



GROUP OF COMPANIES

**Interim Financial Statements
for the period from
January 1st up to March 31st 2008**

It is certified that the attached Interim Financial Statements, are those approved by the Board of Directors of "MICHANIKI S.A." at 28/05/2008 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 Financial Reporting 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.



MICHANIKI S.A.

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Balance Sheet

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Non Current Assets				
Own Used Tangible Assets	71.458	71.362	50.840	50.481
Property Investment	148.217	118.769	18.952	18.952
Other Intangible Assets	67	64	27	29
Expenditures for exploration and evaluation of mineral resources	461	472	0	0
Investments in Subsidiaries	-	-	176.197	162.053
Investments in Joint Ventures/Consortiums	14.268	16.252	14.321	14.321
Financial assets valued at their fair value	3	9	3	3
Less: Provisions for devaluations	(3)	(3)	(22.072)	(16.770)
Other Long-term Receivables	2.479	2.458	2.327	2.298
Deferred tax receivables	43	43	0	0
	236.993	209.425	240.594	231.370
Current assets				
Inventories	118.227	106.651	41.185	39.717
Commercial receivables	128.357	104.188	93.423	67.185
Receivables from Affiliated and other investment interest Companies	38.365	36.919	39.757	40.492
Other Receivables	10.025	8.648	2.134	1.698
Financial assets valued at their fair value with changes in results	6	6	0	0
Other Current item Assets	3.384	4.488	2.355	2.212
Prepayments	38.648	37.329	6.724	5.292
Cash and cash equivalent	14.026	22.921	1.426	3.949
	351.036	321.149	187.004	160.545
Total Assets	588.028	530.575	427.598	391.915
Shareholders Equity & Liabilities				
Equity Capital				
Share Capital	137.502	137.502	137.502	137.502
Share Premium	129.629	129.629	129.629	129.629
Own Shares	(3.580)	(3.397)	(3.580)	(3.397)
Financial means fair value differences	0	0	14.030	19.334
Foreign Exchange Differences	(10.123)	(5.459)	0	0
Statutory Legal Reserve	7.557	7.557	6.579	6.579
Other Reserves	59.692	51.201	9.506	9.506
Retained Earnings	(63.188)	(68.581)	(67.509)	(70.398)
Equity Attributable to Parent Company Shareholders	257.488	248.451	226.158	228.755
Minority Rights	32.947	33.977	-	-
Total Equity	290.434	282.428	226.158	228.755
LIABILITIES				
Long-term Liabilities				
Other financial liabilities	7.028	7.142	7.028	7.142
Bank Loans	21.013	20.470	0	0
Provisions for employee retirement benefits	1.630	1.541	884	788
Deferred tax liabilities	30.066	24.577	11.498	9.494
Other Long-term Liabilities	3.832	3.848	2.581	2.597
Other Provisions	3.144	3.174	1.847	1.851
Total Long-term Liabilities	66.713	60.753	23.838	21.872
Short-term Liabilities				
Bank Loans	103.568	67.559	74.004	42.002
Short-term part of other short-term liabilities	478	478	478	478
Commercial Liabilities (trade creditors etc)	70.717	57.800	52.368	42.194
Taxes	2.052	2.196	1.501	1.715
Other liabilities	16.732	16.526	12.748	13.900
Advances	14.738	19.355	12.459	16.829
Liabilities to affiliated and other investment interest companies	22.596	23.477	24.043	24.169
Total Short-term Liabilities	230.882	187.393	177.604	141.288
Total Liabilities	297.595	248.145	201.442	163.161
Total Shareholders Equity and Liabilities	588.028	530.575	427.598	391.915

