own Shares	0	0	0	850	0	850	0	850
Profits / (Losses) from sale of Own Shares	0	0	0	0	0	0	17	17
Net Period Results 01/01-30/9/2005	0	0	0	4.949	6.079	11.028	539	11.567
Net income recorded directly to the net equity	0	0	0	459	0	459	0	459
Total Period Change	0	0	0	(5.329)	6.079	750	469	1.219
Remaining balance of Equity at September 30th 2005	137.502	129.629	0	16.270	(95.150)	188.250	21.923	210.173

Statement of Company Equity Capital Changes

	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total
Balance at 1/1/2004, according to the previous accounting principles	137.502	129.629	(10.656)	72	256.546
Transition Adoptions to the IFRS	0	0	36.210	(106.297)	(70.087)
Balance at 1/1/2004, according to IFRS	137.502	129.629	25.554	(106.225)	186.459
Net Period Results 01/01-31/3/2004	0	0	0	2.997	2.997
Purchases (sales) of Own Shares	0	0	3.995	0	3.995
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	2.647	2.647
Total Period Change	0	0	3.995	5.644	9.640
Remaining Equity Balance at March 31st 2004	137.502	129.629	29.550	(100.581)	196.099
Balance at 1/1/2005, according to the previous accounting principles	137.502	129.629	(19.484)	2.104	249.750
Transition Adoptions to the IFRS	0	0	48.261	(109.955)	(61.695)
Balance at 1/1/2005, according to IFRS	137.502	129.629	28.777	(107.852)	188.055
Equity capital change for the period 1/1-31/3/2005					
<i>Net Period Results 1/1-31/3/2005</i>	0	0	0	6.444	6.444
Purchases (sales) Own Shares	0	0	329	0	329
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	13	13
Total Period Change	0	0	329	6.457	6.785
Remaining Equity Balance at March 31st 2005	137.502	129.629	29.105	(101.395)	194.841

	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total
Balance at 1/1/2004, according to the previous accounting principles	137.502	129.629	(10.656)	72	256.546
Transition Adoptions to the IFRS	0	0	36.210	(106.297)	(70.087)
Balance at 1/1/2004, according to IFRS	137.502	129.629	25.554	(106.225)	186.459
Distributable Dividends	0	0	(7.291)	0	(7.291)
Net Period Results 01/01-30/6/2004	0	0	0	1.893	1.893
Purchases (sales) of Own Shares	0	0	4.239	0	4.239
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	2.590	2.590
Total Period Change	0	0	(3.051)	4.483	1.432
Remaining Equity Balance at June 30th 2004	137.502	129.629	22.503	(101.742)	187.891
Balance at 1/1/2005, according to the previous accounting principles	137.502	129.629	(19.484)	2.104	249.750
Transition Adoptions to the IFRS	0	0	48.261	(109.955)	(61.695)
Balance at 1/1/2005, according to IFRS	137.502	129.629	28.777	(107.852)	188.055
Equity capital change for the period 1/1-30/6/2005					
Distributable Dividends	0	0	(11.149)	0	(11.149)
Net Period Results 01/01-30/6/2005	0	0	0	7.145	7.145
Purchases (sales) of Own Shares	0	0	418	0	418
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	9	9
Total Period Change	0	0	(10.731)	7.154	(3.578)
Remaining Equity Balance at June 30th 2005	137.502	129.629	18.045	(100.698)	184.478

	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total
Balance at 1/1/2004, according to the previous accounting principles	137.502	129.629	(10.656)	72	256.546
Transition Adoptions to the IFRS	0	0	36.210	(106.297)	(70.087)
Balance at 1/1/2004, according to IFRS	137.502	129.629	25.554	(106.225)	186.459
Distributable Dividends	0	0	(7.291)	0	(7.291)
Net Period Results 01/01-30/9/2004	0	0	0	11.499	11.499
Purchases (sales) of Own Shares	0	0	3.938	0	3.938
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	2.588	2.588
Total Period Change	0	0	(3.352)	14.087	10.735
Remaining Equity Balance at September 30th 2004	137.502	129.629	22.202	(92.138)	197.194
Balance at 1/1/2005, according to the previous accounting principles	137.502	129.629	(19.484)	2.104	249.750
Transition Adoptions to the IFRS	0	0	48.261	(109.955)	(61.695)
Balance at 1/1/2005, according to IFRS	137.502	129.629	28.777	(107.852)	188.055
Equity capital change for the period 1/1-30/9/2005					
Distributable Dividends	0	0	(11.149)	0	(11.149)
Net Period Results 01/01-30/9/2005	0	0	0	7.263	7.263
Purchases (sales) of Own Shares	0	0	921	0	921
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	17	17
Total Period Change	0	0	(10.228)	7.281	(2.947)
Remaining Equity Balance at September 30th 2005	137.502	129.629	18.549	(100.571)	185.108

6.30 Potential receivables-liabilities

There are no judicial or administrative or under litigation disputes for which, in sum taken into consideration by case, may have a significant impact on the financial position or operation of the company and the group. There are no potential receivables and liabilities regarding the group as ensued by the Legal Advisor's statement.

