J&P – AVAX S.A.

Interim Financial Report for the six-month period from

January 01, 2006 to June 30, 2006

We hereby certify that this interim financial report was approved by the Board of Directors of «J&P-AVAX S.A.» on 22/08/2006 and published by means of submission to the Athens Stock Exchange and the Hellenic Capital Markets Commission, as well as their upload to the corporate website (www.jp-avax.gr). It is noted that the financial statements published in the Press aim то provide their readers with a financial overview but do not fully illustrate the financial circumstances of the Company and the Group, in accordance with the International Accounting Standards. It is also noted that some items in the financial statements published in the Press have been aggregated and reclassified to facilitate their ease of use.

The Board of Directors,

J&P-AVAX S.A.

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REVIEW REPORT

To the Shareholders of "J&P AVAX S.A."

We have reviewed the accompanying interim financial statements of "J&P AVAX S.A." and the consolidated financial statements of the company and the subsidiaries (Group) as of and for the six-month period ended 30 June 2006. These interim financial statements are the responsibility of the Company's management.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Company and the Group, in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Athens, August 28 2006

The Public Certified Accountant

BKR

PROTYPOS ELEGKTIKI S.A.

Certified Auditors – Accountants- Business Consultants

An Independent Member of BKR INTERNATIONAL

Ioannis Anastasopoulos

R.N. 10151

J&P - AVAX S.A.
INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1st, 2006 TO JUNE 30th, 2006

		Group				Company			
		1.1-30.06.2006	**1.4-30.06.2006**	**1.1-30.06.2005**	**1.4-30.06.2005**	**1.1-30.06.2006**	**1.4-30.06.2006**	**1.1-30.06.2005**	**1.4-30.06.2005**
Turnover	**1**	158.058.894	77.875.141	213.284.204	103.764.239	76.070.559	42.441.296	70.652.038	30.548.315
Cost of sales		(134.862.604)	(70.609.149)	(178.529.007)	(83.724.045)	(65.361.855)	(34.887.380)	(60.474.783)	(24.870.373)
Gross profit		**23.196.290**	**7.265.993**	**34.755.197**	**20.040.194**	**10.708.704**	**7.553.916**	**10.177.255**	**5.677.942**
Other net operating income/(expenses)		458.704	439.589	(1.503.629)	(1.703.131)	718.069	741.123	(199.166)	(594.633)
Administrative expenses		(10.947.031)	(4.968.405)	(14.662.614)	(9.094.846)	(8.691.770)	(4.840.955)	(9.427.028)	(5.967.410)
Selling & Marketing expenses		(5.589.597)	(980.264)	(3.426.186)	(2.687.687)	(4.819.797)	(590.719)	(2.830.745)	(2.301.064)
Income/(Losses) from Investments in Associates	**2**	13.266.150	9.345.370	2.580.688	(48.541)	9.665.973	1.697.891	20.229.802	20.229.802
Profit from operations		**20.384.516**	**11.102.282**	**17.743.455**	**6.505.988**	**7.581.179**	**4.561.256**	**17.950.118**	**17.044.637**
Net financial income / (loss)	**3**	(3.062.352)	(1.898.607)	(2.377.146)	(1.258.373)	(1.981.213)	(1.152.421)	(1.465.467)	(781.220)
Profit before tax		**17.322.164**	**9.203.675**	**15.366.309**	**5.247.615**	**5.599.966**	**3.408.835**	**16.484.651**	**16.263.417**
Tax	**4**	(2.525.147)	(1.252.179)	(5.613.838)	(1.886.637)	(653.690)	(537.998)	(604.762)	(533.967)
Profit after tax		**14.797.017**	**7.951.496**	**9.752.471**	**3.360.978**	**4.946.276**	**2.870.837**	**15.879.889**	**15.729.450**
Attributable to:									
Equity shareholders		14.822.966	7.990.100	9.727.701	3.345.740	4.946.276	2.870.837	15.879.889	15.729.450
Minority interest		(25.949)	(38.604)	24.770	15.238	-	-	-	-
		14.797.017	**7.951.496**	**9.752.471**	**3.360.978**	**4.946.276**	**2.870.837**	**15.879.889**	**15.729.450**
Basic Earnings per share (in € cents)		**20,25**	**10,92**	**13,29**	**4,57**	**6,76**	**3,92**	**21,69**	**21,49**
Profit before tax, financial and investment results		**20.384.516**	**11.102.282**	**17.743.455**	**6.505.988**	**7.581.179**	**4.561.256**	**17.950.118**	**17.044.637**
Profit before tax, financial and investments results and depreciation		**25.083.893**	**13.405.731**	**22.622.200**	**8.832.498**	**10.780.556**	**6.182.223**	**21.011.172**	**18.509.602**

J&P - AVAX S.A.
BALANCE SHEET AS AT JUNE 30, 2006

		Group		Company	
		30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Non-current Assets					
Property, Plant and Equipment	**5**	71.373.147	70.683.136	50.487.993	50.002.408
Investment Property	**6**	3.495.429	6.596.885	348.142	3.468.090
Goodwil	**7**	632.170	632.170	-	-
Intangible assets	**8**	154.318	166.184	145.486	156.530
Investments in other companies	**9**	85.870.124	72.394.962	118.647.586	118.147.286
Available for sale investments	**10**	534.000	588.000	-	-
Other non-current assets	**11**	393.594	545.664	271.461	447.913
Deferred tax assets	**12**	3.950.339	4.408.850	3.187.302	3.521.586
		166.403.121	**156.015.851**	**173.087.970**	**175.743.813**
Current Assets					
Inventories	**13**	13.689.147	26.753.504	582.233	901.703
Construction contracts	**14**	106.817.088	84.844.008	54.158.523	28.512.250
Trade and other receivables	**15**	166.123.981	134.402.779	120.925.630	114.773.083
Cash and cash equivalents	**16**	53.023.403	51.383.784	10.818.941	6.769.457
		339.653.619	**297.384.075**	**186.485.327**	**150.956.493**
Total Assets		**506.056.740**	**453.399.926**	**359.573.297**	**326.700.306**
Current Liabilities					
Trade and other creditors	**17**	159.340.593	140.492.091	80.524.918	60.629.779
Income and other tax liabilities	**18**	4.372.455	10.844.172	1.089.207	6.226.754
Bank overdrafts and loans	**19**	152.558.448	118.205.282	93.528.482	71.528.340
		316.271.496	**269.541.545**	**175.142.607**	**138.384.873**
Non-Current Liabilities					
Deferred income	**20**	187.992	234.151	71.030	100.345
Deferred tax liabilities	**21**	1.448.466	1.653.611	517.557	579.041
Provisions for retirement benefits	**22**	2.796.100	2.786.263	2.190.540	2.190.540
Other long-term provisions	**23**	166.609	166.609	116.641	116.641
		4.599.166	**4.840.634**	**2.895.768**	**2.986.567**
Total Liabilities		**320.870.662**	**274.382.179**	**178.038.375**	**141.371.440**
Net Assets		**185.186.078**	**179.017.747**	**181.534.922**	**185.328.866**
Share Capital & Reserves					
Share capital	**24**	40.260.000	40.260.000	40.260.000	40.260.000
Share premium account	**24**	115.403.624	115.403.624	115.403.624	115.403.624
Revaluation reserves	**25**	453.799	453.799	550.141	550.141
Other reserves	**26**	25.852.542	25.464.577	18.734.514	18.098.462
Translation exchange differences		23.834	18.543	32.663	(11.117)
Retained earnings		2.451.136	(3.199.061)	6.553.981	11.027.757
		184.444.935	**178.401.482**	**181.534.922**	**185.328.866**
Minority interest		741.143	616.265	-	-
Total Shareholders' Equity		**185.186.078**	**179.017.747**	**181.534.922**	**185.328.866**