Possible differences in totals are due to number rounding

Period Profit & Loss Account

	Amounts in € thousand except from profits per share			
	THE GROUP		THE COMPANY	
	1/1- 31/3/2008	1/1- 31/3/2007	1/1- 31/3/2008	1/1- 31/3/2007
Sales Turnover	54.758	47.249	44.874	26.821
Cost of Sales	(40.294)	(34.796)	(34.046)	(19.551)
Gross Profit	14.464	12.453	10.830	7.270
Property Investment valuation result	13.927	3.137	0	0
Other Operating Income	446	1.377	50	887
Selling Expenses	(278)	(370)	(50)	(46)
Administrative Expenses	(2.489)	(2.395)	(1.907)	(1.731)
Other Operating Expenses	(895)	(486)	(42)	(208)
Profit before Interest, Financial and Investment Results	25.175	13.716	8.881	6.172
Depreciation	1.733	1.708	1.285	985
Profit before Interest, Financial and Investment Results and depreciation	26.908	15.425	10.167	7.157
Financial Income	578	186	25	17
Financial Expenses	(4.255)	(2.423)	(3.670)	(949)
Share of profit/valuation from associate companies	(273)	1.433	(246)	1.433
Financial Result	(3.950)	(804)	(3.891)	501
Depreciation	(1.733)	(1.708)	(1.285)	(985)
Profit before Tax	21.225	12.912	4.991	6.673
Income Tax	(5.905)	(3.028)	(2.102)	(1.509)
Profit after tax	15.320	9.884	2.889	5.164
Distributed to :				
<i>Equity shareholders of the parent company</i>	13.883	9.618	2.889	5.164
<i>Minority Rights</i>	1.438	266	-	-
	15.320	9.884	-	-
Profit after tax per share - basic (in €)	0,1504	0,1040	0,0313	0,0558

Possible differences in totals are due to number rounding



Consolidated Statement of Changes in Equity

Amounts in € thousand									
Share Capital	Share Premium	Fair Value Reserves	Foreign Exchange Differences Conversion Reserve	Other Reserves	Retained Earnings	Total before minority rights	Minority Rights	Total	
Balance at January 1st 2007	137.502	129.629	10.325	(1.022)	21.925	(80.790)	217.569	19.609	237.178
Change of Equity Capital for the period 1/1-31/03/2007	-	-	-	(447)	-	-	(447)	(22)	(469)
Change of foreign exchange differences conversion reserve	-	-	-	(447)	-	-	(447)	(22)	(469)
Net profit / loss recorded directly to the net equity	-	-	-	-	-	-	(447)	(22)	(469)
Effect from change of investment percentage in subsidiary company	-	-	-	-	(287)	(287)	(287)	(601)	(888)
(Purchases) / sales of Own Shares	-	-	-	(517)	-	(517)	(517)	-	(517)
Net Period Results	-	-	2.353	-	7.265	9.618	9.618	266	9.884
Period Equity Total Change	-	-	2.353	(447)	(517)	6.978	8.368	(357)	8.010
Equity balance at 31/03/2007	137.502	129.629	12.678	(1.469)	21.408	(73.812)	225.937	19.252	245.189
Balance at January 1st 2008	137.502	129.629	35.215	(5.460)	20.145	(68.581)	248.451	33.977	282.428
Change of Equity Capital for the period 1/1-31/03/2008	-	-	-	-	-	-	-	-	-
Purchases / (Sales) of Own Shares	-	-	-	(4.663)	-	(4.663)	(4.663)	(579)	(5.243)
Change of foreign exchange differences conversion reserve	-	-	-	(4.663)	-	-	(4.663)	(579)	(5.243)
Net profit / loss recorded directly to the net equity	-	-	-	-	-	-	(4.663)	(579)	(5.243)
Effect from change of investment percentage in subsidiary company	-	-	-	-	-	-	-	(1.889)	(1.889)
Purchases / (Sales) of Own Shares	-	-	-	-	(183)	(183)	(183)	-	(183)
Net Period Results 1/1-31/3/2008	-	-	8.490	-	5.393	13.883	13.883	1.438	15.320
Period Equity Total Change	-	-	8.490	(4.663)	(183)	5.393	9.036	(1.030)	8.006
Equity balance at 31/03/2008	137.502	129.629	43.705	(10.123)	19.963	(63.188)	257.488	32.947	290.434

