GEK S.A.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED ON THE
31ST OF DECEMBER 2005
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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GEK SA
BALANCE SHEET
31st of DECEMBER 2005
(All amounts in thousands of euros, unless otherwise stated)

	Note	December 31st 2005	December 31st 2004
ASSETS			
Long-term assets			
Intangible fixed assets	**5**	-	4
Tangible fixed assets	**6**	35	2.941
Investment property	**7**	24.466	14.848
Participations in related companies and joint ventures	**4**	129.969	113.998
Participations in associates	**4**	14.772	18.296
Other long-term assets	**4**	5	11
Total long-term assets		**169.247**	**150.098**
Current assets:			
Inventories	**9**	22.375	28.376
Trade receivables	**10**	2.720	10.967
Prepayments and other claims	**10**	3.337	7.204
Other financial assets	**11**	14.737	13.645
Cash and cash equivalents	**12**	51.779	44.589
Total current assets		**94.948**	**104.781**
TOTAL ASSETS		**264.195**	**254.879**
EQUITY & LIABILITIES			
Equity attributable to the shareholders of the parent			
Share capital	**15**	23.567	23.567
Share premium account		170.410	170.410
Reserves		47.176	32.372
Profit carried forward		16.214	17.365
Total equity		**257.367**	**243.714**
Long term liabilities:			
Other long-term liabilities		247	158
Provisions	**13**	315	315
Provisions for staff indemnities	**13**	132	120
Other long-term liabilities		79	385
Total long term liabilities		**773**	**978**

	Note		
Short term liabilities:			
Suppliers	**14**	4.358	2.660
Short term loans		-	5.000
Accrued and other short term liabilities		1.384	1.821
Income tax payable	**16**	313	706
Total short term liabilities		**6.055**	**10.187**
TOTAL LIABILITIES & EQUITY		**264.195**	**254.879**
		-	-

The accompanying notes are an inseparable part of the consolidated financial statements

GEK SA
INCOME STATEMENT
FOR THE PERIOD ENDED ON THE 31st of DECEMBER 2005
(All amounts are in thousands of euros, except the shares figures)

	Note	1.1 - 31.12 2005	1.1 - 31.12 2004
INCOME:			
Net sales	**17**	18.403	5.302
Cost of sales	**18**	(12.007)	(1.592)
Gross profit		**6.396**	**3.710**
Administration and Distribution expenses	**18**	(2.275)	(55)
Other income / (expenses)		(20)	(226)
Net financial income/(expense)	**19**	624	834
Profit/(Loss) from the sale and valuation of participations and other investments	**20**	15.633	(8.307)
Revenue from dividends	**20**	5.681	4.956
PROFIT BEFORE TAX		**26.039**	**912**
Income tax		(3.077)	(1.318)
NET PROFIT		**22.962**	**(406)**
Earnings per share (in euro)			
Basic		0,35	(0,01)
Diluted			
Weighted average number of shares (basic and diluted)			
Basic		65.463.360	65.463.360
Diluted		-	-

The accompanying notes are an inseparable part of the consolidated financial statements

GEK SA
CASH FLOW STATEMENT
FOR THE PERIOD ENDED ON THE 31st of DECEMBER 2005
(All amounts in thousands of euros, unless otherwise stated)

	1.1 - 31.12 2005	1.1 - 31.12 2004
Cash flow from operating activities		
Profit before tax	26.039	912
Adjustments for the agreement of the net flows from the operating activities		
Depreciation	126	1.991
Provisions	12	(31)
Interest and related revenue	(788)	(86)
Interest and other financial expenses	342	102
(Profit)/Loss from the sale and valuation of participations	(15.633)	8.307
Operating profit before changes in working capital	**10.098**	**11.195**
(Increase)/Decrease in:		
Inventories	6.001	(1.471)
Trade receivables	8.247	6.214
Prepayments and other short term receivables	3.867	10.389
Increase/(Decrease) in:		
Suppliers	1.787	(518)
Accruals and other short term liabilities	(437)	246
(Increase)/Decrease of other long term claims	6	0
Tax payments	(3.776)	(2.345)
Cash inflow from operating activities	**25.793**	**23.710**
Cash flow from investing activities:		
Purchase of tangible fixed assets	0	(1)
Sale of tangible fixed assets	9	0
Purchase of intangible assets	0	0
Interest and related income received	788	86
(Purchases) / Income from the sale of participations and securities	30.363	(15.730)
Increase in the share capital of participations	(28.743)	0
Cash balances and other flows of absorbed company		26.626
Investment property	(6.730)	0
Cash outflows for investment activities	**(4.313)**	**10.981**

Cash flows from financial activities		
Net change of short term loans	(5.000)	5.000
Dividends paid	(7.856)	(4.899)
Interest paid	(342)	(102)
Change of other financial receivables	(1.092)	8.373
Cash outflows for financial activities	**(14.290)**	**8.372**
Effect of exchange rate movements on cash holdings	**7.190**	**43.063**
Net increase of cash	44.589	1.526
Cash at the beginning of the period	**51.779**	**44.589**
Cash at the end of the period		
	0	0

The accompanying notes are an inseparable part of the consolidated financial statements

GEK SA
STATEMENT OF CHANGES IN EQUITY
31st of December 2005
(All amounts in thousands of euros, unless otherwise stated)

	Share Capital	**Share Premium Account**	**Reserves**	**Profits Carried Forward**	**Total**
January 1st 2004 - Opening Balances	16.632	77.588	24.607	10.270	129.097
Net profit for the year	-	-	-	(407)	(407)
Payment of parent dividend	-	-	-	(4.899)	(4.899)
Distribution of Reserves	-	-	(2.864)	2.864	(1)
Merger of ERMIS	6.935	92.822	10.629	9.538	119.924
December 31st 2004	23.567	170.410	32.372	17.365	243.714
Net profit for the year	-	-	-	22.961	22.961
Payment of parent dividend	-	-	-	(7.856)	(7.856)
Distribution of Reserves	-	-	16.257	(16.257)	0
Transfers - Other movements recorded directly to equity	-	-	(1.453)	-	(1.453)
December 31st 2005	23.567	170.410	47.176	16.214	257.367

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY:

