



GROUP OF COMPANIES

**Interim Financial Statements
for the period from
January 1st up to June 30th 2006**

It is certified that the attached Interim Financial Statements, are those approved by the Board of Directors of "MICHANIKI S.A." at 26/08/2006 and have been published with their disclosure through the internet, at the website address www.michaniki.gr. It is noted that the published in the Press concise financial data and information, aim at providing to the reader certain general financial information but they do not provide the comprehensive view of the Company's and Group's financial position and results, in accordance with the International Accounting Standards. It is also noted that, for simplification purposes, the concise financial data published in the press have had certain item abridgements and reclassifications.

Prodromos Emfietzoglou
Chairman
MICHANIKI S.A.



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Balance Sheet

	THE GROUP		THE COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Non Current Assets				
Tangible Assets	66.191	66.076	39.232	38.132
Property Investments	34.222	43.255	0	0
Other Intangible Assets	21	11	10	5
Expenditures for exploration and evaluation of mineral resources	558	587	0	0
Investments in Subsidiaries	0	0	128.109	128.386
Investments in Affiliates	13	13	0	0
Investments in Joint Ventures/Consortiums	15.112	14.425	13.906	13.473
Financial assets valued at their fair value with changes in results	9	24	3	18
Less: Provisions for devaluations	41	(3)	(37.408)	(39.050)
Other Long-term Receivables	3.692	3.618	3.521	3.459
Deferred tax receivables	7.167	6.787	5.965	5.563
	127.027	134.794	153.339	149.986
Current assets				
Inventories	89.102	81.892	37.077	35.401
Commercial receivables	96.904	72.801	55.808	41.861
Receivables from Affiliated and other investment interest Companies	42.554	35.136	42.655	35.129
Other Receivables	5.025	3.828	2.160	3.256
Financial assets valued at their fair value with changes in results	56	545	51	540
Other Current item Assets	1.036	2.410	466	466
Prepayments	13.958	13.882	5.117	4.231
Cash and cash equivalent	33.656	38.192	7.869	19.774
	282.290	248.686	151.204	140.658
Total Assets	409.317	383.480	304.543	290.644
Shareholders Equity & Liabilities				
Equity Capital				
Share Capital	137.502	137.502	137.502	137.502
Share Premium	129.629	129.629	129.629	129.629
Own Shares	(724)	(3.745)	0	(3.136)
Financial means fair value differences	0	0	1.642	0
Foreign Exchange Differences	(1.099)	(882)	0	0
Statutory Legal Reserve	4.023	3.152	3.368	2.616
Other Reserves	21.813	34.518	15.177	20.386
Retained Earnings	(84.395)	(98.607)	(91.675)	(92.777)
Equity Attributable to Parent Company Shareholders	206.747	201.566	195.641	194.219
Minority Rights	18.627	20.964	0	0
Total Equity	225.374	222.529	195.641	194.219
LIABILITIES				
Long-term Liabilities				
Bank Loans	8.653	8.392	0	0
Provisions for employee retirement benefits and other long-term grants	1.918	1.919	887	866
Deferred tax liabilities	15.142	18.409	10.839	12.944
Other Long-term Liabilities	6.651	7.120	(0)	(0)
Other Provisions	1.810	3.507	1.606	3.303
Total Long-term Liabilities	34.173	39.347	13.332	17.113
Short-term Liabilities				
Bank Loans	40.494	36.892	24.001	22.000
Short-term part of other short-term liabilities	1.889	2.502	0	692
Comercial Liabilities (trade creditors etc)	43.692	39.546	20.789	22.975
Taxes and social security	5.568	4.320	3.380	2.815
Other liabilities	24.825	14.895	19.492	8.462
Advances	11.491	2.929	7.778	2.238
Liabilities to affiliated and other investment interest companies	21.812	20.520	20.129	20.129
Total Short-term Liabilities	149.771	121.604	95.570	79.312
Total Liabilities	183.943	160.951	108.902	96.425
Total Shareholders Equity and Liabilities	409.317	383.480	304.543	290.644