J&P - AVAX S.A.
CASH FLOW STATEMENT AS AT JUNE 30, 2006

	Group		Company	
	1.1-30.06.2006	**1.1-30.06.2005**	**1.1-30.06.2006**	**1.1-30.06.2005**
Cash Flow from Operating Activities				
Profit before tax (before minority interest)	**17.322.164**	**15.366.309**	**5.599.966**	**16.484.651**
Adjustments for:				
Depreciation	4.699.377	4.878.745	3.199.377	3.061.054
Provisions	(241.467)	(80.477)	(90.801)	(32.358)
Interest income	(232.301)	(459.221)	(24.878)	-
Interest expense	3.294.653	2.836.367	2.006.091	1.465.467
Investment (income) / loss	(13.266.150)	(2.754.212)	(9.665.973)	(21.726.767)
Other non-cash items	159.109	(22.139)	47.574	-
Change in working capital				
(Increase)/decrease in inventories	13.064.356	40.196.925	319.469	13.395.573
(Increase)/decrease in trade and other receivables	(52.482.631)	(53.557.155)	(30.797.010)	(23.596.100)
Increase/(decrease) in payables	2.638.794	(49.772.653)	5.693.945	(42.342.891)
Interest paid	(3.294.653)	(2.836.367)	(2.006.091)	(1.465.467)
Income taxes paid	(2.163.009)	(6.018.386)	(855.897)	(546.268)
Cash Flow from Operating Activities (a)	**(30.501.758)**	**(52.222.265)**	**(26.574.227)**	**(55.303.105)**
Cash Flow from Investing Activities:				
Purchase of tangible and intangible assets	(7.794.600)	(6.368.259)	(4.356.965)	(6.202.784)
Proceeds from disposal of tangible and intangible assets	5.514.741	684.664	3.799.204	97.279
Acquisition of subsidiaries, associates, JVs and other investments	(225.884)	(1.331.297)	(500.300)	(1.870.936)
Interest received	232.301	459.221	24.878	
Dividends received	70.872	123.277	9.665.973	16.729.767
Cash Flow from Investing Activities (b)	**(2.202.570)**	**(6.432.395)**	**8.632.790**	**8.753.326**
Cash Flow from Financing Activities				
Proceeds from loans	34.353.166	70.403.644	22.000.143	55.911.527
Dividends paid	(9.220)	(11.246.620)	(9.220)	(11.246.620)
Cash Flow from Financing Activities (c)	**34.343.946**	**59.157.024**	**21.990.922**	**44.664.906**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**1.639.619**	**502.365**	**4.049.485**	**(1.884.873)**
Cash and cash equivalents at the beginning of the period	51.383.784	35.186.432	6.769.457	3.267.909
Cash and cash equivalents at the end of the period	**53.023.403**	**35.688.797**	**10.818.941**	**1.383.037**

STATEMENT OF CHANGES IN EQUITY AT JUNE 30, 2006

Group

	Share Capital	Share Premium Account	Revaluation Reserves	Reserves	Translation exchange differences	Retained earnings	Share Capital & Reserves	Minority Interest	Total Equity
Balance 31.12.2004	**40.260.000**	**115.403.624**	**453.799**	**25.473.517**	**-**	**(1.293.512)**	**180.297.428**	**609.346**	**180.906.774**
Appropriations				(8.940)		(13.199)	(22.139)		(22.139)
Dividend paid						(14.640.000)	(14.640.000)		(14.640.000)
Distribution						-	-		-
Net profit for the period						9.727.701	9.727.701	24.770	9.752.471
Balance 30.06.2005	**40.260.000**	**115.403.624**	**453.799**	**25.464.577**	**-**	**(6.219.010)**	**175.362.990**	**634.116**	**175.997.106**
Balance 31.12.2005 under IFRS	**40.260.000**	**115.403.624**	**453.799**	**25.464.577**	**18.543**	**(3.199.061)**	**178.401.482**	**616.265**	**179.017.747**
Appropriations				-	-	(803)	(803)	150.827	150.024
Translation exchange differences					5.291		5.291		5.291
Dividend paid						(8.784.000)	(8.784.000)		(8.784.000)
Transfer of reserves				387.965	-	(387.965)	0		0
Net profit for the period						14.822.966	14.822.966	(25.949)	14.797.017
Balance 30.06.2006	**40.260.000**	**115.403.624**	**453.799**	**25.852.542**	**23.834**	**2.451.136**	**184.444.935**	**741.143**	**185.186.078**

Company

	Share Capital	Share Premium Account	Revaluation Reserves	Reserves	Translation exchange differences	Retained earnings	Share Capital & Reserves	Minority Interest	Total Equity
Balance 31.12.2004	**40.260.000**	**115.403.624**	**550.141**	**18.098.462**	**-**	**11.142.012**	**185.454.239**		**185.454.239**
Appropriations							-		-
Dividend paid						(14.640.000)	(14.640.000)		(14.640.000)
Distribution							-		-
Net profit for the period						15.879.889	15.879.889		15.879.889
Balance 30.06.2005	**40.260.000**	**115.403.624**	**550.141**	**18.098.462**	**-**	**12.381.901**	**186.694.128**	**-**	**186.694.128**
Balance 31.12.2005 under IFRS	**40.260.000**	**115.403.624**	**550.141**	**18.098.462**	**(11.117)**	**11.027.757**	**185.328.866**		**185.328.866**
Translation exchange differences					43.780		43.780		43.780
Dividend paid						(8.784.000)	(8.784.000)		(8.784.000)
Transfer of reserves				636.052		(636.052)	-		-
Net profit for the period						4.946.276	4.946.276		4.946.276
Balance 30.06.2006	**40.260.000**	**115.403.624**	**550.141**	**18.734.514**	**32.663**	**6.553.981**	**181.534.922**	**-**	**181.534.922**

A. ABOUT THE COMPANY

A.1 General Information about the Company and the Group

J&P-AVAX S.A. was listed on the Athens Stock Exchange's Main Market in 1994 (then incorporated as AVAX S.A.) and is based in Marousi, in the Attica prefecture. It boasts substantial expertise spanning the entire spectrum of construction activities (infrastructure projects, civil engineering, BOTs, precast works, real estate etc) both in Greece and abroad.

In 2002, former AVAX S.A. merged with its subsidiaries J&P (Hellas) S.A. and ETEK S.A. and was renamed into J&P-AVAX S.A, whereas another 100% subsidiary unit, namely ETETH S.A., merged with its own subsidiary AIXMI S.A. The new business entities which evolved out of these mergers made use of Law 2940/2001 on contractors' certification for public works. The Group's leading company J&P-AVAX S.A. was awarded a 7th-class public works certificate, which is the highest class available, whereas ETETH S.A. acquired a 6th-class certificate and PROET S.A. entered the new public works certification registry with a 3rd-class certificate, which was upgraded to 4th-class towards the end of 2005.

A.2 Activities

Group strategy is structured around four main pillars:

- **Concessions**
  - Intense presence in concession project tenders, to maintain a substantial backlog of projects and secure long-term revenue streams
  - Strengthening the project finance business unit and expanding our network of specialized external business partners (design consultants, financial and insurance advisors, legal firms) to enhance the Group's effectiveness in bidding for concession projects and maximize the return from their operation by means of financial risk management

- **Business Activities**
  - Development along the lines of major international construction groups, diversifying revenue through expansion into related business areas, eg environmental projects, facility maintenance & management, waste management, maintenance of large infrastructure projects, and management of large facilities constructed towards the Athens 2004 Olympic Games
  - Pursuit of synergies of various business activities on Group level

- **Real Estate**
  - Selective investment in quality projects offering high aesthetics and status, focused mainly on the residential and vacation housing sectors, as well as in select commercial and real estate projects
  - Advisory services and development of new markets and products, such as retirement villages

- **Other Activities**
  - Participation in BOT infrastructure projects for the reconstruction of neighboring counties and regions (Eastern & SE Europe, Middle East, North Africa) in collaboration with J&P Overseas and other international partners with long local presence and expertise
  - Promotion of the use of precast technology

B. FINANCIAL REPORTING STANDARDS

J&P-AVAX S.A.'s consolidated accounts for the period running from January 1, 2006 to June 30, 2006 are prepared in accordance with the 'historic cost' principle, inclusive of adjustments in various items on both sides of the balance sheet, as well as on the 'going-concern' principle and conform to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by IASB's International Financial Reporting Interpretation Committee (IFRIC) which have been adopted by the European Union.

IASB has issued a series of standards referred to as «IFRS Stable Platform 2005». The Group applies the IFRS Stable Platform 2005 since January 1, 2005 which includes the following standards:

I.A.S. 1	Presentation of Financial Statements
I.A.S. 2	Inventories
I.A.S. 7	Cash Flow Statements
I.A.S. 8	Accounting Policies, Changes in Accounting Estimates and Errors
I.A.S. 10	Events after the Balance Sheet Day
I.A.S. 11	Construction Contracts
I.A.S. 12	Income Taxes
I.A.S. 14	Segment Reporting
I.A.S. 16	Property, Plant and Equipment
I.A.S. 17	Leases
I.A.S. 18	Revenue
I.A.S. 19	Employee Benefits
I.A.S. 20	Accounting for Government Grants and Disclosure of Government Assistance
I.A.S. 21	The Effects of Changes in Foreign Exchange Rates
I.A.S. 23	Borrowing Costs
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I.A.S. 40	Investment Property
I.F.R.S. 1	First-Time Adoption of International Financial Reporting Standards
I.F.R.S. 3	Business Combinations
I.F.R.S. 5	Non-Current Assets Held for Sale and Discontinued Operations

The policies referred to hereafter are applied consistently to all time periods covered in the accounts.