6.31 Engagements

The engagements of the Group and the Company regarding construction contracts are depicted below:

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
L/G Good Performance	124.687	20.449	112.051	19.129
L/G Retention Replacement	7.312	8.101	6.954	7.743
L/G Advance Payment	3.684	393	3.684	393
TOTAL	135.682	28.944	122.688	27.265

6.32 Sale of own shares

The Group during the closing fiscal year-end proceeded in the sale of Own Shares, out of which a loss resulted amounting to € 9.232 thousand which in turn reduced directly the group's equity capital (Share premium). The profit from the sale of the parent company's Own Shares amounted to € 1.617 thousand.

6.33 Dividends

The dividend distribution for the fiscal year-end of 2005 is subject to the condition of the legislative regulation relevant to the offsetting of prior year losses, up to and 2004, resulting from the first application of the IFRS.

In any case the company's management intends to propose to the shareholders, the distribution of an amount that will exceed the amount of the dividend distributed in the previous fiscal year-end, that is greater than € 0,12 per share.

6.34 Employed personnel

	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Salaried	330	366	198	231
Daily Wage	297	623	171	478
Total Employees	627	989	369	709

6.35 Management grants

	THE GROUP		THE COMPANY	
	01-01- 31/12/2005	01/01 - 31/12/2004	01-01- 31/12/2005	01/01 - 31/12/2004
Management Grants	1.732	1.129	1.117	637

6.36 Events after the date of the balance sheet

After the balance sheet date and till today, the sale of a building of a foreign subsidiary was realized which in the current financial statements has been characterized as a Property Investment and has been valued at its fair value. The selling price has been greater than the fair value and the emerged result (profit), will be depicted in the financial statements of fiscal year-end 2006.

Other than the pre-mentioned facts, there are no subsequent events to the financial statements concerning either the Group or the Company, which require a reference to be made from the International Financial Reporting Standards.

Marousi, 26/5/2006

THE CHAIRMAN OF
THE BOARD

THE MANAGING
DIRECTOR

THE FINANCIAL
DIRECTOR

THE CHIEF
ACCOUNTING
MANAGER

PRODROMOS S.
EMFIETZOGLU
ID No: Ξ 498825/86

MELPOMENI PR.
EMFIETZOGLU
ID No: P 580621/94

APOSTOLOS N.
ATHANASOPOULOS
ID No: Ξ 288898/86

CHRISTOS I.
KIKIANTONIS
ID No: N 296442/83 -
License Register No.
of the Chartered
Auditors Association
13476

2. CONCISE YEARLY DATA AND INFORMATION OF THE COMPANY AND THE GROUP SET BY THE JOINT DECISION OF THE ECONOMY AND FINANCE MINISTER AND THE MINISTER OF DEVELOPMENT PROVIDED IN ARTICLE 135 PAR. 4 OF THE C.L. 2190/1920 IN EFFECT



MICHANIKI S.A. GROUP OF COMPANIES

SUMMARIZED FINANCIAL DATA AND INFORMATION OF FISCAL YEAR-END FROM JANUARY 1ST, 2005 TO DECEMBER 31ST, 2005

(published according to L. 2190/20, article 135 for companies that draw up yearly financial statements, consolidated and non consolidated according to the I.A.S.)

The data and information below aim to provide a general briefing for the financial statement and the results of "MICHANIKI S.A.". The reader seeking to derive a complete picture of the financial position and results of the company, must secure access to the yearly financial statements that the International Accounting Standards provide, in addition to the audit report of the certified auditor/public accountant. Indicatively he can trace the said information is depicted.

SUMMARIZED BALANCE SHEET FINANCIAL DATA, PROFIT AND LOSS STATEMENT, NET EQUITY CHANGES STATEMENT, CASH FLOW STATEMENT

COMPANY INFORMATION		1.1 BALANCE SHEET ITEMS (amounts in thousand €)				1.2 YEAR-END PROFIT AND LOSS STATEMENT (amounts in thousand €)			
		THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
		31/12/2005	31/12/2004	31/12/2005	31/12/2004	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Company Headquarters:		M. Alexandrou 91 Street - Amarousio Attica							
Societal Anonymity Registered Number:		8440/06/96/16							
Qualified Prefecture (or District Court):		Athens Prefecture							
Board of Directors Composition:		EMFIETZOULOU PRODROMOS EMFIETZOULOU MELPOMENI KAMIAS MIKHAELIS ATHANASIOPOULOS APOSTOLOS DIMAKIS GEORGIOS TRIVOLIDIS ELEFTHERIOS VOZANI ELENI TSAKLAGANOS AGGELOS KALINOLOU GEORGIOS							
Date of approval of the yearly financial statements:		20.03.2006							
Certified Auditor Accountant:		KONARIS ED. PAPASMEONI							
Auditing company:		S.O.L. S.A.							
Type of auditing report of chartered accountants:		With agreeable opinion - emphasized matters							
Company Website Address:		http://www.michaniki.gr							
Emphasized matters:									
		ASSETS							
		Asset Tangible Items							
		Inventory							
		Receivables from clients							
		Other asset items							
		TOTAL ASSETS							
		LIABILITIES							
		Long-term liabilities							
		Short-term bank liabilities							
		Other short-term liabilities							
		Total liabilities (a)							
		Share capital							
		Other items of net equity of company's shareholders							
		Total Net Equity of Company's Shareholders (b)							
		Minority rights (c)							
		Total Net Equity (d) = (b) + (c)							
		TOTAL LIABILITIES (e) = (a) + (d)							

According to the Auditing Report of the Certified Auditors Public Accountants, "Without stipulating reservation subject to the conclusion of our audit, we call upon your attention to the following matters: a) his provisions have been made for potential tax liabilities regarding the un-audited, tax wise, fiscal year ends of the Joint Ventures/Consortiums, as relevantly mentioned in note 6.12 which is cited in the Financial Statements Addendum, regarding the current tax position of the Company and the Group. The outcome of the Joint Ventures/Consortiums tax audits can not be forecasted at this current stage and therefore no provision whatsoever has been made upon the Financial Statements relevant to this matter. b) The fact that the Total Shareholders' Equity of the subsidiary companies "BALCAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A." are less than the 1/2 of their share capital, concurrently implies the prerequisite application of the ordinance of article 47 of C.L. 2190 / 1920 for all three of the above mentioned companies and therefore it is imperative for these companies to take the measures for the removal of the prerequisite application of the respective article, as mentioned in note 6.4 which is cited in the Financial Statements Addendum."