Possible differences in totals are due to number rounding

Possible differences in totals are due to number rounding



Statement of Changes in Equity of Parent Company

	Amounts in € thousand					Total
	Share Capital	Share Premium	Fair value financial item reserves	Other Reserves	Retained Earnings	
Balance at January 1st 2007	137.502	129.629	12.653	17.456	(90.491)	206.749
<i>Change of Equity Capital for the period 1/1-31/3/2007</i>	-	-	-	-	-	-
Cash and cash equivalents valuation of financial items for sale	-	-	11.685	-	-	11.685
Net profit / loss recorded directly to the net equity	-	-	11.685	-	-	11.685
(Purchases) / sales of Own Shares	-	-	-	(517)	-	(517)
Net Period Results 1/1-31/03/2007	-	-	-	-	5.164	5.164
Period Equity Total Change	-	-	11.685	(517)	5.164	16.332
Equity balance at 31/03/2007	137.502	129.629	24.338	16.939	(85.327)	223.081
Balance at January 1st 2008	137.502	129.629	19.333	12.689	(70.398)	228.755
<i>Change of Equity Capital for the period 1/1-31/03/2008</i>						
(Purchases) / sales of Own Shares	-	-	-	-	-	-
Cash and cash equivalents valuation of financial items for sale	-	-	(5.304)	-	-	(5.304)
Net profit / loss recorded directly to the net equity	-	-	(5.304)	-	-	(5.304)
(Purchases) / sales of Own Shares	-	-	-	(183)	-	(183)
Net Period Results 1/1-31/3/2008	-	-	-	-	2.889	2.889
Period Equity Total Change	-	-	(5.304)	(183)	2.889	(2.598)
Equity balance at 31/03/2008	137.502	129.629	14.030	12.506	(67.509)	226.158

Possible differences in totals are due to number rounding

Cash flow statement (Indirect method)

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	1/1- 31/3/2008	1/1- 31/3/2007	1/1- 31/3/2008	1/1- 31/3/2007
Operating activities				
Profit before tax	21.225	12.912	4.991	6.673
Plus / less adjustments for:				
Depreciation	1.745	1.708	1.286	985
Depreciation of grants	(29)	(29)	(17)	(17)
Losses / (Profits) from asset sales	(83)	(3)	0	1
Provisions / (Revenues from unused provisions of previous year-ends)	(85)	(895)	(6)	(882)
Losses / (Profits) of fair value property investments	(13.927)	(3.137)	-	-
Foreign exchange differences	(5.243)	(468)	-	-
Interest income	(575)	(186)	(25)	(17)
Interest expense	3.483	2.422	2.897	949
<i>Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:</i>				
Decrease / (increase) of inventories	(12.942)	(744)	(1.468)	(1.439)
Decrease / (increase) of receivables	(23.217)	(22.196)	(24.880)	(11.611)
(Decrease) / increase of liabilities (except banks)	6.397	(5.555)	1.859	2.460
Less:				
Paid up Debit interest and similar charges	(1.769)	(2.422)	(843)	(949)
Paid up taxes	(3.951)	(1.189)	(2.949)	(541)
Total inflows / (outflows) from operating activities (a)	(28.969)	(19.782)	(19.154)	(4.389)
Investment activities				
Disposal/(Acquirement) of subsidiaries, associates, joint ventures and other investments	(1.548)	(921)	(14.144)	(6.921)
Purchases of tangible and intangible assets	(1.824)	(4.157)	(1.640)	(4.065)
Collections from sales of tangible and intangible assets	86	6	-	1
Acquirement of property investments	(14.155)	-	-	-
Interest received	575	186	25	17
Settlement of Derivative Financial Items	772	684	772	684
Total inflows / (outflows) from investment activities (b)	(16.094)	(4.202)	(14.988)	(10.284)
Financial Activities				
Collections from issued / undertaken loans	36.880	13.532	32.002	9.497
Sales / (Purchases) of own shares	(183)	(517)	(183)	(517)
Loan settlements	(328)	(1.603)	-	-
Liability settlements from financial leases (amortization)	(114)	(197)	(114)	-
Dividends paid to parent company shareholders	(88)	(18)	(88)	(18)
Total inflows / (outflows) from financial activities (c)	36.167	11.197	31.617	8.962
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(8.895)	(12.787)	(2.523)	(5.711)
Cash and cash equivalents at the beginning of period	22.921	34.692	3.949	9.725
Cash and cash equivalents at the end of period	14.026	21.905	1.426	4.014