Possible differences in totals are due to number rounding

Period Profit & Loss Account

	THE GROUP				THE 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
Sales Turnover	77.165	39.269	60.519	36.246	29.920	16.417	45.624	28.218
Cost of Sales	(57.333)	(30.110)	(43.637)	(26.503)	(19.367)	(11.408)	(30.309)	(19.183)
Gross Profit	19.832	9.160	16.882	9.743	10.554	5.009	15.315	9.035
Other Operating Income	2.174	1.027	6.658	3.933	521	283	542	(110)
Selling Expenses	(1.650)	(760)	(653)	(348)	(19)	(9)	(20)	(8)
Administrative Expenses	(5.526)	(3.404)	(5.177)	(2.431)	(3.552)	(2.216)	(3.354)	(1.751)
Other Operating Expenses	(1.390)	(501)	(921)	(539)	(391)	(50)	(122)	(66)
Profit before Interest, Financial and Investment Results	13.441	5.521	16.789	10.358	7.111	3.018	12.362	7.100
Depreciation	3.102	1.563	3.318	1.700	1.510	768	1.673	836
Profit before Interest, Financial and Investment Results and depreciation	16.543	7.084	20.107	12.058	8.622	3.786	14.035	7.936
Financial Income	3.719	2.679	2.334	2.259	3.526	2.574	2.389	1.901
Financial Expenses	(1.768)	(799)	(9.237)	(5.294)	(1.706)	(937)	(10.166)	(5.302)
Other Financial Results	0	0	0	0	0	0	0	0
Share of profit from associate companies	686	94	7.096	300	433	53	6.702	103
Financial Result	2.638	1.974	194	(2.734)	2.253	1.690	(1.075)	(3.297)
Depreciation	(3.102)	(1.563)	(3.318)	(1.700)	(1.510)	(768)	(1.673)	(836)
Profit before Tax	16.079	7.495	16.983	7.624	9.365	4.708	11.287	3.803
Income Tax	(3.016)	(2.647)	(4.430)	(3.226)	(2.003)	(2.184)	(4.142)	(3.102)
Profit after tax	13.063	4.848	12.552	4.399	7.362	2.524	7.145	701
Attributable to:								
<i>Equity shareholders of the parent company</i>	12.839	4.743	12.471	4.414	7.362	2.524	7.145	701
<i>Minority Rights</i>	225	105	81	(15)	0	0	0	0
Profit after tax per share - basic (in €)	0,1382	0,0510	0,1342	0,0475	0,0792	0,0272	0,0769	0,0075

Possible differences in totals are due to number rounding

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

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	Minority Rights	Total
Remaining balance at January 1st 2005, according to the IFRS	137.502	129.629	21.599	(101.229)	187.500	21.454	208.954
<i>Change of Equity Capital for the period 01/01 - 30/6/2005</i>							
Distributed dividends	0	0	(11.149)	0	(11.149)	0	(11.149)
Reserve Change of Foreign Exchange Conversion	0	0	(38)	0	(38)	0	(38)
Minority rights from the change of the percentage participation to the share capital of a subsidiary company	0	0	0	0	0	(77)	(77)
Net income recorded directly to the net equity	0	0	4.784	(4.939)	(155)	302	147
Net Period Results 01/01-30/6/2005	0	0	0	12.552	12.552	0	12.552
Purchases (sales) of Own Shares	0	0	355	0	355	0	355
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	0	0	8	8
Total Period Change	0	0	(6.047)	7.613	1.566	233	1.799
Remaining Equity Capital Balance at 30/06/ 2005	137.502	129.629	15.552	(93.616)	189.066	21.687	210.753
Remaining balance at 1/1/ 2006, according to the IFRS	137.502	129.629	22.615	(98.607)	201.566	20.964	222.529
<i>Change of Equity Capital for the period 01/01 - 30/6/2006</i>							
Distributed dividends	0	0	(4.457)	(8.550)	(13.007)	0	(13.007)
Reserve Change of Foreign Exchange Conversion	0	0	(93)	17	(76)	(121)	(197)
Minority rights from the change of the percentage participation to the share capital of a subsidiary company	0	0	0	0	0	(2.325)	(2.325)
Net Period Results 01/01-30/6/2006	0	0	0	20.455	12.839	225	13.063
Purchases (sales) of Own Shares	0	0	3.136	0	3.136	(116)	3.020
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	2.290	2.290	0	2.290
Total Period Change	0	0	(1.414)	14.212	5.181	(2.337)	2.844
Remaining balance of Equity Capital at 30/6/ 2006	137.502	129.629	21.201	(84.395)	206.747	18.627	225.374

Possible differences in totals are due to number rounding.



