**J&P – AVAX S.A.**

**Interim Financial Report for the nine-month period from**

**January 01, 2007 to September 30, 2007**

We hereby certify that this interim financial report was approved by the Board of Directors of «J&P-AVAX S.A.» on 28/11/2007 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 το 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.

INDEX OF CONTENTS

NOTES TO THE FINANCIAL STATEMENTS

**J&P - AVAX S.A.**
**INCOME STATEMENT**
**FOR THE PERIOD FROM JANUARY 1st, 2007 TO SEPTEMBER 30th, 2007**

| | | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **1.1-30.9.2007** | **1.7-30.9.2007** | **1.1-30.9.2006** | **1.7-30.9.2006** | **1.1-30.9.2007** | **1.7-30.9.2007** | **1.1-30.9.2006** | **1.7-30.9.2006** |
| Turnover | **1** | 452.764.554 | 205.933.643 | 250.091.541 | 92.032.647 | 217.596.611 | 95.181.179 | 127.217.627 | 51.147.068 |
| Cost of sales | | (415.936.344) | (190.683.192) | (221.894.533) | (87.031.929) | (207.671.705) | (88.611.412) | (111.145.855) | (45.784.000) |
| **Gross profit** | | **36.828.210** | **15.250.452** | **28.197.008** | **5.000.718** | **9.924.906** | **6.569.767** | **16.071.773** | **5.363.069** |
| Other net operating income/(expenses) | | 2.122.223 | 925.369 | 638.270 | 179.566 | (98.039) | 577.243 | 693.026 | (25.043) |
| Administrative expenses | | (18.901.838) | (6.602.554) | (14.574.424) | (3.627.393) | (13.792.279) | (4.614.046) | (10.971.032) | (2.279.262) |
| Selling & Marketing expenses | | (6.529.260) | (2.004.956) | (7.168.914) | (1.579.317) | (6.070.895) | (1.891.198) | (6.414.912) | (1.595.115) |
| Income/(Losses) from investments in Associates | **2** | 25.161.776 | 5.595.807 | 18.779.679 | 5.513.529 | 27.129.235 | 3.725.810 | 10.602.776 | 936.803 |
| **Profit from operations** | | **38.681.111** | **13.164.118** | **25.871.619** | **5.487.103** | **17.092.928** | **4.367.576** | **9.981.631** | **2.400.452** |
| Net financial income / (loss) | **3** | (11.812.085) | (5.990.000) | (4.757.072) | (1.694.720) | (7.370.015) | (3.687.977) | (2.931.291) | (950.078) |
| **Profit before tax** | | **26.869.026** | **7.174.117** | **21.114.547** | **3.792.383** | **9.722.913** | **679.599** | **7.050.340** | **1.450.374** |
| Tax | **4** | (7.309.398) | (2.562.305) | (4.857.741) | (2.332.594) | (936.677) | (38.072) | (799.947) | (146.257) |
| **Profit after tax from continuing and discontinued operations (a)+(b)** | | **19.559.628** | **4.611.813** | **16.256.806** | **1.459.790** | **8.786.236** | **641.527** | **6.250.393** | **1.304.117** |
| **Profit after tax from continuing operations(a)** | | 18.797.919 | 4.611.813 | 14.821.361 | 754.625 | 8.786.236 | 641.527 | 6.250.393 | 1.304.117 |
| **Profit after tax from discontinued operations(b)** | | 761.709 | - | 1.435.445 | 705.165 | **-** | **-** | **-** | **-** |
| **Attributable to:** | | | | | | | | | |
| Equity shareholders | | 19.742.050 | 4.718.057 | 16.217.757 | 1.394.792 | 8.786.236 | 641.527 | 6.250.393 | 1.304.117 |
| Minority interest | | (182.422) | (106.245) | 39.049 | 64.998 | - | - | - | - |
| | | **19.559.628** | **4.611.813** | **16.256.806** | **1.459.790** | **8.786.236** | **641.527** | **6.250.393** | **1.304.117** |
| **Basic Earnings per share** | | | | | | | | | |
| ***From continuing and discontinued operations (in € cents)*** | | **26,48** | **6,33** | **22,16** | **1,91** | **11,79** | **0,86** | **8,54** | **1,78** |
| ***From continuing operations (in € cents)*** | | **25,46** | **6,33** | **20,19** | **0,94** | **11,79** | **0,86** | **8,54** | **1,78** |
| **Profit before tax, financial and investment results** | | **38.681.111** | **13.164.118** | **25.871.619** | **5.487.103** | **17.092.928** | **4.367.576** | **9.981.631** | **2.400.452** |
| **Profit before tax, financial and investments results and depreciation** | | **48.926.824** | **18.212.716** | **32.758.999** | **7.675.106** | **23.729.946** | **7.085.741** | **14.761.179** | **3.980.623** |