Preparing Financial Statements under IFRS requires the use of estimates and opinions while applying Company accounting methods. Any important assumptions made by Company management in applying those accounting methods have been noted when deemed necessary.

C. BASIC ACCOUNTING PRINCIPLES

The Group consistently applies the following accounting principles in preparing the attached Financial Statements:

C.1. Business Combinations (I.F.R.S. 3)

Investments in Subsidiaries: All companies managed and controlled, either directly or indirectly, by another company (parent) through ownership of a majority share in the voting rights of the company in which the investment has been made. Subsidiaries are fully consolidated (full consolidation) with the purchase method starting on the date on which their control is assumed, and are excluded from consolidation as soon as their control is relinquished.

Acquisitions of subsidiaries by the Group are entered according to the purchase method. Subsidiary acquisition cost is the fair value of all assets transferred, of all shares issued and all liabilities at the acquisition date, plus any costs directly related to the transaction. The specific assets, liabilities and contingent liabilities acquired through a business combination are accounted for at their fair values irrespective of the percentage of participation. The acquisition cost in excess of the fair value of the acquired net assets is entered as goodwill. Should the total acquisition cost fall short of the fair value of the acquired net assets, the difference is directly entered in the Income Statement.

In particular, business combinations carried out prior to the Group's transition to IFRS (January 1, 2004), Group management has opted for the exemption provided for by IFRS 1, thereby not applying the purchase method retrospectively. In other words, it chose not to apply IFRS 3 or IAS 22 on company mergers with a retrospective effect. The accounting value of goodwill on the balance sheet drawn on the transition date is calculated according to previously accepted accounting principles. According to IAS 36, on impairment of assets and in line with the policies followed by J&P-AVAX S.A.'s parent company, goodwill is charged against shareholders' funds.

Intragroup sales, balances and un-realised profits from transactions among Group companies are omitted. Losses among Group companies (un-realised on a Group level) are also eliminated, except when the transaction provides evidence of impairment of the transferred asset. The accounting principles of subsidiaries have been amended for uniformity purposes relative to those adopted by the Group.

Investments in Associates: All companies which the Group may influence significantly but do not qualify for subsidiary or Joint Venture status. The Group's assumptions call for ownership between 20% and 50% of a company's voting rights to have significant influence on it. Investments in associates are initially entered in the Company's books at cost and subsequently consolidated using the equity method.

The Group's share into the profit or loss of associates following the acquisition is recognised into the Income Statement, whereas the share into changes in capital reserves following the acquisition is recognised into the reserves. Accumulated changes affect the book value of investments in associates. When the Group's participation into the financial loss of an associate is equal to or exceeds its participation in the associate, inclusive of provisions for bad debts, the Group does not recognise any further losses, except when covering liabilities or making payments on behalf of the associate, or taking other actions as part of its shareholder relationship.

Unrealised profits from transactions between the Group and its associates are omitted according to the participation of the group into those associates. Unrealised gains are omitted, unless the transactions suggest impairment of the transferred assets. Accounting principles of associates have been amended for uniformity purposes relative to those adopted by the Group.

Intragroup balances and transactions, along with Group profits arising from intragroup transactions which have yet to be concluded on a Group level, are eliminated in the consolidated Financial Statements.

Investments in Joint Ventures: Joint Venture types:

1. Joint Ventures with assets under joint control
2. Joint Ventures with activities under joint control

Those joint ventures do no concern the set up of a company, a partnership or other entity which is separate to the joint venture parties.
Separate accounting book-keeping and financial reporting is not required for the joint venture.
Therefore, joint ventures maintain tax records and prepare financial reports merely for fiscal purposes.

Assets, liabilities, income and expenses are recognised in the financial reports of the joint venture parties.

3. joint venture as an entity under joint control, in which a company, a partnership or another entity is set up

Joint ventures of this type keep their own accounting books, prepare financial reports and are subject to the following consolidation methods according to the degree of control and influence by the Group. More specifically:

a) participation in joint ventures with joint control
b) participation in joint ventures with significant influence
c) participation in joint ventures without significant influence (there may be scope for significant influence, but the joint venture partner chooses not to use it)

In case (a), the proportionate consolidation method is applied, ie joint ventures' balance sheets and Income Statements are consolidated either on a line-by-line basis.

In case (b), the equity method is applied, the investment being treated as an associate.

In case ©, the investment is booked at acquisition cost.

Group Structure: J&P-AVAX Group fully consolidates the following subsidiaries:

J&P-AVAX, Athens	Parent
ETETH S.A., Salonica	100%
ELVIEX Ltd, Ioannina	60%
PROET S.A., Athens	100%
J&P Development, Athens	100%
3T, Athens	100%
S.C."ISTRIA DEVELOPMENTS" S.R., Romania	100%
CONCURRENT, Romania	95%
SC BUPRA DEVELOPMENT SRL, Romania	90%
SOPRA AD, Bulgaria	99,9%
J&P EIKTEO, Athens	70%

The Group consolidates the following associates using the equity method:

5N S.A., Athens	45.00%
Athens Car Parks S.A., Athens	20.00%
Attiki Odos Service Stations S.A., Athens	35.00%
E - CONSTRUCTION, Athens	37.50%
Attica Telecommunications S.A., Athens	30.84%
Attica Diodia S.A., Athens	30.84%
SY.PRO S.A., Athens	25.00%
Attiki Odos S.A., Athens	30.83%
POLISPARK S.A., Athens	20.00%
3G, Athens	50.00%
CYCLADES ENERGY CENTER, Athens	45,00%
SC ORIOL REAL ESTATES, Romania	50,00%
SALONIKA PARK, Thessaloniki	50,00%

The following are the joint ventures in which the group participates and are consolidated proportionately:

1.	J/V J&P-AVAX S.A. - "J/V IMPREGILO SpA -J&P-AVAX S.A.- EMPEDOS S.A.", Athens	66.50%
2.	J/V J&P-AVAX S.A.-ETETH S.A. -EMPEDOS S.A. -GENER S.A., Salonica	73.50%
3.	J/V AKTOR S.A. - J&P - AVAX S.A. - ALTE S.A. - ATTIKAT S.A. - ETETH S.A. - PANTECHNIKI S.A. - EMPEDOS S.A., Athens	30.84%
4.	J/V J&P-AVAXS.A. - EKTER A.E - KORONIS S.A., Athens	36.00%
5.	J/V J&P - AVAX S.A. - AKTOR S.A. - VIOTER A.E - TERNA S.A., Athens	20.00%
6.	J/V J&P-AVAX S.A. - ETETH S.A., Athens	100.00%
7.	J/V J&P-AVAX AE - ETETH S.A., Athens	100.00%
8.	J/V J&P-AVAX - VIOTER S.A. - TERNA S.A. , Athens	37.50%
9.	J/V J&P-AVAX S.A. - ETETH S.A., Athens	100.00%
10.	J/V J&P - AVAX S.A. - ETETH S.A., Athens	100.00%
11.	J/V J&P - AVAX S.A. - ETETH A.E - EMPEDOS S.A., Athens	100,00%
12.	J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens	47.00%
13.	J/V AKTOR S.A. - J&P - AVAX S.A. - PANTECHNIKI S.A., Athens	34.22%
14.	J/V AKTOR S.A. - J&P-AVAX S.A., Athens	44.00%
15.	J/V PANTECHNIKI S.A. - AKTOR S.A. - J&P-AVAX S.A., Athens	33.33%
16.	J/V "J/V ΑΕΓΕΚ S.A. - AKTOR S.A. -SELI" -J&P-AVAX S.A., Athens	20.00%
17.	J/V J&P-AVAX S.A.- VIOTER S.A., Athens	50.00%
18.	J/V J&P-AVAX S.A. - KL.ROUTSIS S.A., Athens	50.00%
19.	J/V AKTOR A.T.E - J&P-AVAX S.A., Athens	50.00%
20.	J/V ΕΔΡΑΣΗ ΨΑΛΛΙΔΑΣ S.A. - J&P- AVAX S.A. - EKAT ETAN S.A. - ATOMON S.A. - HELIOHORA S.A. - ATHENA S.A., Athens	20.00%
21.	J/V J&P-AVAX S.A. -VIOTER S.A.-HELIOHORA S.A., Athens	37.50%
22.	J/V PANTECHNIKI S.A. - J&P-AVAX S.A. - VIOTER S.A., Athens	44.33%
23.	J/V VINCI CONSTRUCTION Grand Projects - ATHENA S.A. - PROODEFTIKI S.A. - AKTOR S.A. - J&P-AVAX S.A. - PANTECHNIKI S.A., Athens	11.20%
24.	J/V AKTOR S.A. - J&P AVAX S.A., Athens	52.00%
25.	J/V J&P-AVAX S.A. - ETETH S.A. - EMPEDOS S.A., Salonica	73.86%
26.	J/V J&P-AVAX S.A. - EMPEDOS S.A. - ETETH S.A. - ALSTOM TRANSPORT SA, Athens	100,00%
27.	J/V AKTOR S.A. - J&P AVAX S.A. -PANTECHNIKI S.A., Athens	34.22%
28.	J/V J&P AVAX S.A. - INTL TAPESTRY CENTRE, Athens	99.90%
29.	J/V ETETH S.A.-TASKOUDIS-POLYMETRIKI Ltd, Athens	44.00%
30.	J/V ETETH S.A. - STOYANNOS - POLYMETRIKI Ltd, Athens	44.50%
31.	J/V ETETH S.A. - KL.ROUTSIS S.A., Salonica	50.00%
32.	J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens	47.00%
33.	J/V J&P - AVAX S.A. - ETETH S.A., Athens	100.00%
34.	J/V J&P - AVAX A.E - GENERALE LOCATION, Athens	50.00%
35.	J/V J&P - AVAX A.E - GENERALE LOCATION, Athens	50.00%
36.	J/V ΑΚΤΩΡ S.A. - PANTECHNIKI S.A. - J&P-AVAX S.A., Athens	25.00%
37.	J/V AKTOR S.A. - PANTECHNIKI S.A. - J&P - AVAX S.A., Athens	25.00%