"**GEK Holdings, Real Estate, Construction S.A**.", (the "Company" or "GEK") as renamed from ERMIS REAL ESTATE S.A. according to the decision of the Extraordinary General Shareholders' Meeting on 15.10.2004 and approved by the No. K2-13956/3-10-04 decision of the Ministry of Development published in the Government Gazette with No. 14334/3-12-04, is registered in the Societe Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders' Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030. The company is based in the municipality of Athens and its head offices are located in 85 Mesogeion Avenue, Postal Code 11526, Athens (tel: 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

The company was founded in 1960 under the name ERMIS HOTEL ENTERPRISES S.A.. In the middle of the 1960s it was renamed to ERMIS REAL ESTATE CONSTRUCTIONS ENTERPRISES S.A. with its main activity being building constructions (ERMIS mansion, apartment buildings and maisonettes in various areas across the country). In 1969, the company listed its shares in the Athens Stock Exchange (28.08.1969). Following the Extraordinary General Shareholders' Meeting on the 4th of August 1999 the company's ownership status is altered. On 16.10.2000, the decision No. K2-10469/16.10.2000 of the Ministry of Development is registered in the Societe Anonyme Registry. This decision approved the amendment, by changing the numbering and the provisions of the Articles, and the codification of the company's Articles of Association in accordance with the decision of the Extraordinary General Shareholders' Meeting on 17.07.2000. On the same date, the complete new text of the Articles of Association, with the amendments, is registered in the Societe Anonyme registry. On 10/02/04 the Board of Directors decided that the company should merge with the company "General Construction Company S.A." by absorbing it. The Extraordinary General Shareholders' Meetings of both the acquiring and the absorbed company, that took place on 15/10/2004, approved the Merger Contract Plan. The merger was completed on 3/12/04 with decision K2-13956 of the Ministry of Development that was published in the Government Gazette under No. 14334/3-12-04. At the same time, the change of the company's name and the amendment of its corporate objective were approved.
Through this merger, the GEK company was created, with significant presence in constructions, energy, as well as in the development, administration and exploitation of real estate, and having a strong capital base.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS:

a. ***Basis for the preparation of the financial statements:*** The attached financial statements that constitute the stand-alone financial statements of the Company (hereinafter the "financial statements") have been prepared according to the historic cost principle, except investment property which is valued at fair value. Moreover some own-used intangible fixed assets on the date of transition (1st of January 2004) to the International Financial Reporting Standards (IFRS) were fairly valued, and these values were used as implied cost in accordance with the clauses of IFRS 1 "First-Time adoption of International Financial Reporting Standards".

The attached financial statements have been prepared in accordance with the IFRS, as these have been adopted by the European Union. IFRS 1 "First-Time adoption of International Financial Reporting Standards" has been applied for the preparation of the financial statements, with transition date the 1st of January 2004. No standards have been applied before their effective date.

b. ***Statutory Financial Statements:*** Until the 31st of December 2004 the Company kept its accounting books and compiled financial statements according to the provisions of L. 2190/1920 and the tax legislation in effect. From January 1st, 2005 it is obliged, according to the legislation in effect, to compile its Statutory Financial Statements according to the IFRS that have been adopted by the European Union. The Company continues to keep its accounting books in accordance with the provisions of the tax laws, as it has the right to do so. Out-of-books adjustments are then made in order to compile the attached financial statements in accordance with the IFRS.

The IFRS transition balance sheet of January 1st 2004 and the statutory financial statements as at the 31st of December 2004 have been adjusted and restated through specific out-of-books adjustments so as to bring them in line with the requirements of the IFRS. The main out-of-books adjustments made are presented in Note 25.

c. ***First-Time adoption of International Financial Reporting Standards:*** According to Regulation 1606/2002 of the European Union and Law 3229/04, as amended by Law 3301/04, Greek companies listed in a Stock Market (in Greece or abroad), are obliged from the 1st of January 2005 to compile their financial statements in accordance with the IFRS.

For the compilation of the attached financial statements, the Company applied IFRS 1 "First-Time adoption of International Financial Reporting Standards". In accordance with the relevant provisions of IFRS 1, a company compiling its first financial statements according to the IFRS must use the IFRS in effect at the closing date of the period covered by the first financial statements for all the financial years presented as well as for the transition balance sheet.

As a result, the attached financial statements have been compiled in accordance with the IFRS adopted by the European Union that were in effect on December 31st, 2005.

The attached financial statements are the first full financial statements in accordance with the IFRS, given that the previously published financial statements were compiled according to IAS 34 and were potentially provisional since the final processing and finalisation of the figures was made in the attached financial statements.

IFRS 1 provides for a few exceptions from the retroactive application of certain standards during the transition to the IFRS. The aalternative treatments – exceptions that were applied during the transition process are as follows:

(i) The Company decided not to apply IFRS 3 "Business Combinations" retroactively for the combinations that were formed prior to the IFRS transition date (January 1st , 2004). As a result and based on IFRS 1, regarding prior business combinations, the Company:

- Retained the same classification as in previous financial statements based on Greek Generally Accepted Accounting Principles (G.A.A.P.),

- Recognized, on the date of transition to IFRS, all assets and liabilities acquired or included in business combinations except:

  - Specific financial assets and financial liabilities that had not been recognized under previous G.A.A.P. and
  - Assets, including goodwill, and liabilities that had not been recognised in the balance sheet of the Company based on previous G.A.A.P. and that also do not meet the recognition criteria according to the IFRS for the balance sheet of the acquired company on a stand-alone basis.

- Excluded/wrote-off from its opening balance sheet according to the IFRS any item recognized according to the previous G.A.A.P. that does not meet the criteria for recognition as an asset or liability based on IFRS.

(ii) The Company decided to value specific land, buildings and machinery at the date of transition to IFRS at fair values and used these fair values as implied cost at the specified date. The surplus that resulted from the valuation was recorded in the profits carried forward account as of the 1st of January 2004.

(iii) Regarding the provision for staff retirement indemnities, the total amount of cumulated actuarial losses and gains was recognized at the date of transition to the IFRS, while for the actuarial losses and gains that arose from 2004 onwards the corridor approach was used.