From the subsidiary companies, "BALKAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A.", which based upon the IFRS application were subject to the ordinances of article 47 of the C.L. 2190/1920 at 31/12/2005, "BALKAN EXPORT S.A." and "ELVIX S.A." have already, through the A' Repetitive Extraordinary General Assembly dated 16.05.2006 and the Extraordinary General Assembly dated 30.06.2006, respectively, engaged in the taking of appropriate measures and have settled their equity capital, whereas "THOLOS S.A." through the decision of the Extraordinary General Assembly dated 28.06.2006 has engaged in the taking of appropriate measures and has settled its Equity Capital at 04.08.2006.



Statement of Changes in Equity of Parent Company

	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total
Remaining balance at 1/1/2005, according to the IFRS	137.502	129.629	0	28.777	(107.852)	188.055
<i>Change of Equity Capital for the period 01/01 - 30/6/2005</i>						
Distributed Dividends	0	0	0	(11.149)	0	(11.149)
Net Period Results 01/01-30/6/2005	0	0	0	0	7.145	7.145
Purchases (sales) of Own Shares	0	0	0	418	0	418
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	0	9	9
Total Period Change	0	0	0	(10.731)	7.154	(3.578)
Remaining Equity Capital Balance at 30/6/2005	137.502	129.629	0	18.045	(100.698)	184.478
Remaining balance at 1/1/2006, according to the IFRS	137.502	129.629	0	19.866	(92.777)	194.219
<i>Change of Equity Capital for the period 01/01 - 30/6/2006</i>						
Distributed Dividends	0	0	0	(4.457)	(8.550)	(13.007)
Net income recorded directly to the net equity	0	0	1.642	0	0	1.642
Net Period Results 01/01-30/6/2006	0	0	0	0	7.362	7.362
Purchases (sales) of Own Shares	0	0	0	3.136	0	3.136
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	0	2.290	2.290
Total Period Change	0	0	1.642	(1.321)	1.102	1.423
Remaining balance of Equity Capital at 30/6/2006	137.502	129.629	1.642	18.544	(91.675)	195.641

Possible differences in totals are due to number rounding

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

Cash flow statement (Indirect method)

The cash flow statement on a group and company basis is presented below:

	THE GROUP		THE COMPANY	
	1/1- 30/6/2006	1/1- 30/6/2005	1/1- 30/6/2006	1/1- 30/6/2005
Operating activities				
Profit before tax	16.079	16.983	9.365	11.287
Plus / less adjustments for:				
Depreciation / (depreciation of grants)*	3.069	3.261	1.477	1.640
Losses / (Profits) from asset sales	27	(66)	16	1
Provisions / (Revenues from unused provisions of previous year-ends)	163	(6.476)	186	(6.377)
Losses / (Profits) of fair value property investments	0	(5.227)	0	0
Results (income, expenses, profits and losses) from investment activity	(2.893)	(323)	(2.893)	(297)
Joint venture valuation with the net equity method	(686)	(6.702)	(433)	(6.702)
Credit interest and similar income	(164)	(51)	(59)	(3)
Debit interest and similar charges	2.119	711	1.127	349
<i>Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:</i>				
Decrease / (increase) of inventories	(7.185)	(4.949)	(1.676)	(1.400)
Decrease / (increase) of receivables	(9.792)	(13.028)	(11.403)	(10.594)
(Decrease) / increase of liabilities (except banks)	3.323	24.271	134	18.712
Less:				
Paid up Debit interest and similar charges	(2.107)	(639)	(1.127)	(349)
Paid up taxes	(5.812)	(6.057)	(4.247)	(4.690)
Total inflows / (outflows) from operating activities (a)	(3.857)	1.707	(9.533)	1.577
Investment activities				
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	716	(1.837)	716	(3.527)
Purchases of tangible and intangible assets	(4.253)	(547)	(3.550)	(502)
Collections from sales of tangible and intangible assets	86	441	60	20
Acquirement from property investments	0	(330)	0	0
Loans provided to affiliated parties	(7.425)	(2.501)	(7.425)	(2.951)
Interest received	141	64	15	1
Settlement of Derivative Financial Items	1.222	(577)	1.222	(578)
Dividends collected	0	147	0	147
Total inflows / (outflows) from investment activities (b)	(9.512)	(5.140)	(8.962)	(7.390)
Financial Activities				
Collections from issued / undertaken loans	15.969	6.443	5.001	0
Sales / (Purchases) of own shares	5.426	287	5.426	426
Loan settlements	(11.505)	(6.914)	(3.000)	0
Liability settlements from financial leases (amortization)	(912)	(1.369)	(692)	(993)
Paid dividends	(146)	(114)	(146)	(114)
Total inflows / (outflows) from financial activities (c)	8.833	(1.667)	6.589	(681)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + ©	(4.536)	(5.100)	(11.905)	(6.494)
Cash and cash equivalents at the beginning of the period	38.192	31.965	19.774	21.814
Cash and cash equivalents at the end of the period	33.656	26.864	7.869	15.320
*Depreciation	3.102	3.318	1.510	1.673
*(Depreciation of grants)	(33)	(57)	(33)	(33)
*Depreciation / (Depreciation of grants)	3.069	3.261	1.477	1.640