**J&P - AVAX S.A.**
**BALANCE SHEET AS AT SEPTEMBER 30, 2007**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **30.9.2007** | **31.12.2006** | **30.9.2007** | **31.12.2006** |
| **Non-current Assets** | | | | | |
| Property, Plant and Equipment | **6** | 134.917.432 | 69.494.802 | 75.742.175 | 52.434.982 |
| Investment Property | **7** | 16.213.086 | 7.772.616 | 1.141.920 | 344.482 |
| Goodwil | **8** | 2.328.332 | 632.170 | - | - |
| Intangible assets | **9** | 590.769 | 271.690 | 336.949 | 263.385 |
| Investments in other companies | **10** | 108.901.834 | 93.765.178 | 182.740.615 | 119.212.748 |
| Investments available for sale | **11** | 26.729.002 | - | - | - |
| Other non-current assets | **12** | 1.329.986 | 597.531 | 299.032 | 308.092 |
| Deferred tax assets | **13** | 6.434.774 | 3.723.544 | 3.259.695 | 2.945.886 |
| | | **297.445.214** | **176.257.532** | **263.520.386** | **175.509.575** |
| **Current Assets** | | | | | |
| Inventories | **14** | 34.224.001 | 30.298.458 | 6.670.103 | 4.969.752 |
| Construction contracts | **15** | 188.527.449 | 90.694.507 | 70.524.250 | 39.888.217 |
| Trade and other receivables | **16** | 367.947.793 | 182.497.465 | 198.594.672 | 133.738.117 |
| Cash and cash equivalents | **17** | 74.989.901 | 54.292.088 | 5.128.920 | 6.234.427 |
| | | **665.689.145** | **357.782.518** | **280.917.945** | **184.830.513** |
| **Total Assets** | | **963.134.358** | **534.040.050** | **544.438.331** | **360.340.088** |
| **Current Liabilities** | | | | | |
| Trade and other creditors | **18** | 309.558.579 | 156.233.258 | 97.789.171 | 63.862.387 |
| Income and other tax liabilities | **19** | 12.516.400 | 19.270.239 | 3.390.125 | 9.023.043 |
| Bank overdrafts and loans | **20** | 147.439.297 | 141.527.301 | 69.550.726 | 78.586.033 |
| | | **469.514.277** | **317.030.799** | **170.730.022** | **151.471.463** |
| **Non-Current Liabilities** | | | | | |
| Bank Loans | **21** | 213.543.771 | 20.000.000 | 150.000.000 | 20.000.000 |
| Deferred income | **22** | 84.106 | 133.316 | 10.428 | 41.713 |
| Deferred tax liabilities | **23** | 16.558.335 | 3.410.377 | 1.355.351 | 1.352.232 |
| Provisions for retirement benefits | **24** | 4.891.615 | 3.368.004 | 2.685.273 | 2.685.273 |
| Other long-term provisions | **25** | 1.665.776 | 487.487 | 883.270 | 437.520 |
| | | **236.743.603** | **27.399.185** | **154.934.322** | **24.516.738** |
| **Total Liabilities** | | **706.257.880** | **344.429.984** | **325.664.344** | **175.988.201** |
| **Net Assets** | | **256.876.479** | **189.610.066** | **218.773.987** | **184.351.888** |
| **Share Capital & Reserves** | | | | | |
| Share capital | **26** | 45.039.813 | 40.260.000 | 45.039.813 | 40.260.000 |
| Share premium account | **26** | 146.676.671 | 115.403.624 | 146.676.671 | 115.403.624 |
| Revaluation reserves | **27** | 453.870 | 453.870 | 565.681 | 565.681 |
| Other reserves | | 14.777.397 | 20.499.929 | 11.573.121 | 18.734.514 |
| Translation exchange differences | | 394.575 | (317.870) | 137.990 | 115.948 |
| Retained earnings | | 29.073.340 | 12.511.420 | 14.780.711 | 9.272.121 |
| | | **236.415.665** | **188.810.972** | **218.773.987** | **184.351.888** |
| Minority interest | **28** | 20.460.814 | 799.094 | - | - |
| **Total Shareholders' Equity** | | **256.876.479** | **189.610.066** | **218.773.987** | **184.351.888** |