Possible differences in totals are due to number rounding

The negative operating flows of the parent company, amounting to € 19.154.000 are caused mainly due to the increase of trade receivables resulting from the dysfunction of the banking system during the above period. On a group basis the negative operating flows, amounting to € 28.969.000 are caused, apart from the pre-mentioned information, due to the significant cash outflows from subsidiary companies for the acquisition and development of property investments for sale. This particular activity is under a full development stage, a fact that at this current stage has a negative effect to the group's operating cash flows.

The attached notes from page 8 up to and page 19 constitute an integral part of the financial statements



1. Parent Company

MICHANIKI is stationed in Greece. The consolidated financial statements (The Group) for the three month period ended March 31st 2008 include the Company, its subsidiaries and its affiliate companies in addition to participations in Joint Ventures. They also include the individual financial statements of the parent company (The Company).

The group's financial statements for the year-end December 31st 2007 (Yearly Financial Statements) are available at the company's offices at 91, M. Alexandrou Str., Marousi, Attica or at the company's website address www.michaniki.gr.

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 interim financial statements for the three month period ended March 31st 2008 have been compiled based upon the ordinances of I.A.S. 34 "Interim Financial Statements".

The interim concise financial statements do not include all of the information and notes required in the yearly financial statements and they should be studied in conjunction to the financial statements of the group at December 31st 2007.

3. Significant accounting principles

The accounting principles applied for the preparation of the interim concise financial statements are consistent to the ones followed for the compilation of the yearly financial statements of the Group for the fiscal year-end December 31st 2007.

New standards, interpretations and amendment of existing standards

The new standards, interpretations and amendments within the existing standards that have been issued but are not yet in effect and have not yet been adopted by the European Union are the following:

➤ **IAS 23 Borrowing cost - Amendment.**

The amendment of IAS 23 Borrowing cost has been issued in March 2007 and is effective for yearly accounting periods commencing at or after January 1st 2009. The standard's amendment requires the capitalization of the borrowing cost, when such costs refer to a recognized asset.

➤ **IFRS 3 Business combinations and IAS 27 Consolidated and Separate Financial Statements**

The amendment of IFRS 3 and IAS 27 was issued in January 2008 and is effective for yearly accounting periods commencing at or after July 1st 2009. IFRS 3 will apply to business combinations that result in these periods and whose implementation range has been amended in order to include business combinations that are under joint control and combinations without a premium deposit.

Further more IFRS 3 and IAS 27 require an increased use of the fair value through the profit and loss statement. Additionally, these standards introduce the following requirements:

1. to recalculate the participation investment percentage when control is regained or lost
2. to recognize directly to equity the effect of all the transactions between the controlled and non controlled parties, when control has not been lost, and
3. to focus on what premium has been given to the seller rather than the expenditure amount incurred for the acquisition. More specifically, data such as cost directly related to the acquisition, changes in value of the potential premium, services dependant from the share value and contract settlements that pre-existed will be accounted separately from the business combinations and will often affect the profit and loss account

➤ **IAS 1, Capital Disclosures - Amendment.**

I.A.S. N°1- Capital Disclosures was amended in September and is effective for yearly accounting periods commencing at or after January 1st 2009.