GROUP STRUCTURE					1.3. YEAR-END NET EQUITY CHANGES STATEMENT (amounts in € thousand)								
COMPANY NAME	HEADQUARTERS	PARTICIPATION PERCENTAGE	UNAUDITED TAX YEAR ENDS	CONSOLIDATION METHOD	THE GROUP		THE COMPANY						
					31/12/2005	31/12/2004	31/12/2005	31/12/2004					
HELLENIC PIPING S.A.	GREECE	100.00%	2001-2005	FULL	Net equity at beginning of period (01/01/2005 and 01/01/2004 respectively)								
BALKAN EXPORT S.A.	GREECE	42.21%	2000-2005	FULL	Year-end Profits/(losses) after tax								
MARIARA KAVASLAS S.A.	GREECE	77.07%	2003-2005	FULL	Increase/(Decrease) of company share capital								
THOLOS S.A.	GREECE	100.00%	2003-2005	FULL	Change of foreign exchange differences conversion reserves								
HELLENIC WOOD INDUSTRY S.A.	GREECE	98.62%	1999-2005	FULL	Minority Rights from (reduction)/increase of a subsidiary investment								
MICHANIKI REAL ESTATE S.A.	GREECE	100.00%	2005	FULL	Profits/(losses) from Own Shares sales that were transferred to the equity capital								
MICHANIKI BULGARIA S.A.	BULGARIA	95.70%	1995-2005	FULL	Distributed Dividends (profits)								
MICHANIKI UKRAINE	UKRAINE	100.00%	1.4.04-31.12.05	FULL	Net income directly recorded to the net value								
MICHANIKI RUSSIA LTD	RUSSIA	84.41%	2004-2005	FULL	Own shares Purchases/(sales)								
J.V. "MICHANIKI S.A. - EDISTRA EDILIZIA STRADALE SPA"	GREECE	99.00%	2003-2005	NET EQUITY	Net Equity at end of year-end (31.12.2005 and 31.12.2004 respectively)								
J.V. "MICHANIKI S.A. - ELLISDON CONSTRUCTION INC."	GREECE	50.00%	2003-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - EMPEDOS S.A. - EVKLIDES-ELLINIKO DYNAMIKO"	GREECE	93.00%	2002-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - ATHINA S.A."	GREECE	50.00%	2002-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - TERNA S.A."	GREECE	2.00%	2002-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - ATTI-KAT S.A."	GREECE	99.80%	2003-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - ATHANAKI TEHNIKI S.A. - PARNON S.A."	GREECE	62.50%	2003-2005	NET EQUITY									
J.V. "AKTOR-PANTEHNIKO-MICHANIKO"	GREECE	20.00%	2003-2005	NET EQUITY									
J.V. "AKTOR-MICHANIKO-MOCHLOS-ALTEI"	GREECE	4.38%	2003-2005	NET EQUITY									
J.V. "AKTOR-MICHANIKO-MOCHLOS-ALTEI EGNATHIA AVE. - VERODIA"	GREECE	20.00%	2003-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - THEMEU S.A. - PARNON S.A."	GREECE	90.00%	2003-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - PANTEHNIKI S.A."	GREECE	50.00%	2003-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - CHR. KONSTANTINIDIS S.A."	GREECE	50.00%	2000-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - PARNON S.A."	GREECE	92.50%	1993-2005	NET EQUITY									
J.V. "MICHANIKI S.A. - PANTEHNIKI S.A. (ALEXANDROPOULOS)"	GREECE	50.00%	2003-2005	NET EQUITY									
J.V. "THESSALIKI-ELTER-MICHANIKI-TE CHR. KONIDIS"	GREECE	28.33%	2002-2005	NET EQUITY									
J.V. "THESSALIKI-MICHANIKI-ELTER"	GREECE	25.00%	2002-2005	NET EQUITY									
J.V. "ATHINA-MICHANIKO"	GREECE	50.00%	2005	NET EQUITY									
J.V. "TERNA-MICHANIKO"	GREECE	35.00%	2005	NET EQUITY									
J.V. "THEMELODOM-MICHANIKO-MOCHLOS"	GREECE	40.00%	2003-2005	NET EQUITY									
ADDITIONAL DATA AND INFORMATION: 1) All of the companies of the Group that are included in the table "GROUP STRUCTURE" are consolidated with the full consolidation method, except the joint ventures which are consolidated with the net equity method. 2) The un-audited tax year-ends of "MICHANIKI S.A." are from 2002 to 2005. The un-audited tax year-ends for the remaining companies of the Group are mentioned in the appendix and the company's 389 and at 31/12/2004 the Group had 988 employees and the company 709. 7) The sales turnover (01/01-31/12/05) of associated parties amounted to € 112.49 thousand. The purchases (01/01-31/12/05) from associated parties amounted to € 52.84 thousand. The purchases and sales between subsidiaries amounted to € 1.241.22 thousand. At 31/12/2005 receivables from associated parties amounted to € 2.675.94 thousand, and liabilities to associated parties amounted to € 21.63 thousand. Also between subsidiary companies there is a remaining balance of receivables amounting to € 1.477.05 thousand. 8) Profits per share were calculated based upon profits divided by the total number of shares. 