38.	J/V J&P – AVAX SA - DRAGADOS Y CONSTRUCTION, Ethiopia	50.00%
39.	J/V J&P – AVAX SA - J&P JOINT VENTURE, Cyprus	85.00%
40.	J/V J&P – AVAX SA - NATIONAL WHEEL J&P L.L.C., UAE	20.00%
41.	J/V QATAR - J&P – AVAX SA - JOINT VENTURE, Qatar	25.00%
42.	J/V J&P Development – DIOLKOS, Athens	50.00%
43.	J/V ANASTILOTIKI SA – TH.KARAGIANNIS SA - GETEM SA - ETETH SA, Athens	25.00%
44.	J/V TOMES S.A. - ETETH S.A., Chania	50.00%
45.	J/V TOMES S.A. - THEMELI S.A., Chios	50.00%
46.	J/V J&P – AVAX SA - THEMELIODOMI S.A., Bulgaria	99.90%
47.	J/V EDRASIS C. PSALLIDAS S.A. - J&P. AVAX S.A., Romania	49.00%
48.	J/V J&P-AVAX S.A. – TERNA S.A. - ETETH S.A, Thessaloniki	50.00%
49.	J/V PROET S.A. - KL.ROUTSIS S.A., PEZOGEFYRA HSAP, Athens	50,00%
50.	J/V J&P - AND J&P - AVAX GERMASOGEIA, Cyprus	75,00%

C.2. Property, Plant & Equipment, Investment Property (I.A.S. 16/40)

Group management selected the **basic method of valuation of operating fixed assets** inclusive of operating property, **according to IAS 16 (at acquisition cost, reduced by accumulated depreciation and accumulated impairment charges)**, following the initial entry of tangible fixed assets on transition date to I.A.S. (01/01/2004).

Regarding **investment property**, management chose the **alternative method of valuation at acquisition cost (reduced by accumulated depreciation and accumulated impairment charges) according to IAS 16,** following the initial entry of tangible fixed assets on transition date to I.A.S. (01/01/2004).

Valuation of plant, property and equipment at the transition date to IFRS is making use of one exemption clause, out of a total of six alternative exemptions for companies to choose from. In other words, for property valuation purposes on transition date to IFRS (01/01/2004), Group management set its deemed cost equal to its acquisition cost, plus any revaluations provided for by Law 2065/92 and deducting depreciation charges provided for by Law 2190/20.
Property (land and buildings) were revalued in compliance with Law 2065/92.
This valuation method was selected because the deemed cost arising from the methodology of the Former Generally Accepted Accounting Policy is broadly comparable to the fair value of the fixed asset base, on transition day.

While applying I.A.S. 36 (on Impairment of Assets), on each reference date Group management effectively estimates whether its asset base shows signs of impairment, comparing the residual value for each asset against its book value.

Subsequent expenditure on fixed assets already appearing on the Company's books are added to that asset's book value only if they increase its future economic benefits. All expenditure (maintenance, survey etc.) for assets not increasing their future economic benefits are realised as expenses in the financial period incurred.

Expenditures incurred for a major repair or survey of a fixed asset are realised as expenses in the financial period in which they are incurred, except when increasing the future economic benefits of the fixed asset, in which case they are added to the book value of the asset.

Depreciation of tangible fixed assets (excluding land which is not depreciated) is calculated on a straight-line basis according to their useful lives. The main depreciation rates are as follows:

Operating Property (buildings)	3%
Investment Property	3%
Machinery	5.3% - 20%
Vehicles	7.5% - 20%
Other equipment	15% - 20%

Residual values and useful lives of tangible fixed assets are subject to revision on balance sheet date. When the book value of fixed tangibles exceeds their recoverable value, the difference (impairment loss) is directly charged as an expense item in the Income Statement.

When disposing of tangible fixed assets, the difference between the revenue from the sale and the book value of the assets is realised as profit or loss in the Income Statement.

Own-produced fixed tangibles constitute an addition to the acquisition cost of the assets in the form of direct cost of personnel participating in their production (including related employer's social security contributions), cost of materials and other general expenses.

C.3. Intangible Assets (I.A.S. 38)

These expenses should be amortised during the financial period in which they are incurred. Only expenses meeting the criteria of I.A.S. 38.18 are capitalized, such as expenses for computer software and licences. Long-term expenses not meeting the criteria of I.A.S. 38.18 are written off in applying IFRS. Intangible assets include software licences.

C.4. Impairment of Assets (I.A.S. 36)

Assets with an infinite useful life are not depreciated and are subject to annual review for impairment, whenever events take place showing their book value is not recoverable. Assets being depreciated are subject to review of their value impairment when there are indications that their book value shall not be recovered.
Net Selling Price (NSP) is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. At each balance sheet date, management assess whether there is an indication of impairment as required by I.A.S. 36, requiring that the book value of assets does not exceed their recoverable amount. Recoverable amount is the highest between Net Selling Price and Value in Use.

This evaluation also takes into account all available information, either from internal or external sources. Impairment review is applied on all assets except for inventories, construction contracts, deferred tax receivables, financial assets falling under I.A.S. 39, investment property and non-current assets classified as being held for disposal.

Impairment losses are charged in the Income Statement.

C.5. Inventories (I.A.S. 2)

On Balance Sheet date, inventories are valued at the lowest between cost and Net Realisable Value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Inventory cost does not include financial expenses.

C.6. Financial Instruments (I.A.S. 32/39)

A financial instrument is defined as any contract giving rise to both a financial asset in a company's balance sheet and a financial liability or equity instrument in another company's balance sheet.
The Group's financial instruments are classified according to the nature of each contract and the purpose of its acquisition.

Financial instruments valued at their fair value through the Income Statement.
Those financial instruments meet any of the following criteria:

- **Designated.** The first includes any financial instrument that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- **Held for trading.** The second category includes financial instruments that are held for trading. All derivatives (except those designated hedging instruments) and financial instruments acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking are held for trading.

This investment class includes short-term positions in low-risk, high-liquidity mutual funds (mostly money market funds)

C.7. Cash and Cash Equivalent (I.A.S. 32/39)

Cash & cash equivalent include cash held at bank accounts or at the company's safe, along with high liquidity short-term investments, such as money-market instruments and bank deposits. Money market products are financial assets valued at fair value via the Income Statement.

C.8. Provisions (I.A.S. 37)

Provisions are recognized when the Group faces legal or substantiated liabilities resulting from past events, their settlement may result in an outflow of resources and the amount of the liability can be reliably estimated. Provisions are reviewed on Balance Sheet date and adjusted to reflect the present value of the expense estimated for settling the liability. Contingent liabilities are not recognized in the financial statements but nevertheless are disclosed in the accompanying notes, except when the probability of an outflow of resources is minimal. Contingent assets are not recognized in the financial statements, but are disclosed in the notes, provided an inflow of economic benefits is probable.

C. 9. Government Grants (I.A.S. 20)

The Group recognizes government grants (subsidies) only when there is reasonable assurance that:

a) the enterprise will comply with any conditions attached to the grants,
b) the grant is likely to be received.