**J&P - AVAX S.A.**
**CASH FLOW STATEMENT AS AT SEPTEMBER 30, 2007**

| | Group | | Company | |
|---|---|---|---|---|
| | **1.1-30.9.2007** | **1.1-30.9.2006** | **1.1-30.9.2007** | **1.1-30.9.2006** |
| **Cash Flow from Operating Activities** | | | | |
| **Profit before tax from continuing operations (before minority interest)** | **26.107.317** | **19.679.102** | **9.722.913** | **7.050.340** |
| **Profit before tax from discontinued operations** | **761.709** | **1.435.445** | **-** | **-** |
| **Profit before tax from continuing and discontinued operations** | **26.869.026** | **21.114.547** | **9.722.913** | **7.050.340** |
| **Adjustments for:** | | | | |
| Depreciation | 10.245.712 | 6.887.380 | 6.637.018 | 4.779.548 |
| Provisions | 782.504 | (328.905) | 414.465 | (161.980) |
| Interest income | (521.328) | (282.709) | (76.866) | (578) |
| Interest expense | 12.333.413 | 5.039.781 | 7.446.881 | 2.931.869 |
| Investment (income) / loss | (26.716.471) | (18.779.679) | (27.129.235) | (10.602.776) |
| Other non-cash items | 87.503 | 285.438 | 22.044 | 30.022 |
| **Change in working capital** | | | | |
| (Increase)/decrease in inventories | 5.717.069 | 6.747.880 | (1.700.351) | (1.235.488) |
| (Increase)/decrease in trade and other receivables | (155.371.695) | (55.450.390) | (102.618.400) | (32.135.742) |
| Increase/(decrease) in payables | 66.175.250 | 8.878.565 | 43.392.237 | (150.165) |
| Interest paid | (12.333.413) | (5.039.781) | (7.446.881) | (2.931.869) |
| Income taxes paid | (4.841.213) | (3.975.067) | (975.480) | (543.583) |
| **Cash Flow from Operating Activities (a)** | **(77.573.643)** | **(34.902.940)** | **(72.311.655)** | **(32.970.402)** |
| **Cash Flow from Investing Activities:** | | | | |
| Purchase of tangible and intangible assets | (36.994.924) | (10.980.469) | (30.403.474) | (6.897.583) |
| Proceeds from disposal of tangible and intangible assets | 1.054.447 | 5.396.335 | 260.885 | 3.806.511 |
| (Acquisition)/ Sale of subsidiaries, associates, JVs and other investments | 13.483.622 | 1.345.423 | 11.177.615 | (864.084) |
| Acquisition of subsidiary (Athena ATE acquisition) | (55.145.727) | - | (62.805.846) | - |
| Interest received | 521.328 | 282.709 | 76.866 | 578 |
| Dividends received | 1.554.695 | 56.847 | 1.050.663 | 10.602.776 |
| **Cash Flow from Investing Activities (b)** | **(75.526.559)** | **(3.899.154)** | **(80.643.291)** | **6.648.198** |
| **Cash Flow from Financing Activities** | | | | |
| Proceeds from loans | 142.913.269 | 34.529.721 | 120.964.693 | 30.440.087 |
| Dividends paid | (2.972.114) | (2.566.926) | (2.972.114) | (2.566.926) |
| Share capital increase | 33.856.860 | - | 33.856.860 | - |
| **Cash Flow from Financing Activities (c)** | **173.798.015** | **31.962.795** | **151.849.439** | **27.873.161** |
| **Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)** | **20.697.813** | **(6.839.300)** | **(1.105.507)** | **1.550.957** |
| Cash and cash equivalents at the beginning of the period | 54.292.088 | 51.383.784 | 6.234.427 | 6.769.457 |
| **Cash and cash equivalents at the end of the period** | **74.989.901** | **44.544.484** | **5.128.920** | **8.320.414** |