The standard's amendment requires that the statement of changes in equity should include only transactions with shareholders. Its essential change refers to an entry of a new total income statement and dividends to shareholders will appear only in the statement of changes in equity or within the financial statement notes.

➤ **IFRS 8, Operating segments**

This standard requires the notification of the information for the operational sectors of the Group and replaces the requirements for the stipulation of the basic and secondary relative sectors of the Group. It is effective for yearly accounting periods commencing at or after January 1st 2009.

➤ **IFRS 2, Grants dependent upon the share value "exercise and recall terms "**
Amendment

Effective for yearly accounting periods commencing at or after January 1st 2009. The amendment of this standard has not yet been adopted by the European Union.

Additionally the following interpretations have been issued but not yet adopted:

- **IFRIC 11, IFRS 2, Group and treasury share transactions** (effective for yearly accounting periods commencing at or after March 1st 2007). The standard requires that transactions which grant the employee with participation title rights of a financial entity, are considered for accounting purposes as ordinary shares. The interpretation has no application for the activities of the Group. The interpretation has not yet been adopted by the European Union.
- **IFRIC 12, Service concession arrangements** (effective for yearly accounting periods commencing at or after January 1st 2008). The interpretation is not relevant to the group's operations. The interpretation has not yet been adopted by the European Union.
- **IFRIC 13, Customer loyalty programs** (effective for yearly accounting periods commencing at or after July 1st 2008). The interpretation is not relevant to the group's operations. The interpretation has not yet been adopted by the European Union.
- **IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interactions** (effective for yearly accounting periods commencing at or after January 1st 2008). The interpretation is not relevant to the group's operations. The interpretation has not yet been adopted by the European Union.

4. Estimates

The compilation of the interim financial statements requires from the management to perform estimates and assumptions that affect the implementation of the accounting principles and the presented accounts of the asset items, the liabilities, the income and expenditures. The actual results may differ from these estimates. With the exception of the following paragraph, for the preparation of the interim financial statements the significant estimates made by the management do not differ from the ones made for the compilation of the yearly financial statements of December 31st 2007.

During the current period the group proceeded with the readjustment of the value of its property investments for the cases where the value differed significantly from the one of the yearly financial statements of December 31st 2007. The estimates for the property investments value are based upon valuations performed by independent appraisers. The total surplus value that emerged for the three month period amounted to € 13.927.000 against € 3.137.000 the respective period. The relevant amount has been recognized in the profit and loss statement.

5. Financial Risk Management

The financial risk management policies of the group are consistent and remain essentially invariable to the ones presented within the notifications of the financial statements of December 31st 2007.

6. Seasonability of activities

Demand for the group's activities is not subject to seasonability. It is noted however that the construction activity of the Group can be influenced from factors that are relevant to the prevailing weather conditions.

