



## **GROUP OF COMPANIES**

### **Interim Financial Statements for the period from January 1<sup>st</sup> up to March 31<sup>st</sup> 2006**

It is certified that the attached Interim Financial Statements, are those approved by the Board of Directors of "MICHANIKI S.A." at 27/05/2006 and have been published with their disclosure through the internet, at the website address [www.michaniki.gr](http://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

BALANCE SHEET	THE GROUP		THE COMPANY	
	31/3/2006	31/12/2005	31/3/2006	31/12/2005
<b>Non Current Assets</b>				
Tangible Assets	65.588	66.076	38.125	38.132
Property Investment	34.222	43.255	0	0
Other Intangible Assets	15	11	10	5
Expenditures for exploration and evaluation of mineral resources	573	587	0	0
Investments in Subsidiaries	0	0	128.890	128.386
Investments in Affiliates	13	13	0	0
Investments in Joint Ventures/Consortiums	15.018	14.425	13.853	13.473
Financial assets valued at their fair value with changes in results	24	24	18	18
Less: Provisions for devaluations	(3)	(3)	(39.027)	(39.050)
Other Long-term Receivables	3.651	3.618	3.485	3.459
Deferred tax receivables	7.640	6.787	6.236	5.563
	<b>126.740</b>	<b>134.794</b>	<b>151.590</b>	<b>149.986</b>
<b>Current assets</b>				
Inventories	86.767	81.892	36.674	35.401
Commercial receivables	84.628	72.801	49.577	41.861
Receivables from Affiliated and other investment interest Companies	36.782	35.136	36.553	35.129
Other Receivables	4.772	3.828	3.253	3.256
Financial assets valued at their fair value with changes in results	189	545	184	540
Other Current item Assets	1.351	2.410	466	466
Prepayments	13.047	13.882	4.231	4.231
Cash and cash equivalent	36.104	38.192	7.884	19.774
	<b>263.642</b>	<b>248.686</b>	<b>138.822</b>	<b>140.658</b>
<b>Total Assets</b>	<b>390.382</b>	<b>383.480</b>	<b>290.413</b>	<b>290.644</b>
<b>Shareholders Equity &amp; Liabilities</b>				
<b>Equity Capital</b>				
Share Capital	137.502	137.502	137.502	137.502
Less: Owed Capital	0	0	0	0
Share Premium	129.629	129.629	129.629	129.629
Own Shares	(3.788)	(3.745)	(3.136)	(3.136)
Financial means fair value differences	(0)	0	23	0
Foreign Exchange Differences	(1.154)	(882)	0	0
Statutory Legal Reserve	3.169	3.152	2.616	2.616
Other Reserves	26.985	34.518	20.386	20.386
Retained Earnings	(82.629)	(98.607)	(87.940)	(92.777)
<b>Equity Attributable to Parent Company Shareholders</b>	<b>209.713</b>	<b>201.566</b>	<b>199.080</b>	<b>194.219</b>
<b>Minority Rights</b>	<b>20.142</b>	<b>20.964</b>	<b>0</b>	<b>0</b>
<b>Total Equity</b>	<b>229.855</b>	<b>222.529</b>	<b>199.080</b>	<b>194.219</b>
<b>LIABILITIES</b>				
<b>Long-term Liabilities</b>				
Bank Loans	9.088	8.392	0	0
Provisions for employee retirement benefits and other long-term grants	1.901	1.919	901	866
Deferred tax liabilities	17.681	18.409	13.436	12.944
Other Long-term Liabilities	6.886	7.120	(0)	(0)
Other Provisions	2.729	3.507	2.525	3.303
<b>Total Long-term Liabilities</b>	<b>38.286</b>	<b>39.347</b>	<b>16.862</b>	<b>17.113</b>
<b>Short-term Liabilities</b>				
Bank Loans	43.904	36.892	27.000	22.000
Short-term part of other short-term liabilities	2.197	2.502	347	692
Comercial Liabilities (trade creditors etc)	32.781	39.546	16.268	22.975
Taxes and social security	3.686	4.320	614	2.815
Other liabilities	11.242	14.895	6.115	8.462
Advances	6.331	2.929	3.996	2.238
Liabilities to affiliated and other investment interest companies	22.100	20.520	20.129	20.129
<b>Total Short-term Liabilities</b>	<b>122.241</b>	<b>121.604</b>	<b>74.471</b>	<b>79.312</b>
<b>Total Liabilities</b>	<b>160.527</b>	<b>160.951</b>	<b>91.333</b>	<b>96.425</b>
<b>Total Shareholders Equity and Liabilities</b>	<b>390.382</b>	<b>383.480</b>	<b>290.413</b>	<b>290.644</b>