(iv) The estimates of the Group based on the IFRS at the date of transition to the IFRS were consistent with the estimates made for the same date based on the previous G.A.A.P. (after whatever restatements were made to reflect differences in accounting principles), except the cases where there was clear evidence that these estimates were incorrect.

d. Effect of newly issued Accounting Standards (IFRS or IAS) and Interpretations (SIC):
The International Accounting Standards Board and the Interpretations Committee have issued a series of new Accounting Standards and interpretations. The new IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006. The assessment of the Management regarding the impact of the new standards and interpretations is set out below:

- **IAS 19 (amendment): Employee Benefits** (in effect from January 1st 2006). This amendment provides companies with the option of an alternative method for the recognition of actuarial gains or losses. It will probably introduce new recognition conditions for multi-employer plans where adequate information for the application of defined benefit accounting is not available. It also adds new disclosure requirements. This amendment is not applicable to the Company.

- **IAS 39 (amendment): Cash Flow Hedge Accounting for Forecast Intragroup Transactions** (in effect from January 1st 2006). This amendment allows for the currency risk from an intragroup transaction forecast with high probability to be classified as subject to hedging in the consolidated financial statements if: (a) the transaction is made in a currency other than the operating currency of the company that participates in the transaction and (b) the currency risk will affect the consolidated income statement. This amendment does not have an effect on the stand-alone financial statements of the Company.

- **IAS 39 (amendment): Fair Value Option** (in effect from January 1st 2006). This amendment changes the definition of the financial instruments that have been classified as fair valued through the profit and loss account and limits the possibility of classifying financial instruments in this category. The Company considers that this particular amendment will not have a significant impact on the classification of its financial instruments since the Company has not classified any financial instruments as fair valued through the profit and loss account, other than the instruments that are held for trading purposes. The Company will apply this amendment from January 1st, 2006 onwards.

- **IAS 39 and IFRS 4 (Amendment): Financial Guarantee Contracts** (in effect from January 1st 2006). This amendment requires that financial guarantees issued, other than those that the Company has proved that they are insurance contracts, to be initially recognized at fair value and to be subsequently valued at the greatest of (a) the unamortized balance of the relevant fees that have been collected and deferred and (b) the outflow required to settle the commitment at the balance sheet date. The Management has come to the conclusion that this amendment does not apply to the Company.

- **IFRS 6: Exploration and evaluation of mineral resources**. It is applied to financial statements that starting from January 1st 2006 onwards and it is not expected to affect the financial statements of the Company.

- **IFRS 7: Financial Instruments Disclosures, Disclosures and Additional Amendment to IAS 1, Presentation of Financial Statements, Capital Disclosures**. This standard must be applied in annual financial statements starting from January 1st, 2007 onwards. It is not expected to materially affect the financial statements of the Company. IFRS 7 introduces additional disclosures aiming to improve the information provided on financial instruments. It requires the disclosure of quantitative and qualitative information regarding the exposure to risk stemming from financial instruments. More specifically, it sets out minimum required disclosures regarding credit risk, liquidity risk and market risk (it imposes the carrying-out of sensitivity analyses regarding market risk). IFRS 7 replaces IAS 30 (Disclosures In Financial Statements Of Banks And Similar Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Disclosure And Presentation). It applies to all companies preparing financial statements according to the IFRS. Adaptation to IAS introduces disclosures regarding a company’s size of capital as well as the way it is managed. The Company has assessed the impact of IFRS 7 and the amendment to IAS 1 and has come to the conclusion that the additional disclosures required from their application are the market risk sensitivity analysis and the capital disclosures. The Company will apply IFRS 7 and the IAS 1 amendment from January 1st, 2007 onwards.

- **IFRIC 3, Gas Emissions Rights:** This Interpretation was later withdrawn by the Interpretations Committee.

- **IFRIC 4. Determining Whether an Arrangement Contains a Lease**: IFRIC 4 is applied to annual periods starting from January 1st 2006 onwards. The Company will apply IFRIC 4 to the financial statements of 2006, based on the transitional provisions of IFRIC 4. Therefore, the Group will apply IFRIC 4 based on the events and conditions that were in effect on January 1st 2005. The implementation

of IFRIC 4 is not expected to change the accounting treatment of any of the contracts in effect.

- **IFRIC 5. Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds**. It is applied to financial statements starting from January 1 st 2006 onwards and is not expected to affect the financial statements of the Company.

- **IFRIC 6. Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic** Equipment (in effect from December 1st 2005). Does not apply to the Company.

- **IFRIC 7. Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies** (in effect from March 1st 2006). Does not apply to the Company and will not affect its financial statements.

- **IFRIC 8. Scope of IFRS 2.** Will not affect the financial statements of the Company.

- **Interpretation 9, Revaluation of embedded derivatives** (in effect from June 1st 2006). Does not apply to the Company and will not affect its financial statements.

e. ***Approval of the Financial Statements***: The attached annual financial statements were approved by the Board of Directors of the Company on March 28th, 2006 and are subject to approval at the Shareholders' Annual General Meeting**.**

f ***Use of estimates***: The compilation of financial statements based on the IFRS requires that the management proceed in making estimations and assumptions that affect the figures for the assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date as well as the figures for the income and expenses during the financial year/period. The actual results may differ from these estimates.

3. SUMMARY OF KEY ACCOUNTING PRINCIPLES:

The main accounting principles adopted during the compilation of the attached consolidated financial statements are the following:

a) Investments in Subsidiaries: Participating interests in subsidiary companies are valued at acquisition cost less any accumulated losses due to impairment of their value.

b) Investments in Associates: Participating interests in associates are valued at acquisition cost less any accumulated losses due to impairment of their value.

c) Investments and other (non-derivative) financial assets: Financial assets that fall under the provisions of IAS 39 and are governed by them are classified according to their nature and characteristics into one of the following four categories:

(i) Investments available for sale
(ii) Receivables and loans
(iii) Financial assets at fair value through the profit or loss
(iv) Investments held to maturity

Initially they are recognised at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.
The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investment available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized as a separate item in equity. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the profit or loss.

(ii) Receivables and loans

Receivables and loans created by the activities of the Company (and which fall outside the usual credit limits), are valued at net amortized cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortisation process.

(iii) Financial assets at fair value through the profit or loss

This relates to the trading portfolio and comprises investments acquired with a view to liquidate them in the near future. Gains or losses from the valuation of such assets are recorded in the profit or loss.