9) The Group publishes financial statements which were compiled according to the IFRS from 01/01/2005. The comparative data of the previous periods and year-ends differ from the published that had been completed according to the ordinances of G.O.C.A. 10) Changes were realized regarding the accounting estimates of the accounts that had been formed at the application of the I.F.R.S. during the previous publications, and the kind of changes and impacts are referred to within the yearly financial statements in paragraph 6.29. 11) The company's total investments for the fiscal year-end of 2005 amounted to approximately € 11.920.35 thousand. 12) For the subsidiary companies, "BALCAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A.", which based upon the IFRS application are subject to the ordinances of article 47 of the C.L. 2190/1920, the management of each company is willing to convolve the General Assembly, for the Equity Capital settlement.													
					1.4. YEAR-END CASH FLOW STATEMENT INFORMATION (Indirect Method) (amounts in € thousands)					THE GROUP		THE COMPANY	
					Operating Activities					1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
					Profit before tax					26.668	20.918	20.801	11.665
					Plus / less adjustments for:								
					Depreciation / (depreciation of grants)					6.084	6.412	2.977	3.233
					Losses / (Profits) from asset sale					(2.907)	45	(2.158)	95
					Provisions / (Revenues from unused provisions of of previous year-ends)					(4.859)	4.285	(4.632)	276
					Losses / (Profits) of fair value property investments					(8.022)	(1.776)	0	0
					Foreign exchange differences					73	(408)	0	0
					Results (income, expenses, profits and losses) from investment activity					7.090	(202)	7.544	(2.044)
					Joint venture valuation with the net equity method					(4.329)	(4.087)	(3.540)	(3.933)
					Credit interest and similar income					(155)	(132)	(80)	(10)
					Debit interest and similar charges					1.891	1.151	893	502
					Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities								
					Decrease / (increase) of receivables					(12.689)	(16.526)	(5.161)	(6.418)
					Decrease / (increase) of inventories					(33.874)	1.403	(27.489)	10.345
					(Decrease) / increase of liabilities (except banks)					25.996	12.210	13.635	6.972
					Less:								
Paid up Debt interest and similar charges					(1.887)	(1.167)	(893)	(490)					
Paid up taxes					(12.561)	(16.298)	(9.056)	(13.164)					
Total inflows / (outflows) from operating activities (a)					(13.481)	6.768	(7.139)	7.022					
Investment activities													
Disposal (Acquisition) of subsidiaries, associates, joint ventures and other investments					(391)	336	(6.920)	1.600					
Purchases of tangible and intangible assets					(3.857)	(2.569)	(3.055)	(1.906)					
Collections from sales of tangible and intangible assets					17.864	684	16.322	6.162					
Acquisition from property investments					(1.215)	(320)	0	0					
Collection from property investment sales					0	0	0	0					
Loans provided to affiliated parties					(6.653)	(3.593)	(6.653)	(3.593)					
Share capital decrease of subsidiary					0	0	0	0					
Interest received					36	96	0	0					
Collections from Government grants					0	0	0	0					
Settlement of Derivative Financial Items					(5.360)	4.354	(5.360)	4.354					
Collected dividends					147	323	147	323					
Other					0	0	0	0					
Total inflows / (outflows) from investment activities (b)					571	(689)	(5.619)	1.398					
Financial Activities													
Collections from share capital increase					0	0	0	0					
Collections from issued / undertaken loans					43.965	0	30.000	0					
Sales / (Purchases) of own shares					5.441	7.869	1.689	6.239					
Dividends paid to the parent company shareholders					0	0	0	0					
Loan settlements					(16.752)	0	(8.000)	0					
Liability settlements from financial leases (amortization)					(2.904)	(2.635)	(2.147)	(1.903)					
Paid dividends					(10.613)	(8.769)	(10.925)	(9.929)					
Total inflows / (outflows) from financial activities (c)					19.137	(3.536)	10.617	(4.693)					
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)					6.227	1.544	(2.041)	3.734					
Cash and cash equivalents at the beginning of the period					31.965	30.422	21.814	18.081					
Cash and cash equivalents at the end of the period					38.192	31.966	19.773	21.815					