*Possible differences in totals are due to number rounding*

**Period Profit & Loss Account**

	THE GROUP		THE COMPANY	
	1/1- 31/3/2006	1/1- 31/3/2005	1/1- 31/3/2006	1/1- 31/3/2005
<b>Sales Turnover</b>	37.896	24.273	13.503	17.406
Cost of Sales	(27.223)	(17.134)	(7.959)	(11.126)
<b>Gross Profit</b>	<b>10.672</b>	<b>7.139</b>	<b>5.544</b>	<b>6.280</b>
Other Operating Income	1.148	2.725	238	652
Selling Expenses	(890)	(305)	(10)	(11)
Administrative Expenses	(2.121)	(2.746)	(1.337)	(1.604)
Other Operating Expenses	(889)	(382)	(341)	(56)
<b>Profit before Interest, Financial and Investment Results</b>	<b>7.920</b>	<b>6.431</b>	<b>4.094</b>	<b>5.262</b>
Depreciation	1.539	1.618	742	837
<b>Profit before Interest, Financial and Investment Results and depreciation</b>	<b>9.459</b>	<b>8.049</b>	<b>4.836</b>	<b>6.099</b>
Financial Income	1.040	75	952	488
Financial Expenses	(969)	(3.943)	(769)	(4.864)
Other Financial Results	0	0	0	0
Share of profit from associate companies	593	6.796	380	6.599
<b>Financial Result</b>	<b>664</b>	<b>2.928</b>	<b>563</b>	<b>2.222</b>
Depreciation	(1.539)	(1.618)	(742)	(837)
<b>Profit before Tax</b>	<b>8.584</b>	<b>9.359</b>	<b>4.657</b>	<b>7.484</b>
Income Tax	(369)	(1.205)	181	(1.040)
<b>Profit after tax</b>	<b>8.215</b>	<b>8.154</b>	<b>4.838</b>	<b>6.444</b>
<b>Attributable to:</b>				
<i>Equity shareholders of the parent company</i>	8.096	8.057	4.838	6.444
<i>Minority Rights</i>	119	96	0	0
Profit after tax per share - basic (in €)	0,0871	0,0867	0,0521	0,0694

*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
<b>Remaining balance at January 1st 2005, according to the IFRS</b>	<b>137.502</b>	<b>129.629</b>	<b>21.599</b>	<b>(101.229)</b>	<b>187.500</b>	<b>21.454</b>	<b>208.954</b>
<i>Change of Equity Capital for the period 01/01 - 31/3/2005</i>							
Capital changes from a subsidiary company acquisition							
Reserve Change of Foreign Exchange Conversion	0	0	421	0	421	268	689
Minority rights from the change of the percentage participation to the share capital of a subsidiary company	0	0	0	0	0	(49)	(49)
Net Period Results 01/01-31/3/2005	0	0	1.411	6.646	8.057	96	8.154
Purchases (sales) of Own Shares	0	0	289	(85)	204	85	289
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	81	0	81	0	81
<b>Total Period Change</b>	<b>0</b>	<b>0</b>	<b>2.203</b>	<b>6.561</b>	<b>8.764</b>	<b>399</b>	<b>9.164</b>
<b>Remaining Equity Capital Balance at March 31st 2005</b>	<b>137.502</b>	<b>129.629</b>	<b>23.802</b>	<b>(94.668)</b>	<b>196.264</b>	<b>21.853</b>	<b>218.117</b>
<b>Remaining balance at January 1st 2006, according to the IFRS</b>	<b>137.502</b>	<b>129.629</b>	<b>33.042</b>	<b>(98.607)</b>	<b>201.566</b>	<b>20.964</b>	<b>222.529</b>
<i>Change of Equity Capital for the period 01/01 - 31/3/2006</i>							
Reserve Change of Foreign Exchange Conversion	0	0	(272)	0	(272)	289	17
Minority rights from the change of the percentage participation to the share capital of a subsidiary company	0	0	0	0	0	(886)	(886)
Net income recorded directly to the net equity	0	0	23	0	23	0	23
Net Period Results 01/01-31/3/2006	0	0	(7.883)	15.979	8.096	119	8.215
Purchases (sales) of Own Shares	0	0	301	0	301	(344)	(43)
<b>Total Period Change</b>	<b>0</b>	<b>0</b>	<b>(7.831)</b>	<b>15.979</b>	<b>8.148</b>	<b>(822)</b>	<b>7.326</b>
	0	0	0	0	0	0	0
<b>Remaining balance of Equity Capital at March 31st 2006</b>	<b>137.502</b>	<b>129.629</b>	<b>25.211</b>	<b>(82.629)</b>	<b>209.713</b>	<b>20.142</b>	<b>229.855</b>