Possible differences in totals are due to number rounding

The negative operating flows of the parent company, amounting to € 9.533 thousand are caused mainly due to the increase of trade receivables and participations in joint ventures/consortiums, paid up taxes and other liabilities in addition to the increase in inventories resulting from the construction of luxurious apartments for sale. On a group basis the negative operating flows, amounting to € 3.857 thousand are



caused due, apart from the pre-mentioned information, to the cash outflow from a subsidiary company for the construction of pipes that will be delivered in the U.S. and the Greek State. The total cost of the new orders will amount to approximately € 16.000 thousand and already they have begun bringing about cash income to the Group.



Certified Auditor Accountant Review Report

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

We reviewed the attached interim Financial Statements in addition to the interim Consolidated Financial Statements of Societe Anonyme "MICHANIKI S.A." of the six month period ended June 30th, 2006 (01/01/2006 – 30/06/2006). The responsibility regarding the formulation of these interim Financial Statements falls upon the Company's Management.

Our review was conducted according to the International Standard Review Engagements, in accordance to the Greek Accounting Standards. The evaluation preview of the data and information presented within the interim Financial Statements and the assurance of adequate clarifications upon the subjects we posed to the financial and accounting services of the Company, compose the main part of our project. The breadth of this project is essentially minor than the project performed upon the framework of the Audit Report formulation, where the objective is to form and stipulate a complete judgment regarding the Financial Statements. Consequently, the current Review Report does not constitute an Auditor Report.

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

a) No provisions have been made for potential tax liabilities regarding the un-audited, tax wise, fiscal year ends of the Joint Ventures/Consortiums, as relevantly mentioned in note 5.5 which is cited in the Interim Financial Statements Addendum, regarding the current tax position of the Company and the Group. The outcome of the Joint Venture/Consortiums tax audits can not be forecasted at this current stage and therefore no provision whatsoever has been made upon the Interim Financial Statements relevant to this matter.

b) From the subsidiary companies, "BALKAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A.", which based upon the IFRS application were subject to the ordinances of article 47 of the C.L. 2190/1920 at 31/12/2005, the first two have settled their Equity Capital up to June 30th 2006. For the company "THOLOS S.A." the prerequisites of the pre-mentioned article 47 of the C.L. 2190/1920 were in effect at June 30th 2006, but up to the date the current Review Report was submitted, the company had also settled its Equity Capital (August 4th 2006).

c) The comparative data of the previous respective period 01/01/-30/06/2005 differs from the already published ones, as mentioned analytically in the reformed paragraph 6.29 of the company's notes (Addendum) upon the Financial Statements of the period 01/01/2005-31/12/2005 and, for these modifications, our Audit Report was provided dated May 26th 2006.

Based upon the conduct of our Review, we confirm that no data has come to our attention that would require essential differentiations to the above mentioned interim Financial Statements, in order to assure their compliance with the International Accounting Standards, adapted by the European Union.

Amarousio, August 26th 2006

THE CERTIFIED AUDITOR ACCOUNTANT

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

1. Nature of Activities

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

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

I. Constructions,

II. Real Estate Development-Utilization,

III. Energy, and

IV. Industries

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

2. Financial statements form framework

The consolidated financial statements of MICHANIKI S.A. dated June 30th 2006 (January 1st, 2004 is the transition date) that cover the period from January 1st up to and June 30th 2006, have been prepared based upon the principle of the historical cost as amended through the readjustment of specific asset and liability data in current values, the principle of going concern and are in compliance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB), in addition to their interpretations, as issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of IASB.