Subsidies are entered in the company's books at their fair value and recognized on a consistent basis as revenue, in accordance with the principle of matching the receipts of subsidies with the related expenses.

Subsidies on assets are included in long-term liabilities as deferred income and recognized on a consistent basis as revenues over the expected useful life of the assets.

C.10. The effects of changes in Foreign Exchange Rates (I.A.S. 21)

The financial statements of all Group companies are prepared using the currency of the economic area which the Group mainly operates in (operating currency). Consolidated financial reports are denominated in euros, the operating and presentation currency of the parent Company and its subsidiaries.
Transactions in foreign currency are converted in the operating currency according to the going foreign exchange rates on the date on which transactions take place.

Profit and losses from foreign exchange differences arising from settlement of transactions in foreign currency during the financial reporting period and the conversion of monetary items denominated in foreign currency according to the going exchange rates on balance sheet date are recognised in the Income Statement. Foreign exchange adjustments for non-monetary items valued at fair value are considered part of the fair value and are therefore treated as differences in fair value.

C.11. Equity Capital (I.A.S. 33)

Expenses incurred due to the issue of new shares appear below the deduction of related income tax, reducing the net proceeds from the issue. Expenses incurred due to the issue of new shares to finance the acquisition of another company are included in the target company's total acquisition cost.

C.12. Dividends (I.A.S. 18)

Payments of dividends to parent company shareholders are recognized as a liability in the consolidated financial statements on the date on which the General Assembly of the Shareholders grants its approval on the distribution of the dividend.

C.13. Income Taxes & Deferred Tax (I.A.S. 12)

Income tax expenses appearing in the Income Statement include both tax for the period and deferred tax, which correspond to tax charges or tax returns arising from benefits realized within the reporting period in question but booked by the tax authorities in earlier or later reporting periods. Income tax is recognized in the Income Statement for the reporting period, except for tax relating to transactions directly charged against shareholders' funds; in that case, income tax is similarly charged directly against shareholders' funds.

Current income tax includes short-term liabilities and/or receivables from the tax authorities related to payable tax on the taxable income of the reporting period, as well as any additional income tax from earlier reporting periods.

Current tax is calculated according to the tax rates and fiscal legislation applied on each reporting period involved, based on the taxable income for the year. All changes in short-term tax items listed on either side of the balance sheet are recognized as part of the tax expense in the Income Statement.

Deferred income tax is calculated by means of the liability arising from the temporary difference between book value and the tax base of asset and liabilities. No deferred income tax is entered when arising from the initial recognition of assets or liabilities in a transaction, excluding corporate mergers, which did not affect the reported or taxable profit / loss at that time.

Deferred tax income and liabilities are valued according to the tax rates expected to apply in the reporting period in which the receipt or payment will be settled, taking into account the tax rates (and fiscal laws) introduced or in effect until the reporting date. The tax rate in effect on the day following the reporting date is used whenever the timing of reversal of temporary differences cannot be accurately determined.

Deferred tax receivables are recognized to the extent in which taxable profits will arise in the future while making use of the temporary difference which gives rise to the deferred tax receivable.

Deferred income tax is recognized for the temporary differences arising from investments in subsidiaries and affiliates, excluding those cases where de-recognition of temporary differences is controlled by the Group and temporary differences are not expected to be derecognized in the foreseeable future.

Most changes in deferred tax receivables or liabilities are recognised as tax expenses in the Income Statement. Only changes in assets or liabilities affecting temporary differences (e.g. asset revaluations) which are recognized directly against the Group's shareholders' funds do result in changes in deferred tax receivables or liabilities being charged against the relevant revaluation reserve.

C.14. Personnel Benefits (I.A.S. 19/26)

Short-term benefits:
Short-term benefits to personnel (excluding termination benefits) in money and in kind are recognized as an expense when deemed payable. Portions of the benefit yet unpaid are classified as a liability, whereas if the amount already paid exceeds the benefit then the company recognizes the excess amount as an asset (prepaid expenses) only to the extent to which the prepayment will result in a reduction in future payments or to a fund return.

Retirement benefits:
Benefits at retirement from service include a defined contribution plan as well as a defined benefit plan.

Defined Contribution Plan:
According to the plan, the company's legal liability is limited to the amount agreed for contribution to the institution (social security fund) managing employer contributions and handing out benefits (pensions, medical plans etc).
The accrued cost of defined contribution plans is classified as an expense in the corresponding financial reporting period.

Defined Benefit Plan:
The Company has legal liability for personnel benefits due to lay-offs ahead of retirement date or benefits upon retirement from service, in accordance with pertinent legislation.
The Projected Unit Credit Method is used to calculate the present value of defined benefit obligations, the related current cost of services and the cost of services rendered which is the accrued services method, according to which benefits are paid at the financial periods in which the retirement benefit liability is founded. Liabilities arise while employees provide services qualifying for retirement benefits.

The Projected Unit Credit Method therefore requires that benefits are paid in both the current reporting period (to calculate the current cost of services) and in the current and past reporting periods (to calculate the present value of defined benefit obligations).
Despite the fact that remaining in service with the Company is a prerequisite for receiving benefits (ie benefits cannot be taken for granted by employees), liabilities are calculated using actuarial methods as follows:

Demographic Assumptions: Personnel Turnover (Staff Resignations / Staff Lay-offs), and

Financial Assumptions: discount rate, future salary levels (calculated using government bond yield of equal maturities) and estimated future changes in state benefits affecting payable benefits.

C.15. Revenue Recognition (I.A.S. 18)

Revenues include the fair value of works, sales of goods and services, net of VAT, discounts and returns. IntraGroup revenues are completely eliminated. Recognition of revenues is done as follows:

Construction Contracts:
Revenues from projects towards signed contracts are entered in the reporting period in which the works were carried out, based on their stage of completion

Sale of Goods:
Sale of goods are recognized when the Group makes actual delivery of the goods to their buyers who in turn formally accept them, rendering their price secure for receipt.

Provision of services:
Revenues from provision of services are entered in the reporting period in which the services were rendered, according to the stage of completion of the services.

C.16. Leases (I.A.S. 17)

Financial leases are all leases on fixed assets which transfer onto the Group all risks and benefits in relation to those assets' ownership, irrespective of the eventual transfer of ownership of the assets.
These leases are capitalized at the start of the lease using the lowest price between the fair value of the fixed asset and the present value of the minimum lease. All leases comprise a liability and a financial expense, securing a fixed interest rate for the balance of the financial liability. Liabilities arising from leases, net of financial expenses, are entered as liabilities in the balance sheet. The portion of financial expenses arising from financial leases is recognized in the Income Statement throughout the term of the lease. Fixed assets acquired via financial leases are depreciated over the lowest term between their useful life and their lease term.

Lease agreements in which the lessee transfers the right of usage of an asset for a fixed time period but not the risks and rewards of the asset's ownership, are classified as operating leases. Payments for operating leases (net of any discounts offered by the lessor) are recognized in the Income Statement proportionately over the term of the lease.

Fixed assets leased as lessor through operating leases are included as tangible assets in the balance sheet and depreciated over their expected useful lives using the same procedure as other fully-owned tangibles. Proceeds from leases (net of any discounts offered to the lessee) are recognized on a straight-line basis over the lease term. The Group does not lease fixed assets using the financial lease method.

C.17. Construction Contracts (I.A.S. 11)

Construction contracts refer to the construction of assets or a group of related assets on behalf of clients according to terms laid out in relevant contract agreements, their construction usually spanning more than one reporting period.

Expenses arising from the contract are recognized at the time they are incurred.

If the profitability of a construction contract cannot be reliably estimated, and especially when the project is at an early stage of completion, revenues are recognized to the extent that construction costs may be recovered, and construction costs must be recognized in the income statement of the reporting period in which they came about. Therefore, the level of revenues recognized from those construction contracts must be set accordingly to yield zero profitability for the project.

If the profitability of a construction contract may be reliably estimated, revenues and expenses arising from that contract are recognized during the term of the contract as revenue and expense, respectively. The Group uses the percentage of completion method to set the revenue and expense to be recognized over each reporting period. The stage of completion is calculated on the basis of the construction cost realized until reporting date in relation to the total estimated cost of each project.

If total costs from a construction contract are likely to exceed the relevant total revenues, the expected loss is recognised immediately in the income statement as an expense item.

In calculating the cost realised during a reporting period, expenses linked to future works arising from a construction contract are excluded and entered in the accounts as work-in-progress. Total realised costs and profit / loss recognised on each contract are compared to the invoiced works till the end of the reporting period.