*Possible differences in totals are due to number rounding. In the above table the changes to the accounts of the previous period in relation to the published ones were amended.*



Due to the fact that the equity capital of the subsidiary companies "BALKAN EXPORT S.A.", "THOLOS S.A." and "ELVIX S.A.", are less than the 1/2 of their share capital based upon the IFRS application, they are subject to the ordinances of article 47 of the C.L. 2190/1920. "BALKAN EXPORT S.A." through the convocation of the A' Repetitive Extraordinary General Assembly of its shareholders dated 16.05.2006 decided the offsetting of accumulated losses amounting to €74.249.109,90 as presented within the approved, from the yearly Ordinary General Assembly of its shareholders at April 28<sup>th</sup>, 2006 Financial Statements of fiscal year-end 2005, through an equivalent decrease of its paid up Share Capital, in addition to the amendment of the relevant article 5 of its Articles of Association, approved by the qualified administration of the Ministry of Development, as document K2-7325/19-5-2006. The management of the two other companies is willing to convoke the General Assembly for the settlement of their Equity Capital.



Statement of Changes in Equity of Parent Company

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
<b>Remaining balance at January 1st 2005, according to the IFRS</b>	<b>137.502</b>	<b>129.629</b>	<b>28.777</b>	<b>(107.852)</b>	<b>188.055</b>
<i>Change of Equity Capital for the period 01/01 - 31/3/2005</i>					
Net Period Results 01/01-31/3/2005	0	0	0	6.444	6.444
Purchases (sales) of Own Shares	0	0	329	0	329
Profits / (Losses) from sale of Own Shares transferred directly to the Equity Capital	0	0	0	13	13
<b>Total Period Change</b>	<b>0</b>	<b>0</b>	<b>329</b>	<b>6.457</b>	<b>6.785</b>
<b>Remaining Equity Capital Balance at March 31st 2005</b>	<b>137.502</b>	<b>129.629</b>	<b>29.105</b>	<b>(101.395)</b>	<b>194.841</b>
<b>Remaining balance at January 1st 2006, according to the IFRS</b>	<b>137.502</b>	<b>129.629</b>	<b>19.866</b>	<b>(92.777)</b>	<b>194.219</b>
<i>Change of Equity Capital for the period 01/01 - 31/3/2006</i>					
Net income recorded directly to the net equity	0	0	23	0	23
Net Period Results 01/01-31/3/2006	0	0	0	4.838	4.838
<b>Total Period Change</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>4.838</b>	<b>4.861</b>
<b>Remaining balance of Equity Capital at March 31st 2006</b>	<b>137.502</b>	<b>129.629</b>	<b>19.889</b>	<b>(87.940)</b>	<b>199.080</b>