(iv) Investments held to maturity

Financial assets (non-derivative) with defined flows and defined maturity are classified as held to maturity when the company is willing and able to retain them until their maturity. Investments held indefinitely or for a predetermined period cannot be classified in this category. Held to maturity investments are valued, after the initial recording, at net amortised cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortisation process.

The current value of such investments that are traded in an organised exchange is derived by the exchange value of the investment at the closing date. As regards investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques. These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

d) Financial Instruments and Risk Management: Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial products. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem. Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as

expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to reduce possible negative consequences. More specifically:

(i) ***Interest rate risk and exchange rate risk:*** The Company's bank loans are denominated in euros and are subject to flexible interest rates. The Company does not use derivative instruments in order to reduce its exposure to interest rate risk. The Management of the Company follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) ***Fair Value*****:** The amounts appearing in the attached Balance Sheets for cash balances, short-term receivables and other short-term liabilities approximate their respective real values due to their short-term nature. The fair value of short-term bank loans does not differ from their accounting value due to the use of floating interest rates.

(iii) ***Credit Risk Concentration:*** A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Regarding receivables from the private sector, the Company policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within a amicable settlement context. Moreover the credit risk concentration with respect to receivables from the private sector is limited compared to the total amount of trade receivables due to the great dispersion of the balances.

(iv) ***Market Risk:*** The Company has not entered into contracts in order to hedge the market risk arising from its exposure to fluctuations in the prices of raw materials used in the production process.

e) Operation and Presentation Currency and Foreign Exchange Conversion: The euro is the currency of operation and presentation of the Company. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.

The profits and losses resulting from transactions in foreign currencies and from the end-of-year valuation of monetary items in foreign currencies are reflected in the income statement.

f) Intangible assets: Intangible assets consist of software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition. Amortisation on software is accounted for based on the straight line method for a period of three years.

g) Income recognition: Income is recognized to the extent that it is probable that economic benefits will result for the Company and that the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of income.

(i) **Income from construction activities:** Income from construction contracts is recognised in the accounting books based on amounts invoiced to customers, which result from the relevant partial certifications of work completed that are issued by the responsible engineers and correspond to the work completed up to the closing date. For reasons of compliance with the IFRS, income from construction activity is accounted for in the attached consolidated financial statements using the percentage-of-completion method in accordance with the provisions of IAS 11 "Construction Contracts".

According to the percentage-of-completion method the construction costs incurred up to the Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise. In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognised in the year during which the loss-making events become probable.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.

Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicings. The remaining amount appears as a liability in the attached financial statements.

(ii) **Sale of goods:** Revenue from the sale of goods, net of trade discounts, sales incentive discounts and the corresponding VAT, is recognized when the significant risks and benefits from ownership of the goods have been transferred to the buyer.

(iii) **Revenue from the construction and sale of buildings**: Buildings owned by the Company that are under construction, appear as inventories. When the final sale contracts are drawn, by which the risks and benefits of ownership of the building are transferred, and to the extent that after the compilation of these contracts there remains significant construction work to be carried out, the relevant revenue is recognized according to the percentage-of-completion method, as described above.

(iv) **Rent Revenue**: Rent revenue is recognized using the straight-line method, according to the terms of the lease.

(v) **Dividends:** Dividends are accounted for when the right to receive them has been finalized by the shareholders by virtue of a Shareholders' General Meeting resolution.

(vi) **Interest:** Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets: As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st , 2004 and these fair values have been used as implied cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.

Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

i) Depreciation: Depreciation is calculated according to the straight-line method using rates that approximate the relevant useful economic life of the respective assets. The useful economic life per fixed asset category ranges between:

	YEARS
Buildings and Construction projects	8-30
Machinery and Technical Installations	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

j)Impairment of the Value of Fixed Assets: The book values of long-term asset, other than goodwill and tangible fixed assets with an infinite life, are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the income statement. The recoverable amount is defined as the largest value between the net estimated sales price and the acquisition value. The net sales value is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The acquisition cost consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.

A reversal of an impairment loss for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income.

The Management assesses that there is no case of impairment of the Company's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

k) Investment property: Investments in property are valued at their real value. Profits or losses that arise from changes in the real value of investments in property are included in the income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalised when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. The acquisition cost and the accumulated depreciation of an investment property are eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold.

l) Inventories: Inventories are valued at the lower of cost and net realisable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.
The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials. The net realisable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realisable value of raw materials is their estimated replacement cost during the normal course of business.

m) Receivables Accounts: Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net amortised cost based on the effective interest rate method. At each balance sheet date all overdue or doubtful receivables are reviewed in order to determine the necessity for a provision for doubtful receivables. The balance of the specific provision for doubtful receivables is appropriately adjusted at each balance sheet date in order to reflect the estimated relevant risks. Each write-off of customer balances is debited to the existing provision for doubtful receivables.

n) Cash and Cash Equivalents: The Company considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

o)Long-term loan liabilities: All long-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans are valued at the net book value using the effective interest rate method. The net book value is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortisation procedure. Interest expenses are recognized on an accruals basis.

p)Provisions for Staff Retirement Indemnities: According to the provisions of L2112/20, the Company reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation. Net retirement costs for the period are included in the attached income statement and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight line basis over the average period during which access to the program's benefits is earned. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004. During the compilation of subsequent financial statements GEK, applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profits. Actuarial profits and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest

value between the liability of the defined benefit and the actual value of the program's assets. These profits or losses are systematically recorded during the expected average remaining working life of employees participating in the programs.

q) Government Pension Plans: The staff of the Company is mainly covered by the main Government Social Security Fund for the private sector (IKA) and which provides pension and medical-pharmaceutical benefits. Each employee is required to contribute part of his/her monthly salary to the fund, while part of the total contribution is covered by the Company. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Company has no legal or constructive obligation for the payment of future benefits according to this plan.

r) Income Tax (Current and Deferred): Current and deferred taxes are calculated based on the financial statements that are compiled according to the tax regulations in effect.
Current income tax is calculated based on the earnings of the Company as such are reformed on the company's tax reports, additional income tax emerging from the Tax Authorities' tax audits and on deferred income tax based on the enacted tax rates.

Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities on the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all the exempt temporary differences and the transferable tax losses, to the extent that it is likely that there will be available taxable earnings, which will be set against the exempt temporary differences and the transferable unused tax losses.

The deferred tax assets are estimated on each balance sheet date and are reduced to the degree that it is not considered likely that there will be adequate taxable earnings against which part or the total of receivables from deferred income taxes may be used.

Deferred tax assets and liabilities are calculated according to the tax rates that are expected to be in effect during the financial year when the asset will be realised or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted on the balance sheet date.

Income tax that relates to items, which have been directly recognized in equity, is directly recorded in equity and not in the income statement.

s) Finance and Operating Leases: Finance leases, which essentially transfer to the Company all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the results. Capitalized leased fixed assets are depreciated based on the estimated useful life of the asset.

Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset, are recorded as operating leases. The payments of operating leases are recognized as an expense in the income statement on a constant basis for the duration of the lease.

t) Government Grants: Government grants relating to subsidies of tangible fixed assets, are recognized when there is reasonable certainty that the grant will be received and all relevant

terms will be met. These government grants are recorded in a deferred income account and are transferred to the income statement in equal annual instalments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

u) Provisions, Contingent Liabilities and Contingent Receivables: Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each balance sheet date and are adjusted in order to reflect the present value of expenses that are expected to be required for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the outflow of economic resources that include an economic loss benefits is probable. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is probable.

v)Earnings per Share: Basic earnings per share (EPS) are calculated by dividing net earnings with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the Company as own-shares.

Diluted earnings per share are calculated by dividing the net earnings attributable to the shareholders (after deducting the interest on convertible shares, after taxes) with the weighted average number of shares that are outstanding during the year (adjusted for the effect of the diluted convertible shares).

w) Information by Business Activity: The distinction of the Company's activities by sector is represented by the business sectors. The Company considers that all activities take place in one geographical sector. The operating activities are organized and managed separately according to the nature of the products and services they relate to, with each sector constituting a strategic business unit that provides different products and operates in different markets.

The Company presents information by sector of activity for its activities in property management and as a holding company. The basic assumption for the presentation of assets and liabilities as well as income and expenses for each sector, which are not included directly in a specific sector, is their allocation to sectors according to criteria that are applied consistently.

x) Reclassification of figures: Some of the Balance Sheet and Income Statement figures for the previous financial year 2004, have been reclassified for presentation purposes, so as to render them similar and comparable with the respective figures for the current financial year.

4. PARTICIPATING INTERESTS IN SUBSIDIARIES AND ASSOCIATES

The participations in subsidiaries and associates as of the 31st of December 2005 are as follows:

A) Direct Subsidiaries

COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
TERNA SA	GREECE	56.31%	FULL
GEKE AEBE	GREECE	99.99%	FULL
IRON THERMOELECTRIC SA	GREECE	50%	FULL
CRETAN HOLIADYS SA	GREECE	70%	FULL
IOANNINA ENTERTAINMENT DEVELOPMENT SA	GREECE	65%	FULL
MONASTHRI TECHNICAL DEVELOPMENT SA	GREECE	50%	FULL
CARLIA LTD	CYPRUS	50%	EQUITY
CRASMIRA LTD	CYPRUS	50%	EQUITY
MESPECIOUS LTD	CYPRUS	50%	EQUITY
POLIS PARK SA	GREECE	20%	EQUITY
ATHENIAN CAR PARK SA	GREECE	20%	EQUITY
ICON LTD	BULGARIA	100%	FULL
IOLKOS SA	GREECE	100%	FULL
OLP CAR PARK SA	GREECE	10,42%	EQUITY
BI.PA SALONIKA S.A	GREECE	100%	FULL
PARKING OYIL S.A	GREECE	37,84%	EQUITY

B) Participations in related companies:

The Company has a 26.67% participation in PIRAEUS PRODEFIN HOLDING SA (Formerly GEKA SA), and a 23.91% participation in KEKROPS SA.

5. INTANGIBLE FIXED ASSETS

The intangible fixed assets figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	Software
Net Book Value 1.1.2005	4
(depreciation for the year)	(4)
Balance 31.12.2005	**-**
Cost 01.01.2005	133
Accumulated depreciation	(129)
Net Book Value 01.01.2005	**4**
Cost 31.12.2005	133
Accumulated depreciation	(133)
Net Book Value 31.12.2005	**-**

6. TANGIBLE FIXED ASSETS

The tangible fixed assets account reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

Tangible Fixed Assets	Other	Fix. Assets under construction	Total
Net Book Value 1.1.2005	56	2,885	2,941
Additions – Eliminations	4		4
Transfers from inventories	-	7,316	7,316
Transfers to investment property		(10,201)	(10,201)
Depreciation for the year	(25)	-	(25)
Balance as at 31.12.2005	**35**	**-**	**35**
Cost 01.01.2005	1,293	2,885	4,178
Accumulated Depreciation	(1,237)	-	(1,237)
Net Book Value 01.01.2005	**56**	**2,885**	**2,941**
Cost 31.12.2005	1,297	-	1,297
Accumulated Depreciation	(1,262)	-	(1,262)
Net Book Value 31.12.2005	**35**	**-**	**35**

7. INVESTMENT PROPERTY

The investment property figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows.

Opening balance 31.12.2004	
LAND	8,035
BUILDINGS	6813
	14,848
Increases in the year	
LAND	1,126
BUILDINGS	9,251
Reductions in the year	
LAND	0
BUILDINGS	1,084
Balance 31.12.2005	
LAND	9,161
BUILDINGS	15,305
	24,466

The Company used fair values in the first IFRS application balance sheet, as these were defined by independent surveyors on January 1st, 2004. This valuation was made by an independent firm of surveyors and was based on appropriate valuation methods depending on the nature and use of the properties valued. The Company considers that the valuation of its property investments at the above values, does not differ significantly from their current values and as such, it did not proceed in undertaking new valuations in this year.

8. PARTICIPATIONS IN ASSOCIATES

The participations in associates figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows.

Balance on 01/01/2005	**18,296**
Impairment losses	(3,524)
Balance on 31/12/2005	**14,772**

The analysis of the Company's participating interests in associates is presented in note no. 4 above.