If realised expenses, plus net realised profit and less any realised losses, exceed the invoiced works then the difference is entered as a receivable from clients (Construction Contracts). If invoiced works exceed realised expenses, plus net realised profits and less realised losses, the balance is entered as a liability to contract clients.

Contract Grouping:
The initial contract for a project, along with any additional works and extensions to the contract, are treated as a single project because new contracts for additions and extensions pertain to works on the same project and their value is related to the value of the initial contract.
A group of projects is treated as a single project if their negotiation is done jointly or the relevant contracts are linked with each other and constitute parts of a broader project with a total profit margin, or each contract is carried out simultaneously or in a certain order.

Project Revenues: Revenues from projects include the following:
- Initial contract value, plus any revisions of the initial contract, extensions and additions
- Claims
- Incentive payments, e.g. for early delivery

Claims and incentive payments are taken into account to the extent that they may be realised with a strong likelihood and be accurately defined and calculated.

Project Cost: The cost of projects includes the following:

- Costs directly related to a project
- Costs attributed to a particular project and can be allocated to the same project
- Other costs billed to a specific client, according to the terms of the contract

The second case includes all general construction expenses. Those expenses are regularly allocated using reasonable and consistent methodologies and allocation practices, across all similar expense items.

General Construction Expenses include costs such as clerical work on staff payroll, and financial expenses related to the projects.
Expenses not allocated or classified to a specific project include sale expenses, R&D expenses, general administrative expenses and depreciation of idle equipment, which are not employed in that project.

C.18. Debt and receivables (I.A.S. 23)

Debt and receivables include non-derivative financial assets with fixed or otherwise predefined payments, which are not traded on active markets. They exclude

a) receivables from prepayments on goods or services,
b) receivables related to legislation-induced transactions in taxes,
c) any other items not provided for by contracts offering the Company the right to receive payment of cash or other financial assets.

Debt and receivables are included in current assets, with the exception of those expiring over 12 months after reporting date which are entered as non-current assets.
On every Balance Sheet date, the Group evaluates the existence of objective indications of impairment of its financial assets.
Dent and receivables are recognized at their non-depreciated cost using the real interest rate method. Losses are directly and fully charged against the reporting period's income statement.
Each receivable item of substantial value is evaluated individually for impairment, whereas lower-valued items may be jointly evaluated. When jointly evaluated, lower-valued receivables should be grouped according to their credit risk rating (i.e. the items should be classified according to their risk profile).

Should the value impairment loss be eliminated according to some objective indications in subsequent reporting periods, it should be derecognized and immediately charged in the income statement. The value of derecognition should not result in a non-depreciated cost which is in excess of the value of the receivable at the date of derecognition, provided there was no impairment loss.

C.19. Borrowing Cost (I.A.S. 23)

Borrowing cost refers to interest charged on debt, as well as other expenses incurred by the company in securing that debt.

Included in borrowing costs are:
- Interest expenses on short-term and long-term bank loans, as well as overdraft interest charges
- Amortisation of par discount arising from bond loan issues
- Amortisation of additional expenses incurred in securing a loan
- Financial expenses from financial leases, as defined in I.A.S. 17
- Foreign exchange adjustments, to the extent that they constitute a financial expense

Borrowing costs are treated according to the basic method of charging any relevant expenses into the income statement of the reporting period in which they are incurred. This method is employed in all forms of debt.

C.20. Segment reporting (I.A.S. 14)

Business segments are groups of asset items and activities producing products and services which are subject to different risks and returns of the assets and activities of other business segments. Geographic segments are the areas in which the offered products and services differ to those offered in other areas in terms of the risks and return they are subject to.

Every contract being filled by the Group is unique in terms of technical specifications, differentiating it to a small or large extent from other contracts. The projects carried out by the company mainly differ from each other in terms of the intended use by the end-client, nevertheless without differentiating themselves in terms of business risk and return. Moreover, during the first nine months of 2005 as well as the comparable year-earlier period, the largest part (>90%) of total projects carried out by the Group were located in Greece. To that extent, the Group does not provide segment report in this financial statement because it does not operate in different business segments or geographic areas.

C.21. Related Party Disclosures (I.A.S. 24)

Related party disclosures are governed by I.A.S. 24 and refer to transactions between a company reporting its financial statements and other related parties. Its application is compulsory for reporting periods starting after 1/1/2005. The main issue is the economic substance of transactions, as opposed to their legal form.

A company is considered a related party to a reporting company if:

a) It is directly or indirectly via intermediaries in control, or controlled by or under joint control of the reporting company
b) It controls an equity stake in the reporting company which grants substantial control, or joint control of the reporting company
c) It is an associate, as defined in IAS 28
d) It is a joint venture, as defined in IAS 31
e) It is a key member of the top management team (Board of Directors) of the reporting company or its parent firm
f) It is closely related family-wise to any person matching the first and fourth case noted above
g) It is a company controlled (or under joint control or under substantial influence) by a person matching the fourth and fifth case noted above
h) It is has an employee defined benefit plan in place, where those eligible for receiving the benefits are either the reporting company or the employees of the reporting company

Related party transaction is any transfer of resources, services or liabilities between related parties, irrespective of the payment of a price in return.

D. RISK MANAGEMENT

The operation of the J&P-AVAX Group of companies and the broader business environment present a number of risks which need be dealt with by the Company's management, weighing with realism the relevant cost against the likely impact of those risks.

D.1 Financial Risk

The Group's operations require working capital and bank letters to guarantee our participation in tenders for projects and subsequently our performance on those projects. The interest rate levied on the Company's bank debt is largely dependent on the European Central Bank's interest rate policy, while the fees charged towards the issue of letters of guarantee are generally considered to be low due to the volume of the business, the Company's excellent creditworthiness and the intense competition within the banking sector.

The Company's Finance Department works closely with local and international financial institutions to plan our debt requirements and the volume of letters of guarantee needed to support ongoing as well as tendered projects with the lowest possible financial burden.

D.2 Foreign Exchange Risk

The Group faces limited foreign exchange risk. Projects from foreign markets in absolute terms are consistently on the rise, nevertheless do not present substantial foreign exchange risk because they still represent a small proportion of total revenues.

D.3 Input Risk

Several of the raw materials used by the Group are internationally-priced commodities, such as cement, metal grids and fuel. Price volatility in those input materials is trimmed to some extent as a result of particularities in their supply in Greece, while the Group also makes extensive use of B2B services of its 37.5%-controlled E-Construction SA to reduce the cost of raw materials through online auctions among interested suppliers.

D.4 Liquidity Risk

The likelihood of failure to meet its obligations against its clients presents a risk to the Group to the extent that it can exert pressure on the Financial Division's planning for cash liquidity.

Despite the substantial diversification of projects to a large number of clients, both in Greece and abroad, the Group's revenues largely source from the Greek State, other public-sector entities and international state organizations which enjoy financial backing by the European Union. In this light, the risk of failing to collect receivables arising from signed contracts is considered very low, despite occasional delays in receiving payments from even the most reliable clients, such as the Greek State.

NOTES TO THE ACCOUNTS

1. Turnover

	Group				Company			
	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005
Turnover	153.154.241	76.091.957	210.701.303	103.201.628	75.028.086	41.839.843	69.746.368	30.670.213
Sale of products	3.509.371	1.059.885	1.503.849	1.181.647	79.555	22.777	6.972	(315.230)
Sale of services	1.395.282	723.299	1.079.052	(619.036)	962.918	578.676	898.698	193.332
	158.058.894	**77.875.141**	**213.284.204**	**103.764.239**	**76.070.559**	**42.441.296**	**70.652.038**	**30.548.315**

2. Income/(Losses) from Associates/Participations

	Group				Company			
	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005
Dividends from subsidiaries	-	-	-	-	9.327.361	1.611.200	21.726.767	21.726.767
Dividends from associates	12.590	12.590	-	-	287.043	287.043	(1.620.242)	(1.620.242)
Dividends from participating companies	-	-	123.277	123.277	51.569	(200.352)	123.277	123.277
Profit/(loss) from associates	13.253.559	9.332.779	2.630.935	1.706	-	-	-	-
Profit/(loss) from participating companies	-	-	(173.523)	(173.523)	-	-	-	-
	13.266.150	**9.345.370**	**2.580.688**	**(48.541)**	**9.665.973**	**1.697.891**	**20.229.802**	**20.229.802**

3. Net finance cost

	Group				Company			
	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005
Income from securities	-	-	130.731	130.731	-	-	-	-
Interest income	232.301	130.694	328.491	163.594	24.878	24.677	-	-
Interest expense	(3.294.653)	(2.029.301)	(2.836.367)	(1.552.697)	(2.006.091)	(1.177.098)	(1.465.467)	(781.220)
	(3.062.352)	**(1.898.607)**	**(2.377.146)**	**(1.258.373)**	**(1.981.213)**	**(1.152.421)**	**(1.465.467)**	**(781.220)**