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- 31/03/2006	1/1- 31/03/2005	1/1- 31/03/2006	1/1- 31/03/2005
<b>Operating activities</b>				
Profit before tax	<b>8.584</b>	<b>9.359</b>	<b>4.657</b>	<b>7.484</b>
Plus / less adjustments for:				
Depreciation / (depreciation of grants)	1.595	1.589	811	820
Losses / (Profits) from asset sale	38	-111	30	0
Provisions / (Revenues from unused provisions of previous year-ends)	150	-298	203	-185
Losses / (Profits) of fair value property investments	-1.967	-1.538	0	0
Foreign exchange differences	-115	0	0	0
Results (income, expenses, profits and losses) from investment activity	-794	413	-794	673
Joint venture valuation with the net equity method	-380	-6.599	-380	-6.599
Credit interest and similar income	-74	-108	-24	-5
Debit interest and similar charges	1.050	374	448	150
Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:				
Decrease / (increase) of inventories	-4.563	-3.930	-1.273	-541
Decrease / (increase) of receivables	815	-7.976	-9.424	-7.656
(Decrease) / increase of liabilities (except banks)	-6.572	5.784	-6.121	2.764
Less:				
Paid up Debit interest and similar charges	-1.105	-373	-448	-150
Paid up taxes	-4.613	-2.846	-2.586	-2.078
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>-7.950</b>	<b>-6.262</b>	<b>-14.900</b>	<b>-5.321</b>
<b>Investment activities</b>				
Disposal (Acquirement) of subsidiaries, associates, joint ventures and other investments	300	-1.717	-204	-3.217
Purchases of tangible and intangible assets	-402	-349	0	-61
Collections from sales of tangible and intangible assets	41	287	28	0
Acquirement from property investments	0	0	0	0
Collection from property investment sales	0	0	0	0
Loans provided to affiliated parties	-1.424	-1.663	-1.424	-1.663
Interest received	57	32	3	0
Settlement of Derivative Financial Items	52	354	52	354
<b>Total inflows / (outflows) from investment activities (b)</b>	<b>-1.377</b>	<b>-3.055</b>	<b>-1.546</b>	<b>-4.587</b>
<b>Financial Activities</b>				
Collections from issued / undertaken loans	11.706	659	5.000	0
Sales / (Purchases) of own shares	0	253	0	342
Loan settlements	-3.829	-797	0	0
Liability settlements from financial leases (amortization)	-538	-677	-345	-494
Paid dividends	-100	-71	-100	-71
<b>Total inflows / (outflows) from financial activities (c)</b>	<b>7.239</b>	<b>-633</b>	<b>4.555</b>	<b>-223</b>
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>-2.088</b>	<b>-9.951</b>	<b>-11.891</b>	<b>-10.131</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>38.192</b>	<b>31.965</b>	<b>19.774</b>	<b>21.814</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>36.104</b>	<b>22.014</b>	<b>7.884</b>	<b>11.683</b>

*Possible differences in totals are due to number rounding*

The negative operating flows of the parent company, amounting to € 14.900 thousand are caused mainly due to the increase of trade receivables and participations in joint ventures/consortiums, paid up taxes (mainly V.A.T. of a previous year-end) 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 € 7.950 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.



## **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 March 31<sup>st</sup>, 2006 (January 1<sup>st</sup>, 2004 is the transition date) that cover the period from January 1<sup>st</sup> up to and March 31<sup>st</sup>, 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 1<sup>st</sup>, 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 1/1-31/3/2005 differ from the ones that the company had published for the period 1/1-31/3/2005. 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 1<sup>st</sup>, 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 1<sup>st</sup>, 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	45,20%	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 25,15% 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:"THEMELI DOMI- MICHANIKI-MOHLOS"	GREECE	40,00%	2003-2005	NET EQUITY



During the A' quarter 2006 the participation percentage of the company in "BALKAN S.A." was altered from 42,21% (31/12/2005) to 45,20%.