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

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

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

It is noted that the comparative data of the previous period 1/1-30/6/2005 differ from the ones that the company had published for the period 1/1-30/6/2005. More information is mentioned in the company's notification dated 30/5/2006.

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

3. Basic Accounting Principles

3.1 New accounting standards and IFRIC interpretations

The International Accounting Standards Board (IASB) as well as the International Financial Reporting Interpretations Committee (IFRIC) has already published a series of new accounting standards and interpretations, which are not included in the "IFRS Stable Platform 2005". The IFRS and the IFRIC are mandatory for the accounting periods beginning January 1st, 2006, except the IFRS 7 which is applied for the periods beginning from 01/01/2007. The Group's assessment of the impact of these new standards and interpretations is presented below:

- IFRS 6, Exploration and Evaluation of Mineral Resources

The Group applied in total the ordinances of the above standard.

- IFRS 7, "Financial Instruments: disclosures"

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

- IFRIC 3, Emission Rights

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

- IFRIC 4, Determining whether a receivable contains a Lease

The application of IFRIC 4 is not expected to change the accounting operation of any of the in effect contracts of the Group.

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

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

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

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

- IFRIC 8 "IFRS 2 scope"

The financial statements of the Group are not expected to be affected from the above IFRIC.

3.2 Group Structure – Consolidated Financial Statements

Group Structure

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

Company Name	Headquarters	Participation Percentage	Relation that dictated the consolidation
BALKAN EXPORT S.A.	AGHIALOS SALONIKA	47,91%	Control after shareholders agreement
THOLOS S.A.	AMAROUSIO ATTICA	100%	The participation percentage
MICHANIKI REAL ESTATE S.A.	AMAROUSIO ATTICA	100%	The participation percentage
HELLENIC PIPE WORKS S.A.	CHALKIDA	100%	The participation percentage
MARMARA KAVALAS S.A.	KAVALA	77,07%	The participation percentage
HELLENIC WOOD INDUSTRY S.A.	SAPES KOMOTINI	98,62%	The participation percentage
MICHANIKI UKRAINE S.A.	UKRAINE	100%	The participation percentage
MICHANIKI BULGARIA S.A.	BULGARIA	95,70%	The participation percentage
MICHANIKI RUSSIA S.A.	RUSSIA	60,00% directly 26,41% indirectly	The participation percentage

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

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



During the A' six month period of 2006 the participation percentage of the company in "BALKAN S.A." was altered from 42,21% (31/12/2005) to 47,91%.

4. Financial information by segments

4.1 Segment reporting

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

The Group operates in the following segments:

- 1) Hydroelectric Energy
- 2) Utilization of Parking Stations
- 3) Utilization of a Cemetery
- 4) Technical Works
- 5) Wood Industry
- 6) Pipelines
- 7) Marble Quarrying & Marketing
- 8) Real Estate Utilization

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

It is noted that the Metallic Structures segment terminated its operations within fiscal year-end of 2005.



4.2 Segment Analysis

Primary sector information – Business sectors

Group

1/1-30/6/2006

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	OTHER	TOTAL
Total gross sales turnover per sector	818	667	477	38.514	8.237	14.144	13.383	1.260	288	77.788
Domestic sales turnover	0	0	0	(206)	0	(417)	0	0	0	(623)
Net Sales Turnover	818	667	477	38.308	8.237	13.726	13.383	1.260	288	77.165
Cost of Sales	209	328	329	27.063	7.772	10.226	10.769	919	291	57.904
Domestic sales turnover Cost of Sales	0	0	0	(206)	0	(366)	0	0	0	(571)
Gross Result	609	339	149	11.451	465	3.866	2.614	342	(2)	19.832
Administrative Expenses	14	10	0	111	323	263	624	102	4.079	5.526
Selling Expenses	2	1	0	14	335	1.159	0	137	2	1.650
Other income	33	0	0	383	374	308	817	153	106	2.174
Other expenses	0	27	0	134	77	224	684	14	231	1.390
Operating result	626	301	149	11.575	104	2.528	2.123	242	(4.207)	13.441
										0
Financial results	(529)	(1)	-	(70)	94	(240)	(347)	(90)	3.822	2.638
Profit before tax	98	300	149	11.506	198	2.288	1.776	152	(386)	16.079
Income tax	-	-	-	-	-	(448)	(277)	-	(2.291)	(3.016)
Net profit	98	300	149	11.506	198	1.840	1.499	152	(2.677)	13.063