9. STOCK

The stock figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	31.12.2005	**31.12.2004**
Property for sale	5,970	8,047
Buildings under construction	8,653	7,559
Land	7,772	12,770
Prepayments for the purchase of stock	-	-
Total	**22,375**	**28,376**

Raw and auxiliary materials mainly relate to materials that will be integrated in technical projects that the Company has undertaken. As of the 31st of December 2004 and 2005 there were no provisions for obsolete or slow-moving stock.

10. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

The trade receivables figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	31.12.2005	**31.12.2004**
Customers – Public sector	-	-
Customers – Other	2,559	10,581
Short –term receivables from related Companies	120	346
Cheques receivable	41	40
Total	**2,720**	**10,967**

The prepayments and other receivables figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	31.12.2005	31.12.2004
Receivables from subsidiaries (dividends)	-	-
Other receivables from Subsidiaries	111	100
Income Tax prepayments	-	4,017
Hellenic State	468	468
Stock purchase prepayments	2,384	2,077
Other receivables	327	497
Prepaid expenses – Accrued income	47	45
Total	**3,337**	**7,204**

11. OTHER FINANCIAL ASSETS

The other financial assets figure reported in the attached financial statements as of the 31st of December 2005, mainly relates to shares in Public limited Companies and Equity Mutual Funds and is analysed as follows:

	31.12.2005	31.12.2004
EUROTERRA	7,952	7,787
ABIES	913	828
BI.PA SALONICA S.A	-	978
ATHENS PARKING S.A	-	1,068
IOLKOS S.A	-	600
PARKING OYIL S.A	-	420
CHEIRON	855	-
ASPIS URBAN PROPERTIES	409	409
PARALIMNI	280	30
EQUITY MUTUAL FUNDS	1,840	-
OTHER	2,488	1,525
TOTAL	**14,737**	**13,645**

12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	31.12.2005	31.12.2004
Cash in hand	5	2
Sight deposits	10,234	4,273
Time deposits	41,540	40,314
Total	**51,779**	**44,589**

13.

14. PROVISIONS FOR STAFF RETIREMENT INDEMNITIES

According to Greek labor law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee's wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such an indemnity. The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal.

The liabilities for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the results for the financial year ended on the 31st of December 31, 2005 and the movement of the relevant provision accounts for staff indemnities presented in the attached Balance Sheet for the year ended on December 31st 2005.

The movement in the net liability for staff indemnities recognized in the Income Statement for the financial year is as follows:

	31.12.2005	**31.12.2004**
Current service cost	2	4
Finance cost	2	2
Additional payments	8	-
Total	**12**	**6**

The movement of the relevant provision is as follows:

	31.12.2005	**31.12.2004**
Opening balance of the liability	120	114
Provision recognized in the income statement	12	6
Closing balance	**132**	**120**

	31.12.2005	**31.12.2004**
Current value of liability for indemnities	154	142
Cumulative not recognized actuarial loss	(22)	(22)
Provision in the Balance Sheet	**132**	**120**

The main assumptions for financial years 2004 and 2005 are as follows:

Discount rate	3,03%
Future wage increases	2,30%
Average remaining work life (years)	4,62

15. SUPPLIERS, ACCRUALS AND OTHER LIABILITIES

The suppliers figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	31.12.2005	**31.12.2004**
Suppliers- Subcontractors	1,344	470
Cheques payable	2,131	-
Customer prepayments	883	2,190
Total	**4,358**	**2,660**

The accruals and other short-term liabilities figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	31.12.2005	**31.12.2004**
Liabilities from taxes-duties	128	226
Insurance organizations	43	24
Dividends payable	200	161
BoD remuneration	-	861
Guarantees	-	155
Various Creditors	772	620
Liabilities towards related companies	241	-
Total	**1,384**	**2,047**

16. SHARE CAPITAL

The share capital of GEK SA amounts to € 23,567 and is totally paid and divided into 65,463,360 shares having a nominal value of € 0.36 each.

Weighted average number of shares for December 31, 2005 and 2004 as follows:

	31.12.2005	**31.12.2004**
Number of shares		
End of Year	65,463,360	65,463,360
Effect Of the absorbed company HERMES S.A		(9,435,840)
Weighted average number of shares (basic and diluted)	65,463,360	56,027,520

17. INCOME TAX (CURRENT AND DEFERRED)

GEK SA is currently undergoing a regular tax audit for the years 200 to 2004.
According to Greek tax legislation the Company is taxed with a tax rate of 32% for 2005, 29% for 2006 and 25% for 2007 and onwards.

The income tax figure recorded in the income statement is analyzed as follows:

	31.12.2005	**31.12.2004**
Current tax	3,383	1,945
Deferred tax (debit/credit)	(306)	(627)
Total	**3,077**	**1,318**

The income tax statement is filed on an annual basis but the profits or losses declared remain provisional until the tax authorities audit the tax payer's books and records and issue a final audit report.

In this case it is possible that the tax authorities may impose additional tax and penalties, the level of which cannot be determined at the present time. For this reason no relevant provisions have been booked in the attached financial statements.

The Company has not been tax audited for fiscal years from 1999 onwards.

A reconciliation of income tax to the accounting profit multiplied by the applicable tax rate, follows:

	2005	2004
Profit before tax	26,038	911
Corresponding tax (32% and 35%)	**8,332**	**319**
Distributable reserves tax	-	1,463
Dividend Income	(1,818)	(1,735)
Non-deductible expenses	1,243	2,907
ERMIS tax impact	-	(945)
Creation of tax-exempt reserves	(4,831)	
Other	151	(692)
Income tax	**3,077**	**1,318**

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax value of the assets and liabilities. The deferred income tax is calculated using the expected tax rate of the Company at the time when the tax receivable/liability matures. The deferred tax assets and liabilities for the first six months of years 2005 and 2004 are analyzed as follows:

	Balance sheet		**Profit and loss account (Debit)/Credit**
	31.12.2005	**31.12.2004**	**01.01 – 31.12.2005**
Deferred income tax asset			
Intangible assets	108	218	(110)
Other	369	64	305
	477	**282**	**195**
Deferred income tax liability			
Investment property valuation	(266)	(377)	111
Valuation of participations	(290)	(290)	-
	(556)	**(667)**	**111**
Deferred income tax income/(expense)			**306**
Net deferred income tax asset/(liability)	**(79)**	**(385)**	

The Company has the legal right to offset the income tax assets and liabilities as they refer to the same tax authority.