Amarousio, March 20th, 2006	
THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR
PRODROMOS S. EMFIETZOULOU	MELPOIENI PR. EMFIETZOULOU
ID No: Z 498825/96	ID No: P 580921/94
THE FINANCIAL DIRECTOR	THE CHIEF ACCOUNTING MANAGER
APOSTOLOS N. ATHANASIOPOULOS	KIKIANTONIS I. CHRISTOS
ID No: Z 288988/87	ID No: N 296443/83 License Register No. of the Chartered Auditors Association 13478

3. BOARD OF DIRECTORS REPORT UPON THE YEARLY FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP PROVIDED IN ARTICLE 136 OF C.L. 2190/1920

BOARD OF DIRECTORS MANAGEMENT REPORT

At December 31st, 2005, MICHANIKI completed 31 years of continuing business activity and development. From a small construction company in Salonika it gradually evolved into a Group of Companies with activities in the sectors of:

- construction
- real estate development and utilization
- energy
- industry

The company and consolidated financial results of the Group for 2005 are summarized below:

Company Results in € million	31.12.2005	31.12.2004	% Change
Turnover (Sales)	84.299	76.465	10,3%
Profits before Taxes, Interest, Depreciation (EBITDA)	26.949	16.820	60,2%
Profits before Taxes (EBT)	20.801	11.665	78,3%
Profits after Taxes (EAT)	15.043	4.648	223,6%
Profits per share	0,1619 €	0,05 €	

Consolidated Results in € million	31.12.2005	31.12.2004	% Change
Turnover (Sales)	116.395	120.034	-2,6%
Profits before Taxes, Interest, Depreciation (EBITDA)	38.225	22.668	68,6%
Profits before Taxes (EBT)	26.668	20.918	27,5%
Profits after Taxes (EAT)	19.631	14.185	38,4%
Profits per share	0,2113 €	0,1527 €	

During 2005, the first year of published balance sheet data according to the International Financial Reporting Standards (IFRS), MICHANIKI S.A. significantly improved its financial ratios and even more, further expanded its market share, safeguarding better development conditions and benefits for its shareholders.

On a parent Company level, MICHANIKI S.A. recorded, during the year-end of 2005, sales (turnover) of € 84,30 million against € 76,46 million in 2004, which is a yearly raise of 10,3%.

Profits before tax, interest and depreciation (EBITDA) were reinforced by 60,2% and amounted to € 26,95 million in 2005 against € 16,82 million respectively in 2004.

The net (after tax, Board of Director fees, tax audit and minority rights) profits of MICHANIKI S.A. amounted to € 15,04 million against € 4,65 million in 2004.

The Company's increase in net profits, during the first financial results compilation year according to the International Standards, was really rapid and reached the percentage of 223,6%.

On a Group level, the consolidated sales (turnover) during 2005 amounted to € 116,40 million against € 120,03 million in 2004.

The consolidated profits before tax, interest and depreciation (EBITDA) increased by 68,6% and amounted to € 38,23 million against € 22,67 million in 2004.

The consolidated net profits, after tax and after the subtraction of minority rights depicted an increase of 38,4% and reached the amount of € 19,63 million against € 14,18 million.

PROSPECTS FOR 2006

The positive facts and the prospects for further development, expansion and enlargement of our activities will characterize the new year as well.

More over, in 2006 we expect significant development in all the sectors in which we operate in and more specifically:

Construction sector:

The continuation of the strengthening of our position through the undertaking of significant public and selective private projects that classify MICHANIKI within the top construction companies in a broad range of infrastructure projects and set off the qualitative characteristics and the Company's consistency in the Greek market. Characteristically, since the open market rules regarding the public project bids were put into effect, the Company has undertaken several infrastructure projects and the unexecuted outstanding is fluctuated in historical high levels.

Today the unexecuted income from contracts exceeds the amount of € 550 million.

Real Estate Development and Utilization sector:

With the objective to continue our development and the promotion of the Greek entrepreneurship abroad, MICHANIKI has opened significant paths in substantial and very promising foreign markets, such as Ukraine, Russia and Bulgaria. The real estate development and utilization is the sector where the MICHANIKI Group gives greater emphasis, due to the general orientation of these projects worldwide with the "construction – financing – utilization" aspect from private companies and syndicate schemes.

Specifically:

- In the area of Ekali in Athens the Company is completing the construction of a luxury apartment complex called "Dryads" consisting of 55 apartments.
- In Odessa of Ukraine, since autumn of 2004 the "Athena" Commercial Centre is operative with a total surface area of 30.000 sq.m.
- In Kiev, the capital of Ukraine, the Company has begun the construction of the "Artemis" complex consisting of stores, offices and apartments, upon a total surface area of 50.000 sq.m.
- Upon the Odessa coast, the housing, recreational and commercial centre "Delfinia" is at its final approval stage from the local authorities. The complex occupies an area of 200.000 sq.m., and the total construction surface is 202.180 sq.m.
- In the Russian capital, near the airport of Seremetjevo, a land parcel of 20.000 sq.m. has been ensured and a construction plan is underway regarding the construction of two office buildings and one hotel with a total construction surface of 131.000 sq.m.
- In Sofia Bulgaria, the Company owned two land parcels of which one was sold. The 17.500 sq.m. land parcel was based in the Tsarigratsko Avenue and was recently sold for € 11 million realizing a surplus for the Company. The second land parcel of 30.000 sq.m. is in the area of the Botanical Garden.

Energy sector:

Exploiting the Company's infrastructure and know-how in the construction of significant projects, MICHANIKI's objective is to become an electric energy producer through Hydroelectric Stations. It has already initiated the operation of a small Hydroelectric Station (4 MW) and holds a license for the construction of a second one, the Hydroelectric Station of Agios Nikolaos, 93 MW, with a budget of € 150,0 million.

Industry sector:

Despite the adverse conditions regarding the operation of industrial units in the Greek market in a deindustrialization Greek economy, MICHANIKI integrates significant spending cut programs and sets off the most profitable and efficient departments of its industrial units.