7. Group Structure – Consolidated Financial Statements

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	53,83%	The participation percentage
THOLOS S.A.	AMAROUSIO ATTICA	100%	The participation percentage
HELLENIC PIPE WORKS S.A.	CHALKIDA	100%	The participation percentage
MARMARA KAVALAS 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	100%	The participation percentage
MICHANIKI RUSSIA LTD	RUSSIA	66,27% direct 14,18% indirect	The participation percentage
MICHANIKI EGYPT	EGYPT	70,00% direct 18,77% indirect	The participation percentage
MICHANIKI BELARUS	BELARUS	75,00% direct 13,77% 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%	2003-2007	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-ELLISDON CONSTRUCTION INC."	GREECE	50,00%	2003-2007	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-EMPEDOS S.A.-AEGEK-ELLINIKI DYNAMIKI"	GREECE	93,00%	2003-2007	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-ATHINA S.A."	GREECE	50,00%	2005-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-TERNA S.A."	GREECE	2,00%	2002-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-ATTI-KAT S.A."	GREECE	99,80%	2003-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-ATHINAIKI CONSTRUCTION S.A.-PARNON S.A."	GREECE	62,50%	2003-2007	NET EQUITY
JOINT VENTURE:"AKTOR-PANTEHNIKI- MICHANIKI"	GREECE	20,00%	2003-2007	NET EQUITY
JOINT VENTURE:"AKTOR- MICHANIKI-MOHLOS-ALTE"	GREECE	4,38%	2003-2007	NET EQUITY
JOINT VENTURE:"AKTOR- MICHANIKI-MOHLOS-ALTE(EGNATIA AVE. – VEROIA)"	GREECE	20,00%	2003-2007	NET EQUITY
JOINT VENTURE:"MICHANIKI-MOHLOS "	GREECE	50,00%	2001-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-THEMELI S.A.-PARNON S.A."	GREECE	90,00%	2003-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PANTEHNIKI S.A."	GREECE	50,00%	2003-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-CHR. KONSTANTINIDIS S.A."	GREECE	50,00%	2000-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PARNON S.A."	GREECE	92,50%	1993-2007	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PANTEHNIKI S.A. (ALEXANDROUPOLI)"	GREECE	50,00%	2003-2007	NET EQUITY
JOINT VENTURE:"THESSALIKI-ELTER- MICHANIKI-TE CHR. KON/DIS"	GREECE	28,33%	2002-2007	NET EQUITY
JOINT VENTURE:"THESSALIKI- MICHANIKI-ELTER"	GREECE	25,00%	2002-2007	NET EQUITY
JOINT VENTURE:"ATHINA- MICHANIKI"	GREECE	50,00%	2006-2007	NET EQUITY
JOINT VENTURE:"TERNA- MICHANIKI"	GREECE	35,00%	2005-2007	NET EQUITY
JOINT VENTURE:"THEMELI DOMI- MICHANIKI-MOHLOS"	GREECE	40,00%	2003-2007	NET EQUITY



During the A' quarter 2008 the participation percentage of the parent company in "BALKAN S.A." was altered from 52,52% (31/12/2007) to 53,83%.

The Management of Michaniki Group of companies during the current period proceeded with a share capital increase of the company "MICHANIKI EGYPT" amounting to €13.000.000. Additionally the companies that participate in the share capital of the company "MICHANIKI EGYPT" proceeded in depositing an owed capital, from the previous year-end, amounting to € 5.250.000.

After the completion of the relevant share capital increases the share capital of the company "MICHANIKI EGYPT" amounts to € 20.000.000 and the participant companies are "MICHANIKI S.A." with the amount of € 14.000.000 (percentage 70%) "BALKAN EXPORT" with the amount of € 5.000.000 (percentage 25%) and "HELLENIC PIPEWORKS" with the amount of € 1.000.000 (percentage 5%).

The share capital increase was necessary for the completion of the company's development business plan. Specifically the company "MICHANIKI EGYPT" during the current period acquired two investment property plots which are analyzed below:

Land Plot	Area	Location	Acquisition cost
KERDASSA	17.912m ²	KERDASSA – CAIRO	€3.564.000
AZEZEYA	147.538m ²	EL-AZEZEYA – CAIRO	€11.300.000
Total	165.450 m²		14.864.000

8. Financial information by segment

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) Technical Works
- 5) Wood Industry
- 6) Pipelines
- 7) Marble Quarrying & Marketing
- 8) Real Estate Utilization

For financial statement presentation purposes, but also for purposes relating to consistency with the internal reporting system, the merge of certain business sectors was decided which do not meet the criteria of independent presentation. The new classification of the Group's sectors is presented below:

- 1) Technical Works
- 2) Industry-Energy (includes industry of wood, marble, piping and energy)
- 3) Real Estate Utilization (includes utilization of parking stations)
- 4) Other Sectors (included utilization of cemetery)

The new classification was also used with the comparative information data.

The above segregation was set in order to present in the most appropriate way the Group's progress within the relative sectors in which it operates.