4.Tax

	Group				Company			
	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005	1.1-30.06.2006	1.4-30.06.2006	1.1-30.06.2005	1.4-30.06.2005
Income tax	(2.525.147)	(1.252.179)	(5.613.838)	(1.886.637)	(653.690)	(537.998)	(604.762)	(533.967)
	(2.525.147)	**(1.252.179)**	**(5.613.838)**	**(1.886.637)**	**(653.690)**	**(537.998)**	**(604.762)**	**(533.967)**

5. Property, Plant and Equipment

GROUP

Cost	**Land**	**Buildings**	**Machinery & Equipment**	**Vehicles**	**Furniture & Fittings**	**Assets under construction**	**Total Tangible Assets**
Balance 31.12.2005	11.882.337	26.781.052	42.628.986	5.753.660	2.657.597	175.348	89.878.981
Acquisitions during the 1.1-30.06.2006 period	2.689.639	2.178.939	1.057.469	878.516	764.433	154.964	7.723.960
Disposals during the 1.1-30.06.2006 period	98.410	714.543	1.907.646	219.534	52.588	23.404	3.016.125
Balance 30.06.2006	**14.473.565**	**28.245.447**	**41.778.809**	**6.412.642**	**3.369.442**	**306.909**	**94.586.815**

Accumulated Depreciation							
Balance 31.12.2005	-	536.451	14.220.710	3.067.570	1.369.653	1.461	19.195.845
Depreciation charge for the 1.1-30.06.2006 period		458.078	3.104.586	718.056	304.461		4.585.180
Disposals during the 1.1-30.06.2006 period		365.580	132.885	57.944	10.948		567.357
Balance 30.06.2006	**-**	**628.949**	**17.192.411**	**3.727.682**	**1.663.166**	**1.461**	**23.213.668**

Net Book Value							
Balance 30.06.2006	**14.473.565**	**27.616.499**	**24.586.398**	**2.684.960**	**1.706.277**	**305.448**	**71.373.147**
Balance 31.12.2005	11.882.337	26.244.601	28.408.276	2.686.090	1.287.944	173.887	70.683.136

COMPANY

Cost	Land	Buildings	Machinery & Equipment	Vehicles	Furniture & Fittings	Assets under construction	Total Tangible Assets
Balance 31.12.2005	7.814.124	23.428.029	24.315.619	4.674.984	1.880.520	8.272	62.121.548
Acquisitions during the 1.1-30.06.2006 period	33.090	1.989.214	899.447	690.942	636.692	62.079	4.311.464
Disposals during the 1.1-30.06.2006 period		708.205	308.336	133.512	10.948		1.161.001
Balance 30.06.2006	**7.847.214**	**24.709.038**	**24.906.730**	**5.232.414**	**2.506.264**	**70.351**	**65.272.011**
Accumulated Depreciation							
Balance 31.12.2005	-	141.496	8.319.983	2.635.154	1.022.507	-	12.119.140
Depreciation charge for the 1.1-30.06.2006 period		369.112	1.912.904	564.642	245.993		3.092.651
Disposals during the 1.1-30.06.2006 period		365.580	24.319	26.926	10.948		427.773
Balance 30.06.2006	**-**	**145.028**	**10.208.568**	**3.172.870**	**1.257.552**	**-**	**14.784.018**
Net Book Value							
Balance 30.06.2006	**7.847.214**	**24.564.010**	**14.698.162**	**2.059.544**	**1.248.712**	**70.351**	**50.487.993**
Balance 31.12.2005	7.814.124	23.286.533	15.995.636	2.039.830	858.013	8.272	50.002.408

6. Investment Property

	GROUP			COMPANY		
	Land	Buildings	Total	Land	Buildings	Total
Cost						
Balance 31.12.2005	3.465.017	3.418.206	6.883.223	484.543	3.253.256	3.737.799
Acquisitions during the 1.1-30.06.2006 period		22.649	22.649			-
Disposals during the 1.1-30.06.2006 period	205.188	3.166.144	3.371.332	205.188	3.166.144	3.371.332
Balance 30.06.2006	**3.259.829**	**274.712**	**3.534.541**	**279.355**	**87.112**	**366.467**
Accumulated Depreciation						
Balance 31.12.2005	-	286.338	286.338	-	269.709	269.709
Depreciation charge for the 1.1-30.06.2006 period	-	58.129	58.129	-	53.971	53.971
Disposals during the 1.1-30.06.2006 period		305.355	305.355		305.355	305.355
Balance 30.06.2006	**-**	**39.112**	**39.112**	**-**	**18.325**	**18.325**
Net Book Value						
Balance 30.06.2006	**3.259.829**	**235.600**	**3.495.429**	**279.355**	**68.787**	**348.142**
Balance 31.12.2005	3.465.017	3.131.868	6.596.885	484.543	2.983.547	3.468.090

7.Goodwill

	GROUP
	30.06.2006
Balance 31.12.2005	632.170
Movement for the period	-
Balance 30.06.2006	**632.170**

Goodwill recognised during Fiscal year 2005 pertains to the Acquisition of 95% of S.C. Concurent Real Investment SRL in Romania. The Aqcuisition was carried out in late December by J&P - AVAX 's 100% subsidiary J&P-AVAX-Istria Developments SRL, also based in Romania. No impairment test was made for the value of goodwill because the company was acquired in late December 2005

8. Intangible Assets

GROUP

Cost	Software
Balance 31.12.2005	839.594
Acquisitions during the 1.1-30.06.2006 period	44.200
Balance 30.06.2006	**883.795**

Accumulated Depreciation	
Balance 31.12.2005	673.410
Amortisation charge for the 1.1-30.06.2006 period	56.067
Balance 30.06.2006	**729.477**

Net Book Value	
Balance 30.06.2006	**154.318**
Balance 31.12.2005	166.184

COMPANY

Cost	Software
Balance 31.12.2005	813.437
Acquisitions during the 1.1-30.06.2006 period	41.710
Balance 30.06.2006	**855.147**

Accumulated Depreciation	
Balance 31.12.2005	656.907
Amortisation charge for the 1.1-30.06.2006 period	52.754
Balance 30.06.2006	**709.661**

Net Book Value	
Balance 30.06.2006	**145.486**
Balance 31.12.2005	156.530

9. Investments in Subsidiaries/Associates and other companies

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Investments in subsidiaries	-	-	63.101.637	62.712.087
Investments in associates	77.242.752	63.180.596	47.214.704	46.518.480
Other participating companies	8.627.372	9.214.366	8.331.245	8.916.719
	85.870.124	**72.394.962**	**118.647.586**	**118.147.286**

10. Available for sale Investments

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Investments in associates	534.000	588.000	-	-
	534.000	**588.000**	**-**	**-**

11. Other non-current assets

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Other non-current assets	**393.594**	**545.664**	**271.461**	**447.913**

12. Deferred tax assets

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Deferred tax assets	3.950.339	4.408.850	3.187.302	3.521.586
	3.950.339	**4.408.850**	**3.187.302**	**3.521.586**

Analysis of Deferred tax assets

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Derecognition of start-up and other long-term expenses	198.288	91.843	198.143	91.538
Operating fixed assets (Machinery and Vehicles)	-	35.060	-	33.057
Derecognition of receivables and investments in	2.691.580	3.122.232	2.001.321	2.321.531
Provision for employee termination compensation	620.268	719.512	547.635	635.256
Taxable Losses not used	440.203	440.203	440.203	440.203
	3.950.339	**4.408.850**	**3.187.302**	**3.521.586**

Changes in "Deferred Income Tax Assets" account

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Balance 31.12.2005	4.408.850	4.605.740	3.521.586	3.567.894
Adjustment, in accordance with IAS				
Direct credit (debit) in Reserves	-	-	-	-
Credit (debit) in Income Statement				
Plus: Deductible temporary adjustments	106.606	-	106.606	-
Less: Decrease in Income Tax Rate	(529.898)	(424.032)	(407.834)	(326.778)
Less: Taxable temporary differences	(35.219)	(213.061)	(33.056)	(159.733)
Taxable Losses not used	-	440.203	-	440.203
Balance 30.06.2006	**3.950.339**	**4.408.850**	**3.187.302**	**3.521.586**

13. Inventories

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Finished & semi-finished goods	3.085.142	5.795.767	-	-
Work in progress	8.208.446	17.529.647	-	-
Raw materials	675.799	2.297.649	8.511	499.109
Advances for purchase of inventory	1.719.760	1.130.441	573.722	402.594
	13.689.147	**26.753.504**	**582.233**	**901.703**