- HELLENIC PIPING S.A. has already initiated the operation of a new pipe coating unit with cement, whereas it expands its exports in the U.S. and Arabian countries. For 2006 it is estimated that sales and profits will double.
- BALKAN EXPORT S.A. and MARMARA KAVALAS S.A. are expected to reach sales of the same level as in 2005 and improvement of profitability.
- The metallic construction unit BIEK terminated its operation and the land parcel it owned was sold to Praktiker for € 17,5 million.

CORPORATE GOVERNANCE

MICHANIKI has adopted the Principles of Corporate Governance, as designated by the Greek legislation in effect and the international practices. The Corporate Governance, as a set of rules, principles and control mechanisms, according to which the Company is organized and managed, has the objective of disclosure

towards the public, equal treatment in information, as well as the objective to ensure the interests of its Shareholders and all of whom are related to its operation. The Board of Directors of MICHANIKI S.A. is the custodian of the Corporate Governance principles. Today it is composed from 6 executive and 3 non executive members. From the non executive members, two meet the conditions which, according to the ordinances of L. 3016/2002 for the Corporate Governance, are called "independent".

The internal audit constitutes one of the basic and necessary conditions relative to the Corporate Governance operation.

The responsibilities of the Company's Internal Audit Administration, include the evaluation and improvement of the risk management and internal audit systems, as well as the ascertainment of compliance relative to the institutional policies and procedures as delimited in the Internal Regulation of Operations of the Company, the in effect legislation and the regulatory ordinances, but also to the Quality Assurance Services System EN ISO 9001:2000

DIVIDEND POLICY

The distribution of the dividend for the fiscal year-end of 2005 is subject to the proviso of the legislative regulation relevant to the offsetting of prior year-end losses, up to and 2004, deriving from the first application of the International Financial Reporting Standards (IFRS).

In any case, the Company's Management intends to suggest to its Shareholders the distribution of an amount that will exceed the previous fiscal year-end dividend, that is higher than € 0,12 per share.

FINANCIAL RESULTS FOR 2006

For the current year-end a further increase of 30% in sales and profits is estimated for MICHANIKI relative to the financial results of 2005.

Prodromos S. Emfietzoglou

Chairman of the Board of the Directors

MICHANIKI S.A.

4. AUDITORS REPORT FOR THE COMPANY AND THE GROUP

AUDITORS REPORT

To the shareholders of Societe Anonyme "MICHANIKI S.A."

We have audited the accompanying Financial Statements in addition to the Consolidated Financial Statements of Societe Anonyme «MICHANIKI S.A.» as of and for the year end December 31st, 2005. The responsibility regarding the compilation of these Financial Statements falls upon the Company's Management. Our responsibility is limited in formulating and expressing an opinion upon these Financial Statements based on our audit.

We conducted our audit in accordance to the Greek Auditing Standards, which are harmonized with the International Auditing Standards. These Standards require the planning and execution of the auditing project in such a way in order to ensure with a reasonable certainty that these Financial Statements are free of substantial inaccuracies and omissions. The audit includes the examination, upon a sample base, of evidential facts that support the amounts and information included within the Financial Statements. The audit also includes the assessing of the accounting principles followed, the Company's Management estimates and, in general, the presentation of the facts within the Financial Statements, in addition to the assessment of the Board of Directors Report consistency to the Financial Statements. We believe that the audit conducted provides a reasonable basis in order to formulate our opinion.

In our opinion, the afore mentioned Financial Statements depict rigorously fair, the financial position of the Company and the Consolidated financial position of the Group (of which the Company is the parent company), as of December 31st, 2005, and the results of its operations and those of the Group, in addition to the changes of the shareholders' equity and the cash flows of the Company and the Group, for the year ended upon that date, according to the International Accounting Standards, that have been adopted from the European Union, and the contents of the Board of Directors Report is consistent with the afore mentioned Financial Statements.

Without stipulating reservation subject to the conclusion of our audit, we call upon your attention to the following matters:

a) No provisions have been made for potential tax liabilities regarding the un-audited, tax wise, fiscal year ends of the Joint Ventures/Consortiums, as relevantly mentioned in note 6.18 which is cited in the Financial Statements Addendum, regarding the current tax position of the Company and the Group. The outcome of

the Joint Venture/Consortiums tax audits can not be forecasted at this current stage and therefore no provision whatsoever has been made upon the Financial Statements relevant to this matter.

b) The fact that the Total Shareholders' Equity of the subsidiary companies "BALKAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A." are less than the 1/2 of their share capital, concurrently implies the prerequisite application of the ordinance of article 47 of C.L. 2190 / 1920 for all three of the afore mentioned companies and therefore it is imperative for these companies to take the measures for the removal of the prerequisite application of the respective article, as respectively mentioned in note 6.4 presented in the Financial Statements Addendum.

c) It is noted that our Report covers the "Modifications realized within the Accounting Estimates and Corrections" from the Company and are included in paragraph 6.29 of the Company's Notes (Addendum) upon the Financial Statements of the period 01/01/2005 – 31/12/2005 and specifically to the quote of the published information of the periods 01/01/2005 – 31/03/2005 (a' quarter 2005), 01/04/2005 – 30/06/2005 (b' quarter 2005) and 01/07/2005 – 30/09/2005 (c' quarter 2005) in addition to the respective quarters of the previous year of 2004. Relevant documents a) Ministry of Economy and Finance – Accounting and Auditing Supervisory Board (ELTE) Prot. No. 118 PN / 23.03.2006, b) Hellenic Capital Market Commission dated March 24th, 2006, for the actuarial adaptation of the Greek Auditing Standard 5560 and the International Auditing Standard 560.