Primary sector information – Business sectors

The analysis of the group's results per sector is depicted in the table below:

For the period ended March 31st 2008	WORKS	INDUSTRY - ENERGY	REAL ESTATE UTILIZATION	OTHER	TOTAL
	Total gross sales per sector	50.371	3.739	2.054	234
Domestic sales	(196)	(1.444)	0	0	(1.640)
Net Sales	50.175	2.295	2.054	234	54.758
Operating Result	10.365	789	14.142	(121)	25.175
Financial Results	(821)	(246)	44	(2.928)	(3.950)
Profits before Tax	9.544	544	14.186	(3.049)	21.225
Income Tax					(5.905)
Net Profit					15.320

For the period ended March 31st 2007	WORKS	INDUSTRY- ENERGY	REAL ESTATE UTILIZATION	OTHER	TOTAL
	Total gross sales per sector	37.574	8.189	2.893	258
Domestic sales	(246)	(1.418)	0	0	(1.665)
Net Sales	37.328	6.771	2.893	258	47.249
Operating Result	7.064	1.330	4.640	682	13.716
Financial Results	910	(150)	(740)	(824)	(804)
Profits before tax	7.974	1.180	3.900	(141)	12.912
Income tax					(3.028)
Net profit					9.884

9. Financial Statement Notes

9.1 A' Quarter of 2008 Investments

The Group during the A' quarter of 2008 proceeded in total asset investments amounting to € 1.824.000 (€ 1.640.000 the company). During the period the group sold assets valued at €3.100, at a price of € 86.000. From the relevant transactions a profit of €82.900 emerged.

It also proceeded in the acquisition of property investment assets as stated in note No 7.

9.2 Bank Loans

The Group's short-term loans increased by the amount of € 36.552.000 (€ 32.002.000 for the Company). The increase in loans is directed towards the financing of the Group's activities related to real estate development abroad.

The Group's and the Company's loan analysis is depicted in the table below:

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	EURO	U.S.D	EURO	U.S.D
Long-term loans in €	11.000	-	-	-
Long-term loans in \$	10.013	12.708	-	-
Short-term loans in \$	75	115	-	-
Short-term loans in €	103.493	-	74.004	-
Total	124.581	12.823	74.004	(0)

The average loan interest rate regarding loans in Euros was 6,8% (6,5% the previous period) whereas for loans in U.S.D. the interest rate was 7,80% (7,20% the previous period).

9.3 Un-audited tax year-ends

The parent company has not been audited by the tax authorities for the fiscal year-ends 2005 up to and fiscal year-end of 2007.

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.	2001-2007
BALKAN EXPORT S.A.	2000-2007
MARMARA KAVALAS S.A.	2003-2007
THOLOS S.A.	2003-2007
HELLENIC WOOD INDUSTRY S.A.	2003-2007
MICHANIKI REAL ESTATE S.A.	2005-2007
MICHANIKI BULGARIA S.A.	1995-2007
MICHANIKI UKRAINE	1.4.07-2007
MICHANIKI RUSSIA LTD	2004-2007
MICHANIKI EGYPT	First over twelve month fiscal year-end
MICHANIKI BELARUS	First over twelve month fiscal year-end

9.4 Foreign Exchange Differences

During the current period foreign exchange differences amounting to € (5.243.000) against € (469.000) for the respective period of the previous year-end were recognized to the Group's net equity. This amount refers to converted foreign exchange differences of consolidated foreign companies. The significant increase depicted is caused mainly due to the Euro/Dollar exchange and it emanates mainly from the subsidiary companies "MICHANIKI RUSSIA" and "MICHANIKI UKRAINE".