The Company maintains tax exempt reserves of € 38,969 which will be taxed using the current tax rate in the event that they are distributed or capitalized. In the foreseeable future the Company does not intend to distribute or capitalize these reserves.

18. INCOME

Sales reported in the attached financial statements are analysed as follows:

	1.1-31.12.2005	1.1-31.12.2004
Income from technical projects	2,932	652
Sale of Properties	14,483	2,011
Provision of Services	988	2,639
Total	**18,403**	**5,302**

19. COST OF SALES AND ADMINISTRATION AND DISTRIBUTION EXPENSES

The figures for cost of sales and administration and distribution expenses reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

Cost of Sales

	2005	2004
Consumption of materials and finished work	9,008	717
Staff wages	77	57
Subcontractors	2,673	321
Other third party fees	392	152
Other third party benefits	37	15
Tax – duties	58	5
Depreciation	26	41
Other	216	284
	12,487	**1,592**

Administrative Expenses

	2005	2004
Staff wages	899	8
Subcontractors	-	19
Other third party fees	504	3
Other third party benefits	86	1
Tax – duties	78	4
Depreciation	3	13
Other	225	7
	1,795	**55**

20. FINANCIAL INCOME/(EXPENSES)

The financial income/(expenses) figure reported in the attached financial statements as of the 31st of December 2005, is analysed as follows:

	1.1-31.12.2005	1.1-31.12.2004
Credit interest from bank deposits	788	86
Dividends from other investments	(342)	(101)
Profit from the sale of securities	178	849
Total	**624**	**834**

Profit from the sale of securities in 2005 mainly relates to the sale of a percentage in the subsidiary TERNA SA held by the Company.

21. PROFIT / (LOSS) FROM THE SALE AND VALUATION OF PARTICIPATING INTERESTS AND SECURITIES

This figure in the attached financial statements is analysed as follows:

	1.1-31.12.2005	1.1-31.12.2004
Transfer to the profit and loss account of loss from the valuation of ERMIS' participation interests	-	(7,754)
Profit from the sale of participating interest in Kalyftaki SA (55%)	7,564	-
Profit from the reduction in the percentage held in the subsidiary TERNA SA (from 63,12% to 56,31%)	11,808	-
Impairment loss of associated companies (KEKROPS-PRODEFIN)	(3,524)	-
Other	(215)	(553)
Total	**15,633**	**(8,307)**

22. EMPLOYEE WAGES

Staff wages and the average number of employees as of December 31st 2005 are analysed as follows:

GEK Company	1.1-31.12.2005
Wages and ensuant benefits of wage earners	84
Salaries and ensuant benefits of employees	689
Insurance and pension fund contributions	191
Provision for employee indemnities	12
Total expense	**976**

Average number of employees	1.1-31.12.2005
Workers	33
Clerks	29

23. RELATED PARTY TRANSACTIONS

The transactions of the Company with related parties for the period from 1.1.2005 to 31.12.2005 as well as the relevant balances as at the 31st of December 2005 are analysed as follows:

Turnover (Sales)	18,134
Cost of sales and provision of services	8,956

Trade receivables (net)	4,538
Liabilities towards suppliers	1,196

Related parties are the Companies analysed in note no. 4 above.

24. CONTINGENT LIABILITIES

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company's Legal Counsel, any such claims are not expected to have a significant impact on the Company's operation and financial position as of the 31st of December 2005.

Guarantees have been provided for finance leases relating to the equipment of a subsidiary, amounting to 38,000 euros. Moreover guarantees have been provided as security for bank loans obtained by companies in which the Group has a participating interest, amounting to 55,783 euros.

25. MERGER OF GEK SA WITH ERMIS SA

On the 23rd of July 2004 the merger through absorption of "General Constructions Company SA" ("GEK SA") (legally the absorbed) by the Company "ERMIS REAL ESTATE S.A." (legally the acquirer) was decided according to the provisions of L 2166/93 and with the 31st of March 2004 as the official merger date. With the completion of the merger through absorption, the legally acquirer increased its share capital by € 17,197 (by € 16,632 through the contribution of the absorbed share capital and by € 565 through the capitalization of the above par difference of the acquirer and the newly issued 44,232,000 common nominal shares were distributed to the shareholders of the absorbed after defining the share exchange ratio (0.48 shares of the absorbing to 1 share of the absorbed), which resulted from the application of internationally accepted valuation methods. After the completion of the merger, the legally acquirer "ERMIS REAL ESTATE S.A." was renamed to "GEK Holdings, Properties and Constructions SA".

According to the provisions of IFRS 3, the business combinations that fall under the provisions of the Standard must be accounted for with the Purchase Method based on which the acquirer recognizes the recognizable assets, liabilities and contingent liabilities of the acquired at fair value as at the acquisition date and defines the resulting goodwill, which subsequently is examined for impairment instead of being amortised.

In the context of the IFRS, the above merger through absorption was accounted as a reverse acquisition where the legally absorbed (GEK SA) is essentially considered as the absorbing and conversely.

Consequently, the provisions of IFRS 3 "Business Combinations", referring to reverse acquisitions, were applied resulting in:

- The determination of the date on which the in effect absorbing company (ERMIS SA) gained the management control of the in effect absorbed (GEK SA).
- The determination of the absorption's acquisition cost as at the above date.
- The calculation at fair value of ERMIS SA's assets and liabilities, at the consolidated level as at the above date and the subsequent purchase price allocation.
- The determination of the goodwill that emerged from the above merger.