Amarousio, May 26th, 2006
THE CERTIFIED AUDITOR PUBLIC ACCOUNTANT

IOANNIS EM. PAPASYMEON
REG. NO. (ICPA (GR)) 11831
S.O.L. S.A.

5. TRANSACTION REPORT OF THE COMPANY WITH AFFILIATED COMPANIES PROVIDED IN ARTICLE 2 PAR. 4 OF L. 3016/2002, IN EFFECT

- a) The company HELLENIC PIPE WORKS S.A. sold steel pipes of € 35,12 thousand value before V.A.T. to MICHANIKI S.A., with an outstanding amount of € 5,12 thousand.
- b) BALKAN EXPORT S.A. sold timber of € 14,02 thousand value before V.A.T. to MICHANIKI S.A., with an outstanding amount of € 16,50 thousand.
- c) HELLENIC WOOF INDUSTRY S.A. has an outstanding amounting to € 0,01 thousand from timber sales in previous year-ends to MICHANIKI S.A.
- d) MICHANIKI REAL ESTATE S.A. leased to MICHANIKI S.A. offices with € 3,70 thousand for which the company has been paid in full.
- e) MICHANIKI S.A. leased equipment with € 112,49 thousand before V.A.T. to MARMARA KAVALLAS S.A. with an outstanding amount of € 32,36 thousand.
- f) MICHANIKI S.A. from equipment sales to THOLOS S.A. in a previous year-end has an outstanding amount of € 2.643,58 thousand.
- g) HELENIC PIPE WORKS S.A. sold steel pipes of € 1.241,22 thousand value before V.A.T. to THOLOS S.A., with an outstanding amount of € 1.477,05 thousand.

The transactions referring to sales and purchases to and from associated parties of the group are analyzed below:

INTERGROUP TRANSACTIONS RECEIVABLES - LIABILITIES 01/01/2005-31/12/2005												
LIABILITIES												
R E C E I V A B L E S	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
	MICHANIKI S.A.			32		2.644						2.676
	BALKAN S.A.	17										17
	MARMARA S.A.											-
	PIPING S.A.	5										5
	THOLOS S.A.				1.477							1.477
	ELVIX S.A.	0										0
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
MICHANIKI REAL ESTATE S.A.											-	
	TOTAL	22	-	32	1.477	2.644	-	-	-	-	-	4.175

INTERGROUP TRANSACTIONS RECEIVABLES - LIABILITIES 01/01/2004-31/12/2004												
LIABILITIES												
	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
R E C E I V A B L E S	MICHANIKI S.A.			74		2.644						2.718
	BALKAN S.A.	0										0
	MARMARA S.A.											-
	PIPING S.A.	348										348
	THOLOS S.A.											-
	ELVIX S.A.	0										0
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	348	-	74	-	2.644	-	-	-	-	-	3.062

INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2005-31/12/2005												
BUYER												
S E L L E R		MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
	MICHANIKI S.A.	112										112
	BALKAN S.A.	14										14
	MARMARA S.A.											-
	PIPING S.A.	35										35
	THOLOS S.A.						1.241					1.241
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
MICHANIKI REAL ESTATE S.A.	4										4	
TOTAL	53	-	112	1.241	-	-	-	-	-	-	1.407	

INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2004-31/12/2004												
BUYER												
S E L L E R		MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
	MICHANIKI S.A.				148							148
	BALKAN S.A.	2										2
	MARMARA S.A.											-
	PIPING S.A.	470										470
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
MICHANIKI REAL ESTATE S.A.	4										4	
TOTAL	476	-	148	-	-	-	-	-	-	-	-	624