#### **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

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	OTHER	TOTAL
<b>1/1-31/3/2006</b>										
Total gross sales turnover per sector	348	339	226	16.484	3.925	5.059	11.058	514	118	<b>38.072</b>
Domestic sales turnover				(38)		(138)				<b>(176)</b>
<b>Net Sales Turnover</b>	<b>348</b>	<b>339</b>	<b>226</b>	<b>16.446</b>	<b>3.925</b>	<b>4.921</b>	<b>11.058</b>	<b>514</b>	<b>118</b>	<b>37.896</b>
Cost of Sales	119	140	156	11.414	3.958	2.591	8.647	350	311	<b>27.685</b>
Domestic sales turnover Cost of Sales				(324)		(138)				<b>(462)</b>
<b>Gross Result</b>	<b>229</b>	<b>200</b>	<b>71</b>	<b>5.356</b>	<b>(33)</b>	<b>2.468</b>	<b>2.410</b>	<b>164</b>	<b>(192)</b>	<b>10.672</b>
Administrative Expenses	34	34	22	1.235	136	79	305	41	235	<b>2.121</b>
Selling Expenses	0	0	0	10	156	651	9	63	0	<b>890</b>
Other income	17	0	0	106	368	59	366	115	116	<b>1.148</b>
Other expenses	0	27	0	170	38	62	439	8	144	<b>889</b>
<b>Operating result</b>	<b>211</b>	<b>139</b>	<b>49</b>	<b>4.046</b>	<b>5</b>	<b>1.735</b>	<b>2.023</b>	<b>168</b>	<b>(455)</b>	<b>7.920</b>
Financial results	(6)	(1)	0	319	37	(149)	(315)	(25)	803	<b>664</b>
<b>Profit before tax</b>	<b>205</b>	<b>138</b>	<b>49</b>	<b>4.366</b>	<b>43</b>	<b>1.586</b>	<b>1.708</b>	<b>143</b>	<b>348</b>	<b>8.584</b>
Income tax	0	0	0	0	0	(198)	(275)	0	104	<b>(369)</b>
<b>Net profit</b>	<b>205</b>	<b>138</b>	<b>49</b>	<b>4.366</b>	<b>43</b>	<b>1.388</b>	<b>1.432</b>	<b>143</b>	<b>452</b>	<b>8.215</b>
<b>1/1-31/3/2006</b>										
<i>Sector Assets</i>	8.193	2.817	17.753	140.959	38.207	36.762	88.101	15.543		<b>348.334</b>
Non distributable Asset items									42.048	<b>42.048</b>
<i>Consolidated Assets</i>	<b>8.193</b>	<b>2.817</b>	<b>17.753</b>	<b>140.959</b>	<b>38.207</b>	<b>36.762</b>	<b>88.101</b>	<b>15.543</b>	<b>42.048</b>	<b>390.382</b>
<i>Sector Liabilities</i>	2.862	97	0	54.853	4.858	18.697	24.443	6.741		<b>112.550</b>
Non distributable Liability items				0					47.976	<b>47.976</b>
<i>Consolidated Liabilities</i>	<b>2.862</b>	<b>97</b>	<b>0</b>	<b>54.853</b>	<b>4.858</b>	<b>18.697</b>	<b>24.443</b>	<b>6.741</b>	<b>47.976</b>	<b>160.527</b>



1/1-31/3/2005

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	METALLIC STRUCTURES	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	OTHER	TOTAL
Total gross sales turnover per sector	251	349	393	16.351	62	4.503	1.309	468	601	0	24.288
Domestic sales turnover	0	0	0	(15)	0	0	0	0	0	0	(15)
<b>Net Sales Turnover</b>	<b>251</b>	<b>349</b>	<b>393</b>	<b>16.336</b>	<b>62</b>	<b>4.503</b>	<b>1.309</b>	<b>468</b>	<b>601</b>	<b>0</b>	<b>24.273</b>
Cost of Sales	85	126	296	10.685	(67)	4.199	831	524	469	0	17.149
Domestic sales turnover Cost of Sales	0	0	0	(15)	0	0	0	0	0	0	(15)
<b>Gross Result</b>	<b>166</b>	<b>223</b>	<b>97</b>	<b>5.667</b>	<b>129</b>	<b>304</b>	<b>478</b>	<b>(56)</b>	<b>132</b>	<b>0</b>	<b>7.139</b>
Administrative Expenses	21	30	33	1.954	127	162	88	323	7	0	2.746
Selling Expenses	0	0	0	1	0	176	58	0	59	10	305
Other income	17	1	0	227	51	262	13	1.747	50	357	2.725
Other expenses	0	13	0	(4)	1	54	14	225	34	47	382
<b>Operating result</b>	<b>161</b>	<b>182</b>	<b>63</b>	<b>3.943</b>	<b>51</b>	<b>175</b>	<b>330</b>	<b>1.144</b>	<b>82</b>	<b>301</b>	<b>6.431</b>
Financial results	(0)	(1)	0	6.550	(8)	284	(13)	(56)	(23)	(3.806)	2.928
<b>Profit before tax</b>	<b>161</b>	<b>181</b>	<b>63</b>	<b>10.493</b>	<b>43</b>	<b>459</b>	<b>317</b>	<b>1.088</b>	<b>59</b>	<b>(3.506)</b>	<b>9.359</b>
Income tax	0	0	0	0	0	0	(122)	0	(42)	(1.040)	(1.205)
<b>Net profit</b>	<b>161</b>	<b>181</b>	<b>63</b>	<b>10.493</b>	<b>43</b>	<b>459</b>	<b>195</b>	<b>1.088</b>	<b>17</b>	<b>(4.546)</b>	<b>8.154</b>

1/1-31/12/2005

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

The remaining land parcels and buildings of the terminated utilization at 31.3.2006 are included in the category "Other".