1/1-30/6/2006

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	OTHER	TOTAL
<i>Sector Assets</i>	8.097	2.811	20.613	160.578	38.122	38.828	84.493	15.730	0	369.273
Non distributable Asset items	0	0	0	0	0	0	0	0	40.045	40.045
<i>Consolidated Assets</i>	8.097	2.811	20.613	160.578	38.122	38.828	84.493	15.730	40.045	409.317
<i>Sector Liabilities</i>	2.878	200	91	58.309	4.534	20.134	22.529	6.897	0	115.571
Non distributable Liability items	0	0	0	0	0	0	0	0	68.372	68.372
<i>Consolidated Liabilities</i>	2.878	200	91	58.309	4.534	20.134	22.529	6.897	68.372	183.943



1/1 - 30/6/2005

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	METALLIC STRUCTURES	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	OTHER	TOTAL
Total gross sales turnover per sector	731	709	702	187	43.356	8.729	4.094	743	1.321	0	60.572
Domestic sales turnover	0	0	0	0	(53)	0	0	0	0	0	(53)
Net Sales Turnover	731	709	702	187	43.303	8.729	4.094	743	1.321	0	60.519
Cost of Sales	(155)	(270)	(528)	(178)	(29.236)	(8.490)	(3.203)	(608)	(1.022)	0	(43.690)
Domestic sales turnover Cost of Sales	0	0	0	0	2	0	0	0	51	0	53
Gross Result	577	439	174	9	14.069	239	891	134	350	0	16.882
Administrative Expenses	(66)	(56)	(60)	(223)	(3.879)	(312)	(243)	(277)	(61)	0	(5.177)
Selling Expenses	0	0	0	0	(20)	(359)	(142)	0	(133)	0	(653)
Other income	33	1	0	1	157	330	25	5.662	90	360	6.658
Other expenses	0	(13)	0	(1)	(48)	(73)	(29)	(568)	(121)	(69)	(921)
Operating result	544	371	114	(214)	10.279	(175)	502	4.951	126	291	16.789
Financial results	(0)	(1)	0	(29)	4.684	78	(29)	(193)	(52)	(4.264)	193
Share of results of affiliate companies	0	0	0	0	0	0	0	0	0	0	0
Profit before tax	543	370	114	(243)	14.963	(97)	473	4.758	73	(3.973)	16.983
Income tax	(176)	(120)	(37)	71	(3.612)	0	(191)	0	0	(367)	(4.430)
Net profit	368	250	78	(172)	11.352	(97)	282	4.758	73	(4.339)	12.552

31.12.2005

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

The remaining land parcels and buildings of the terminated utilization at 30.6.2006 are included in the category "Other".

Secondary sector information – Geographical sectors

Financial information by geographical segment				
	THE GROUP		THE COMPANY	
	1/1 - 30/06/2006	1/1 - 30/06/2005	1/1 - 30/06/2006	1/1 - 30/06/2005
Greece	52.665	58.599	29.638	45.540
Other Countries	24.500	1.920	282	84
Total	77.165	60.519	29.920	45.624
Sale analysis by category				
	1/1 - 30/06/2006	1/1 - 30/06/2005	1/1 - 30/06/2006	1/1 - 30/06/2005
Merchandise sales	3.430	2.884	-	-
Product Sales	57.455	45.549	17.180	33.892
Other inventory sales	611	104	27	40
Income from services	1.615	1.451	1.341	1.159
Construction contracts	14.055	10.532	11.372	10.532
Total	77.165	60.519	29.920	45.624

5. Financial Statement Notes

5.1 Engagements

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

	THE GROUP		THE COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Unexecuted works	375.940	237.405	300.289	219.267
L/G Good Performance	178.907	124.687	155.245	112.051
L/G Retention Replacement	7.696	7.312	6.747	6.954
L/G Advance Payment	12.998	3.684	9.443	3.684
TOTAL	199.601	135.682	171.435	122.688

5.2 Existing Encumbrances

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

5.3 Judicial or under litigation disputes

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

5.4 A' Six month Period of 2006 Investments

The Company during the A' six month period of 2006 proceeded in total asset investments amounting to approximately € 2.940 thousand.