The data of the reverse acquisition are as follows:

Attainment of management control	**03.12.2004**
Acquisition Cost (fair value of participating securities)	84,091
Direct acquisition expenses	378
Total acquisition cost	84,469
Merged consolidated equity	127,819
Negative Goodwill	43,350

The fair values of he consolidated asstes and liabilities of "ERMIS SA" as of the acquisition date (December 3rd, 2004) are as follows:

	Book Value	**Fair Value**
Intangible Assets	2,478	-
Tangible Assets and Investment Property	27,662	34,626
Participations	19,458	12,072
Receivables	25,844	24,978
Inventories	50,777	47,848
Shares and Securities	18,169	18,513
Cash and cash equivalents	17,264	17,264
Other	92	301
Liabilities	(28,756)	(26,674)
Provisions	(37)	(104)
Deferred tax liabilities	-	(1,005)
Equity at fair values		127,819
Total Acquisition Cost		84,469
Negative Goodwill		43,350

Due to the above merger, which was accounted for as a reverse acquisition, the in effect acquiring company (GEK SA) is deemed to maintain its continuity regarding the financial statements it publishes. The comparative financial statements for financial year 2003 (on a stand-alone and consolidated basis) are those of GEK SA prior to the merger with ERMIS SA.

According to the provisions of IFRS 3, the resulting negative goodwill of € 43,350, was only registered as revenue in the consolidated results of GEK SA for the financial year 2004, while in GEK's stand alone financial statements the merger was accounted for as a pooling of interest without recording the relevant negative goodwill in the income statement.

26. SUMMARY OF MAIN DIFFERENCES BETWEEN G.A.P. AND I.F.R.S.

The following table presents in summary the effect of the most important adjustments to equity for 1.1.2005 and 1.1.2004, which were applied to the Group's statutory financial statements, in order to adjust them to the I.F.R.S:

TABLE OF ADJUSTMENTS TO OPENING EQUITY FOR THE PERIOD (1.1.2005 and 1.1.2004) BETWEEN THE GREEK GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (G.A.A.P.) AND THEINTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GEK SA	
	1.1.2005	**1.1.2004**
Opening equity for the period according to G.A.A.P.	229,307	124,352
Recognition of provision for staff indemnities according to IAS 19	25	31
Valuation of investment property and fixed assets at fair values	115	-
Write-off of intangible assets	154	(408)
Recognition of long-term contracts for construction projects according to IAS 11	196	-
Accounting for deferred taxes	759	132
Fair value valuation of absorbed company	5,302	-
Recognition of 2003 dividend according to the IAS	7,856	4,989
Opening equity for the period according to I.F.R.S.	**243,714**	**129,096**

The following Reconciliation Table presents in summary the most important adjustments to the Company's net results for the period ended on the 31st of December 2004 that were made to the Company's statutory financial statements in order to adjust them to the I.F.R.S.:

RECONCILIATION TABLE FOR THE RESULTS OF THE YEAR (31.12.2004) BETWEEN THE GREEK ACCOUNTING STANDARDS (G.A.S.) AND THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	31.12.2004
Results for the period according to the G.A.S.	6,487
Loss of ERMIS 1.1.2004-3.12.2004	683
GEK net profit before tax ΓΕΚ 1.1.2004-31.3.2004	954
Recognition of a provision for staff indemnities according to IAS 19	(6)
Write-off of intangible assets	561
Recognition of long-term contracts for construction projects according to IAS 11	167
Transfer to the profit and loss of expenses booked directly to equity	(7,754)
Revaluation of property at fair values	115
Tax of ERMIS	(295)
Results for the period according to the I.F.R.S	912

a. ***Recognition of income from technical projects based on the percentage-of-completion method:*** For the recognition of income that arises from projects constructed by the Company, the percentage-of-completion method was applied according to IAS 11.

b. ***Intangible Assets:*** According to G.A.P., many expenses categories related to pre-operating activities, acquisition of tangible assets, foreign exchange differences from loans in the construction period and research and development, are capitalized and depreciated always within a five-year period. The entry and recognition of expenses in intangible assets (except for the procedure of corporate acquisitions and mergers) are subject to specific and rigorous rules according to IAS 38 and essentially only the recognition of specific research and development expenses are permitted under exceptional conditions. Therefore the majority of expenses that were capitalized according to the previous G.A.P. were written-off on the transition date, at the expense of the profit carried forward balance.

c. ***Provisions for Staff Indemnities:*** According to Greek General Accepted Accounting Principles, Companies must make a relevant provision for a percentage of at least 40% the cumulative liability that would be paid had the total staff been fired on the 31st of December of each year, whereas according to I.F.R.S. such provisions should be made based on the relevant actuarial studies carried out according to IAS 19.

d. ***Deferred Income Tax:*** Greek accounting standards do not allow for the recognition of deferred income tax, which is mandatory according to the provisions of the I.F.R.S.

e. ***Tangible Assets, Investment Property:*** According to G.A.P., tangible assets (mainly plots and buildings, self-used or not) are valued at their readjusted values based on readjustments that take place every four years. Such readjustments are based on non-sector readjustment rates, which are specified by Presidential Decrees and applied on the acquisition value and cumulative depreciations of the relevant fixed assets, while the resulting surplus values are capitalized within a two-year period from the readjustment. Based on I.F.R.S. (and according to the admissible treatment of the I.F.R.S. 1) specific plots, buildings and mechanical equipment items were valued at fair value as at the transition date, a value that was used as implied cost. Furthermore, depreciations according to I.F.R.S. correspond to the useful economic life of the relevant fixed assets, while depreciations according to G.A.P. are effected based on rates set by the tax regulation.

CERTIFICATE

It is ascertained that the attached financial statements are those approved by the Board of Directors of the Company on the 27th of March, 2006 and have been published by being posted on the internet at the website www.gek.gr. It is noted that the summary financial figures that have been published in the press aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS). In the summary information published in the press some figures have been abbreviated.

George Peristris	Nikolaos Kambas
Chairman	CEO
Merkouris Moschovis	Louisa Kana
Financial Manager	Head of Acc. Dept.

SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS
SOEL Reg. Number 125

AUDITORS' REPORT

To the Shareholders of GEK HOLDING REAL ESTATE CONSTRUCTION AE

We have audited the accompanying financial statements of GEK HOLDING REAL ESTATE CONSTRUCTION AE, as of and for the year ended 31 December 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company as of 31 December 2005, and of the results of its operations, its cash flows and the changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Without qualifying our opinion we draw attention to Note 16 in the Notes to the financial statements, where reference is made to the fact that the tax returns of the company for the years 2000 to 2005, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Athens, 30 March 2006

DIONYSIOS THEODOROPOULOS
Certified Public Accountant Auditor
SOEL Reg. No. 10661
SOL S.A. – Certified Public Accountants Auditors