**Secondary sector information – Geographical sectors**

**Financial information by geographical segment**

	THE GROUP		THE COMPANY	
	1/1 - 31/03/2006	1/1 - 31/03/2005	1/1 - 31/03/2006	1/1 - 31/03/2005
Greece	23.019	23.195	13.388	17.364
Other countries	14.877	1.078	115	42
<b>Total</b>	<b>37.896</b>	<b>24.273</b>	<b>13.503</b>	<b>17.406</b>

**Sale analysis by category**

	THE GROUP		THE COMPANY	
	1/1 - 31/03/2006	1/1 - 31/03/2005	1/1 - 31/03/2006	1/1 - 31/03/2005
Merchandise sales	1.060	1.139	-	-
Product Sales	19.458	6.908	730	1.284
Other inventory sales	369	40	5	5
Income from services	813	585	579	516
Construction contracts	16.195	15.601	12.190	15.601
<b>Total</b>	<b>37.896</b>	<b>24.273</b>	<b>13.503</b>	<b>17.406</b>

## 5. Financial Statement Notes

### 5.1 Engagements

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

	THE GROUP		THE COMPANY	
	31/3/2006	31/12/2005	31/3/2006	31/12/2005
Unexecuted works	<b>349.947</b>	<b>237.405</b>	<b>272.066</b>	<b>219.267</b>
L/G Good Performance	148.687	124.687	131.865	112.051
L/G Retention Replacement	6.789	7.312	6.405	6.954
L/G Advance Payment	6.703	3.684	5.343	3.684
<b>TOTAL</b>	<b>162.179</b>	<b>135.682</b>	<b>143.613</b>	<b>122.688</b>

### 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' Quarter of 2006 Investments

The Company during the A' quarter of 2006 proceeded in total asset investments amounting to approximately € 76,5 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	1/4/2004 -2005
MICHANIKI RUSSIA LTD	2004-2005

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

### 5.6 Employed personnel

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

	THE GROUP		THE COMPANY	
	31/3/2006	31/3/2005	31/3/2006	31/3/2005
<b>Salaried Employees</b>	343	375	189	215
<b>Daily Wage Employees</b>	356	584	173	485
<b>Total Employees</b>	<b>699</b>	<b>959</b>	<b>362</b>	<b>700</b>

The reduction of the daily wage employees presented in the comparative periods of the parent company, is caused mainly due to the completion of a construction work 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 01/01/2006-31/03/2006												
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.			11		2.706						2.717
	BALKAN S.A.	17										17
	MARMARA S.A.											-
	PIPING S.A.					1.542						1.542
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	17	-	11	-	4.247	-	-	-	-	-	4.275

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 01/01/2006-31/03/2006												
BUYER												
	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
S E L L E R	MICHANIKI S.A.			9		29						38
	BALKAN S.A.											-
	MARMARA S.A.											-
	PIPING S.A.					138						138
	THOLOS S.A.											-
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	-	-	9	-	168	-	-	-	-	-	177

INTERGROUP TRANSACTIONS PURCHASES - SALES 01/01/2005-31/03/2005												
BUYER												
	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
S E L L E R	MICHANIKI S.A.			14								14
	BALKAN S.A.											-
	MARMARA S.A.											-
	PIPING S.A.											-
	THOLOS S.A.		1									1
	ELVIX S.A.											-
	MICHANIKI BULGARIA S.A.											-
	MICHANIKI RUSSIA											-
	MICHANIKI UKRAINE											-
	MICHANIKI REAL ESTATE S.A.											-
	TOTAL	1	-	14	-	-	-	-	-	-	-	15

## 5.8 Management grants

	THE GROUP		THE COMPANY	
	01-01- 31/03/2006	01-01- 31/03/2005	01-01- 31/03/2006	01-01- 31/03/2005
Salaries and other short-term employee grants	267	280	155	178
	<b>267</b>	<b>280</b>	<b>155</b>	<b>178</b>

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	
	31/3/2006	31/3/2005	31/3/2006	31/3/2005
Profits proportioned to the parent company shareholders	8.096	8.057	4.838	6.444
Total number of shares	92.906.513	92.906.513	92.906.513	92.906.513
Basic profits (losses) per share (€ per share)	0,0871	0,0867	0,0521	0,0694

## 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. EMFIETZOGLU**  
ID No: Ξ 498825/86

### THE MANAGING DIRECTOR

**MELPOMENI PR. EMFIETZOGLU**  
ID No: P 580621/94

### THE FINANCIAL DIRECTOR

**APOSTOLOS N. ATHANASOPOULOS**  
ID No: Ξ 288898/87

### THE CHIEF ACCOUNTING MANAGER

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