5.5 Un-audited tax year-ends

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

COMPANY NAME	TAX UN-AUDITED FISCAL YEAR-ENDS
HELLENIC PIPE WORKS S.A.	2001-2005
BALKAN EXPORT S.A.	2000-2005
MARMARA KAVALAS S.A.	2003-2005
THOLOS S.A.	2003-2005
HELLENIC WOOD INDUSTRY S.A.	1999-2005
MICHANIKI REAL ESTATE S.A.	2005
MICHANIKI BULGARIA S.A.	1998-2005
MICHANIKI UKRAINE	-
MICHANIKI RUSSIA LTD	2004-2005

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

5.6 Employed personnel

The personnel occupied by the Group and the Company is presented below:

	THE GROUP		THE COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Salaried Employees	378	358	215	205
Daily Wage Employees	339	538	166	435
Total Employees	717	896	381	640

The reduction of employees presented in the comparative periods of the parent company, is caused mainly due to the completion of construction works and the termination of the metallic structure utilization.



5.7 Transactions with associated parties

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

INTERGROUP TRANSACTIONS RECEIVABLES - LIABILITIES 01/01/2006-30/06/2006												
LIABILITIES												
	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
R E C E I V A B L E S	MICHANIKI S.A.			22		2.712	101					2.835
	BALKAN S.A.	17										17
	MARMARA S.A.											-
	PIPING S.A.	18				955						973
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	35	-	22	-	3.667	101	-	-	-	-	3.825

INTERGROUP TRANSACTIONS RECEIVABLES - LIABILITIES 01/01/2005-31/12/2005												
LIABILITIES												
	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
R E C E I V A B L E S	MICHANIKI S.A.			32		2.644						2.676
	BALKAN S.A.	17										17
	MARMARA S.A.											-
	PIPING S.A.	5				1.477						1.482
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	22	-	32	-	4.121	-	-	-	-	-	4.175



INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2006-30/06/2006												
BUYER												
S E L L E R	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
	MICHANIKI S.A.			37		169						206
	BALKAN S.A.											-
	MARMARA S.A.											-
	PIPING S.A.	15				402						417
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
MICHANIKI RUSSIA											-	
MICHANIKI UKRAINE											-	
MICHANIKI REAL ESTATE S.A.											-	
TOTAL		15	-	37	-	571	-	-	-	-	-	623

INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2005-30/06/2005												
BUYER												
S E L L E R	COMPANIES	MICHANIKI S.A.	BALKAN S.A.	MARMARA S.A.	PIPING S.A.	THOLOS S.A.	ELVIX S.A.	MICHANIKI BULGARIA	MICHANIKI RUSSIA	MICHANIKI UKRAINE	MICHANIKI REAL ESTATE S.A.	TOTAL
	MICHANIKI S.A.			51								51
	BALKAN S.A.											-
	MARMARA S.A.											-
	PIPING S.A.											-
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
MICHANIKI RUSSIA											-	
MICHANIKI UKRAINE											-	
MICHANIKI REAL ESTATE S.A.	2										2	
TOTAL		2	-	51	-	-	-	-	-	-	-	53

5.8 Management grants

	THE GROUP		THE COMPANY	
	1/1- 30/06/2006	1/1- 30/06/2005	1/1- 30/06/2006	1/1- 30/06/2005
Salaries and other short-term employee grants	623	557	392	339
	623	557	392	339

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

5.9 Profits per share

	THE GROUP		THE COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Profits proportioned to the parent company shareholders	12.839	12.471	7.362	7.145
Total number of shares	92.906.513	92.906.513	92.906.513	92.906.513
Basic profits (losses) per share (€ per share)	0,1382	0,1342	0,0792	0,0769

5.10 Events after the date of the balance sheet

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

THE CHAIRMAN

PRODROMOS S. EMFIETZOGLOU
ID No: Ξ 498825/86

THE MANAGING DIRECTOR

MELPOMENI PR. EMFIETZOGLOU
ID No: P 580621/94

THE FINANCIAL DIRECTOR

APOSTOLOS N. ATHANASOPOULOS
ID No: Ξ 288898/87

THE CHIEF ACCOUNTING MANAGER

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