9.5 Transactions with associated parties

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

INTERCOMPANY PURCHASES-SALES 01/01/2008-31/03/2008 (Amounts in € thousand)						
BUYER						
SELLER		MICHANIKI S.A.	HELLENIC PIPE	MARBLES S.A.	THOLOS S.A.	TOTAL
		MICHANIKI S.A.				6
THOLOS S.A.		116				116
MARBLES S.A.		3			1	4
HELLENIC PIPE S.A.		1.430			10	1.440
TOTAL		1.549		6	85	1.640
ΔΙΕΤΑΙΡΙΚΕΣ ΑΓΟΡΕΣ-ΠΩΛΗΣΕΙΣ 01/01/2007-31/03/2007 (Ποσά σε χιλ. Ευρώ)						
ΑΓΟΡΑΣΤΗΣ						
SELLER		MICHANIKI S.A.	HELLENIC PIPE	MARBLES S.A.	THOLOS S.A.	TOTAL
		MICHANIKI S.A.			89	149
MARBLES S.A.		34				34
HELLENIC PIPE S.A.		930			455	1.385
TOTAL		964		8	604	1.665

The inter-company balance amounts between associated parties are analyzed in the table below:

	Amounts in € thousand					
	THE GROUP		THE COMPANY		Transactions between subsidiaries	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Receivables from subsidiaries	-	-	2.261	2.388	19	1.043
Receivables from other related parties	38.365	36.919	37.496	38.104		
Total	38.365	36.919	39.757	40.492	19	1.043
Liabilities to subsidiaries	-	-	2.135	1.357	19	1.043
Liabilities to other related parties	22.596	23.477	21.908	22.811		
Liabilities to executive members	54	41	52	41		
Total	22.650	23.518	24.095	24.209	19	1.043

The Group and company's sales to associate parties (joint ventures) during the current period amounted to € 19.700 whereas in the respective previous period amounted to € 20.000 (€19.000 the Company). The Group and company's purchases to associate parties (joint ventures) during the current period amounted to € 1.400 whereas in the respective previous period were null.

9.6 Management grants

	Amounts in € thousands			
	THE GROUP		THE COMPANY	
	31/3/2008	31/3/2007	31/3/2008	31/3/2007
Salaries and other short-term fees	442	353	265	234
Total	442	353	265	234

No loans have been granted to members of the BoD or to any other Senior Executives of the Group (and their families).

The company's personnel includes 396 employees with a monthly salary and 641 employees with a daily wage. The relevant numbers for the group are 547 employees with a monthly salary and 730 employees with a daily wage.

9.7 Own Shares

The company in March 31st 2008 had 584.567 own shares (ordinary) with an acquisition cost amounting to €3.580.000. During the current period 36.632 own shares were acquired with an average acquisition price of €4,99/per share.

9.8 Engagements

The Group and Company engagements relative to the construction contracts is presented below:

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	31/3/2008	31/3/2007	31/3/2008	31/3/2007
Unexecuted works (backlog)	388.850	413.702	340.839	348.544
L/G Good Performance	248.356	241.783	217.505	213.128
L/G Retention Replacement	15.285	10.605	12.767	8.473
L/G Advance Payment	10.544	14.514	6.827	10.166
TOTAL	274.185	266.902	237.099	231.767

9.9 Existing Encumbrances

The group's assets are free of mortgages and charging orders in favour of third parties, with the exception of a building of the company THOLOS S.A., upon which a mortgage amounting to € 150.000 exists for liability guarantees.

9.10 Judicial or under litigation disputes

There are no judicial or administrative or under litigation disputes apart from the cases mentioned within the yearly financial statements of the fiscal year-end December 31st 2007.

9.11 Events after the date of the balance sheet

The parent company decided upon the establishment of a 100% subsidiary in Cyprus under the corporate name "MICHANIKI HOLDING LTD".

The subsidiary company "BALKAN EXPORT" decided upon the establishment of a 100% subsidiary in Cyprus under the corporate name "BALKAN HOLDING LTD".

Last the subsidiary company "HELLENIC PIPEWORKS" decided upon the establishment of a 100% subsidiary in Cyprus under the corporate name "HELLENIC PIPEWORKS HOLDING LTD".

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.

THE CHAIRMAN

THE MANAGING DIRECTOR

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THE FINANCIAL DIRECTOR

THE CHIEF ACCOUNTING MANAGER

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