6. INFORMATION OF ARTICLE 10 OF L. 3401/2005 FOR FISCAL YEAR 2005

A/A	SUBJECT	POSTING SITE	DATE OF PUBLICATION
1	Information for the Acquisition of Own Shares	www.michaniki.gr	14/1/2005
2	Agreement regarding the construction of a commercial mall in Pilea	www.michaniki.gr	7/2/2005
3	Expansion of cooperation with Pilea	www.michaniki.gr	7/2/2005
4	Sale of own shares of 2003 and 2004	www.michaniki.gr	7/2/2005
5	Nomination of under bidder for the Sykia Dam	www.michaniki.gr	14/2/2005
6	Notification regarding the Shareholders Extraordinary General Assembly	www.michaniki.gr	18/2/2005
7	Fiscal Year-End 2004 Financial Results	www.michaniki.gr	24/2/2005
8	Press Release – Prague	www.michaniki.gr	3/3/2005
9	Press Release - Marche International des Professionnels de l'Immobilier	www.michaniki.gr	8/3/2005
10	Subsidiary THOLOS underbids for the Port in the island of Tinos	www.michaniki.gr	4/4/2005
11	Contract signature for the Sykia Dam	www.michaniki.gr	16/5/2005
12	Disposal of Fiscal Year –End 2004 Annual Report	www.michaniki.gr	10/6/2005
13	Subsidiary THOLOS underbids for a water supply project in Pargos	www.michaniki.gr	16/6/2005
14	Invitation to the Ordinary General Assembly	www.michaniki.gr	23/6/2005
15	Notification regarding the distribution of dividends	www.michaniki.gr	23/6/2005
16	Shareholders Extraordinary General Assembly results	www.michaniki.gr	24/6/2005
17	Press Release regarding the 2005 Ordinary General Assembly results	www.michaniki.gr	24/6/2005
18	A' Quarter 2005 Results based upon the IFRS	www.michaniki.gr	29/6/2005
19	Contract signature regarding the Diakonaris river	www.michaniki.gr	5/7/2005
20	Press Release - Publication Commentary	www.michaniki.gr	13/7/2005
21	Completion of Ordinary Own Shares I. 2190	www.michaniki.gr	21/5/2005
22	Subsidiary THOLOS undertakes a water supply project in Pargos	www.michaniki.gr	11/8/2005
23	Termination of operation of metallic construction unit	www.michaniki.gr	12/8/2005
24	Construction of Pirois Papapirou Dam	www.michaniki.gr	18/8/2005
25	Subsidiary THOLOS signed the contract regarding the Port in the island of Tinos	www.michaniki.gr	26/9/2005
26	Semi annual 2005 Results based upon the IFRS	www.michaniki.gr	29/9/2005
27	Completion of Preferred Shares Sale	www.michaniki.gr	11/10/2005
28	Modification of limit according to the PD 51/92	www.michaniki.gr	8/11/2005
29	Subsidiary THOLOS underbids for the Egnatia Moudania project	www.michaniki.gr	10/11/2005
30	Nine month 2005 Results based upon the IFRS	www.michaniki.gr	23/11/2005
31	Subsidiary THOLOS underbids for the National Theater	www.michaniki.gr	30/11/2005
32	Real estate complex in Kiev	www.michaniki.gr	1/12/2005
33	Contract signature regarding the Pirois Papapirou Dam	www.michaniki.gr	14/12/2005
34	Under bidder for the third project in Patras	www.michaniki.gr	29/12/2005

7. AVAILABILITY OF FINANCIAL STATEMENTS, AUDITOR REPORTS AND BOARD OF DIRECTOR REPORTS OF THE COMPANIES THAT ARE INCORPORATED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY.

The Company and Group Yearly Financial Statements, the Auditor's Report and the Board of Directors Report are registered within the Company's website address www.michaniki.gr.

The Yearly Financial Statements, the Auditor's Reports and the Board of Director's Reports of the companies that are consolidated within the Company's financial statements, which are obligated to compile financial statements according to the International Accounting Standards as anticipated in case b' of the last section of paragraph 1 of article 134 of C.L. 2190/1920 in effect, and specifically the companies BALKAN EXPORT S.A., HELLENIC PIPE WORKS S.A., MARMARA KAVALAS S.A. THOLOS S.A., HELENIC WOOD INDUSTRY S.A. and MICHANIKI REAL ESTATE S.A. are registered within the Company's website address www.michaniki.gr.

8. INVITATION TO THE ORDINARY GENERAL ASSEMBLY OF THE SHAREHOLDERS FOR FISCAL YEAR-END 2005

MICHANIKI S.A.

91, Meg. Alexandrou Str., Marousi 151 24
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S.A. Reg. No. 8440/06/B/86/16
<http://www.michaniki.gr>

Invitation to the 31st Shareholders Ordinary General Assembly.

Through the Board of Directors decision and according to the law and the company's Statute, the shareholders of the societe anonyme company "MICHANIKI S.A." are invited to the yearly Ordinary General Assembly dated June 23rd, 2006, Friday at 14:00, at the company's headquarters in the Municipality of Amarousio Attica (91, M. Alexandrou Str. and 25th March Str., main floor, Assembly Room) fro the discussion decision making of the following daily agenda subjects:

Agenda

1. Submission and approval of the Yearly Financial Statements for the period from 01.01.2005 up to 31.12.2005, which have been compiled according to the International Financial Reporting Standards (IFRS) in addition to the relevant BoD reports and auditor reports (Chartered Auditor). Appropriation of profits approval.
2. Acquittal of the Board of Directors members in addition to the Auditors from every compensation responsibility, regarding the proceedings, the management and the yearly financial statements for the period from 01.01.2005 to 31.12.2005.
3. Approval of Chartered Auditor compensation for the fiscal year of 2005.
4. Election of an ordinary and a substitute Chartered Auditor for the fiscal year-end of 2006 and stipulation of their compensation.
5. Notification of the catalogue according to article 16 §11 c.l.2190/1920, relevant to the acquisition of own shares of the Company.

The shareholders that wish to participate in the General Assembly, according to the law and article 17 of the Company's Statute, should:

- If they have dematerialized their shares and the shares are not in the Special Account, they have to block their shares through their Operator and receive from him the respective Blockage Share Certification, which will submitted to the company's headquarters (91, M. Alexandrou Str. and 25th March Str., Amarousio), at least five (5) days before the General Assembly date.
- If they have dematerialized their shares and these are found in the Special Account, they have to block their shares with a relevant certification to the company CENTRAL SECURITIES DEPOSITORY S.A., receive from the Central Securities Depository the relevant certification and

submit it to the Company's headquarters as mentioned above, at least five (5) days before the General Assembly date.

- If, finally, they have not dematerialized their shares, they have to submit the depository documents of their shares to the Company's Cashier (91, M. Alexandrou Str. and 25th March Str., Amarousio) or the Depository and Loans Fund or in any bank in Greece, at least five (5) days before the General Assembly date and with the observance of the same deadline submit to the Company the relevant depository document receipts of the shares in addition to the probable representation documents.

Amarousio Attica, May 26th, 2006

The Board of Directors