Work in Progress

	GROUP	
	30.06.2006	**31.12.2005**
Buildings for disposal after construction	7.278.982	6.245.271
Expenses incurred concerning future works (work in progress)	929.464	11.284.376
	8.208.446	**17.529.647**

14. Construction contracts

	GROUP 30.06.2006	GROUP 31.12.2005	COMPANY 30.06.2006	COMPANY 31.12.2005
Construction contracts	106.817.088	84.844.008	54.158.523	28.512.250
Accumulated expenses	1.671.044.924	1.539.847.305	632.857.851	568.077.171
plus: Recognised profit (cumulatively)	372.317.110	350.349.854	134.149.444	122.177.684
less: Recognised loss (cumulatively)	20.134.844	20.145.478	15.106.006	13.381.652
less: Invoices up to 30/06/06	1.916.410.102	1.785.207.673	697.742.766	648.360.953
	106.817.088	84.844.008	54.158.523	28.512.250
Turnover (reporting period revenues, see Note 1)				
Contracts expenses recognised in the reporting period	131.197.619	305.423.684	64.780.680	125.983.031
plus: Recognised profit for the reporting period	21.956.622	45.335.356	10.247.406	26.606.349
Revenues from construction contracts recognised during the reporting period	153.154.241	350.759.040	75.028.086	152.589.380
Total advances received	41.278.251	27.885.948	14.690.077	5.276.567
Performance Retentions from Clients				
Receivable within 12 months	8.571.144	8.963.816	7.180.088	8.963.816
Receivable beyond 12 months	8.542.138	9.912.711	4.953.976	4.953.976
	17.113.282	18.876.527	12.134.064	13.917.792

Revenues and expenses relating to each construction contract are recognised in the income statement, depending on the percentage of completion on reporting date. Expenses which have incurred but the relative construction work has not yet been invoiced to clients are recognised in the income statement, along with the proportional profit or loss provided for in the contract. According to GR GAAP, these expenses were recognised as work in progress, and their relative profit or loss was instead recognised in the reporting period in which the works were invoiced rather than carried out. Moreover, for any project with an estimated loss, that loss is recognised immediatelly in the income statement.

The Group uses the **Percentage of Completion Method**, whereby the percentage of completion is calculated using the following ratio: Realised Cost / Total Estimated Contract Cost

The Group uses an integrated Management Information System which produces the following information to draw consistent and reliable estimates of the percentage of completion of contracts:

1) Total Revised Contract Revenue

2) Contract Cost to complete the contract

According to the Budgetary Control System applied by the Group, revisions and re-evaluations are carried out on a semi-annual basis.

15. Trade and other receivables

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Trade Receivables	126.906.415	88.167.911	45.836.909	46.236.672
Receivables from subsidiaries	-	-	51.933.663	46.464.443
Receivables from associates	6.770.284	5.712.324	5.062.445	4.851.597
Other receivables	32.447.282	40.522.544	18.092.613	17.220.371
	166.123.981	**134.402.779**	**120.925.630**	**114.773.083**

Trade Receivables

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Receivables from projects	109.793.133	69.291.384	33.702.845	32.318.880
Receivables from performance retentions	17.113.282	18.876.527	12.134.064	13.917.792
	126.906.415	**88.167.911**	**45.836.909**	**46.236.672**

16. Cash and cash equivalent

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Cash in hand	1.483.687	749.831	364.474	40.461
Cash at bank	51.539.716	50.633.953	10.454.467	6.728.996
	53.023.403	**51.383.784**	**10.818.941**	**6.769.457**

17. Trade and other payables

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Trade payables	76.172.898	68.399.650	33.211.395	30.302.754
Advances from clients	41.278.251	27.885.948	14.690.077	5.276.567
Other current payables	41.889.445	44.206.493	32.623.446	25.050.458
	159.340.593	**140.492.091**	**80.524.918**	**60.629.779**

Other current payables

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Social security funds	706.515	1.768.314	131.180	1.137.372
Dividend payable	15.824.705	7.049.925	15.824.705	7.049.925
Payables to subsidiaries	-	-	4.436.058	7.904.566
Payables to Associates	3.940.300	3.058.302	3.177.907	2.604.885
Payables to other participating companies	6.221	15.711	-	-
Other payables	21.411.704	32.314.241	9.053.597	6.353.710
	41.889.445	**44.206.493**	**32.623.446**	**25.050.458**

18. Income tax and other tax liabilities

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Income tax payable	1.272.105	444.500	288.869	131.399
Other taxes payable	3.100.350	10.399.672	800.338	6.095.355
	4.372.455	**10.844.172**	**1.089.207**	**6.226.754**

19. Bank overdrafts and loans

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Loans	152.558.448	118.205.282	93.528.482	71.528.340
	152.558.448	**118.205.282**	**93.528.482**	**71.528.340**

20. Deferred income

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Diferred income (Subsidies)	234.151	339.379	100.346	158.978
Income for the period	(46.159)	(105.228)	(29.316)	(58.633)
	187.992	**234.151**	**71.030**	**100.345**

21. Deferred tax liabilities

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Deferred tax liabilities	1.448.466	1.653.611	517.557	579.041
	1.448.466	**1.653.611**	**517.557**	**579.041**

Analysis of Deferred income tax liabilities

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Tax exempt Reserves	1.308.626	1.518.005	385.898	447.641
Deffered Tax Liabilities	139.840	135.605	131.659	131.400
	1.448.466	**1.653.611**	**517.557**	**579.041**

Change in "Deferred Tax Liabilities" account

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Balance 31.12.2005	1.653.611	1.675.042	579.041	493.950
Adjustments, according to I.A.S.				
Direct debit (credit) in Shareholder	-	-	-	-
Debit (credit) in Income Statement	-	-	-	-
Decrease in Income Tax Rate	(209.381)	(157.035)	(61.744)	(46.307)
Taxable temporary differences	4.236	135.604	260	131.398
Balance 30.06.2006	**1.448.466**	**1.653.611**	**517.557**	**579.041**

22. Provisions for retirement benefits

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Provision at beginning of period	2.786.263	2.981.358	2.190.540	2.449.052
Expense recognised in the reporting period	9.837	108.926	-	-
Amount paid	-	(304.021)	-	(258.512)
Provision at end of period	**2.796.100**	**2.786.263**	**2.190.540**	**2.190.540**

Retirement benefits

Liabilities from retirement benefits for the Group and the Company are as follows:

	GROUP	COMPANY
	30.06.2006	30.06.2006
Retirement benefits	2.166.799	1.708.463
Termination benefits	629.301	482.077
Total	**2.796.100**	**2.190.540**

For employee benefit liability purposes, the Group and the Company recognise the present value of legally-induced obligations for termination or retirement of personnel from service. The liability is calculated with the use of an actuarial study.

The main actuarial assumptions made are the following:

Discount rate	ranging from 2.06% to 4.1%, which are the yield to maturity for Greek government bonds with maturities matching the relevant retirement years
Salary growth rate	2,50%
Probability of voluntary termination	0% to 25%, depending on retirement year
Probability of termination	0% to 25%, depending on retirement year
Probability of retirement at age of 65	100% to 50%, depending on retirement year

23. Other provisions and non-current liabilities

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Other provisions	**166.609**	**166.609**	**116.641**	**116.641**

24. Share capital

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Paid up share capital	40.260.000	40.260.000	40.260.000	40.260.000
Share premium account	115.403.624	115.403.624	115.403.624	115.403.624
	155.663.624	**155.663.624**	**155.663.624**	**155.663.624**

Paid up share capital consist of 73.200.000 shares with nominal value of 0.55 € per share

25. Revaluation reserves

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Revaluation of participations and securities	453.166	453.167	550.141	550.141
Revaluation of other assets	633	633	-	-
	453.799	**453.799**	**550.141**	**550.141**

26. Reserves

	GROUP		COMPANY	
	30.06.2006	**31.12.2005**	**30.06.2006**	**31.12.2005**
Statutory reserve	6.966.390,00	6.330.338	6.966.390	6.330.338
Special reserves	5.018.341,59	5.018.342	5.018.342	5.018.342
Extraordinary reserves	6.105.132,00	7.063.919	-	-
Tax-exempt reserves	7.762.678,60	7.051.978	6.749.782	6.749.782
	25.852.542	**25.464.577**	**18.734.514**	**18.098.462**

27. Memorandum accounts - Contingent liabilities

	GROUP	COMPANY
	30.06.2006	**30.06.2006**
Third-party assets	2.215.407	-
Letters of Guarantee	441.817.828	383.595.927
Other memorandum accounts	7.938.388	7.598.136
	451.971.623	**391.194.063**