**STATEMENT OF CHANGES IN EQUITY AS AT SEPTEMBER 30th, 2007**

**Group**

| | Share Capital | Share Premium Account | Revaluation reserve of participations and other assets | Statutory and other reserves | Translation exchange differences | Retained earnings | Share Capital & Reserves | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance 31.12.2005** | **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) | 300.818 | 300.015 |
| Exchange rate differences | | | | | (14.576) | | (14.576) | | (14.576) |
| Dividend paid | | | | | | (8.784.000) | (8.784.000) | | (8.784.000) |
| Distribution | | | | 387.965 | - | (387.965) | 0 | | 0 |
| Net profit for the period | - | - | - | - | - | 16.217.757 | 16.217.757 | 39.049 | 16.256.806 |
| **Balance 30.09.2006** | **40.260.000** | **115.403.624** | **453.799** | **25.852.542** | **3.967** | **3.845.928** | **185.819.860** | **956.132** | **186.775.992** |
| **Balance 31.12.2006** | **40.260.000** | **115.403.624** | **453.870** | **20.499.929** | **(317.870)** | **12.511.420** | **188.810.972** | **799.094** | **189.610.066** |
| **Change of accounting policy for investment property (Fair value) (Note 7a)** | **-** | **-** | **-** | **-** | **-** | 2.017.167 | 2.017.167 | - | 2.017.167 |
| **Restated Balance 31.12.2006** | **40.260.000** | **115.403.624** | **453.870** | **20.499.929** | **(317.870)** | **14.528.587** | **190.828.139** | **799.094** | **191.627.233** |
| Share capital increase | 4.779.813 | 31.273.047 | | (1.751.058) | | (444.942) | 33.856.860 | | 33.856.860 |
| Appropriations | | | | | | 60.171 | 60.171 | | 60.171 |
| Addition of minority interest | | | | | | | - | 19.844.142 | 19.844.142 |
| Translation exchange differences | | | | | 712.446 | | 712.446 | | 712.446 |
| Dividend paid | | | | | | (8.784.000) | (8.784.000) | | (8.784.000) |
| Transfer of reserves | | | | (5.410.335) | - | 5.410.335 | - | | - |
| Distribution | | | | 1.438.861 | | (1.438.861) | - | | - |
| Net profit for the period | - | - | - | - | - | 19.742.050 | 19.742.050 | (182.422) | 19.559.628 |
| **Balance 30.09.2007** | **45.039.813** | **146.676.671** | **453.870** | **14.777.397** | **394.575** | **29.073.340** | **236.415.665** | **20.460.814** | **256.876.479** |

**Company**

| | Share Capital | Share Premium Account | Revaluation reserve of participations and other assets | Statutory and other reserves | Translation exchange differences | Retained earnings | Share Capital & Reserves | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance 31.12.2005** | **40.260.000** | **115.403.624** | **550.141** | **18.098.462** | **(11.117)** | **11.027.756** | **185.328.866** | **-** | **185.328.866** |
| Translation exchange differences | | | | | 30.020 | | 30.020 | | 30.020 |
| Appropriations | | | | 636.052 | | (636.052) | 0 | | 0 |
| Dividend paid | | | | | | (8.784.000) | (8.784.000) | | (8.784.000) |
| Distribution | | | | | | | | | |
| Net profit for the period | - | - | - | - | - | 6.250.393 | 6.250.393 | - | 6.250.393 |
| **Balance 30.09.2006** | **40.260.000** | **115.403.624** | **550.141** | **18.734.514** | **18.903** | **7.858.098** | **182.825.280** | **-** | **182.825.280** |
| **Balance 31.12.2006** | **40.260.000** | **115.403.624** | **565.681** | **18.734.514** | **115.948** | **9.272.121** | **184.351.888** | **-** | **184.351.888** |
| **Change of accounting policy for investment property (Fair value) (Note 7a)** | **-** | **-** | **-** | **-** | **-** | 540.961 | 540.961 | - | **540.961** |
| **Restated Balance 31.12.2006** | **40.260.000** | **115.403.624** | **565.681** | **18.734.514** | **115.948** | **9.813.082** | **184.892.849** | **-** | **184.892.849** |
| Share capital increase | 4.779.813 | 31.273.047 | | (1.751.058) | | (444.942) | 33.856.860 | | 33.856.860 |
| Translation exchange differences | | | | | 22.042 | | 22.042 | | 22.042 |
| Dividend paid | | | | | - | (8.784.000) | (8.784.000) | | (8.784.000) |
| Transfer of reserves | | | | (5.410.335) | | 5.410.335 | - | | - |
| Net profit for the period | - | - | - | - | - | 8.786.236 | 8.786.236 | - | 8.786.236 |
| **Balance 30.09.2007** | **45.039.813** | **146.676.671** | **565.681** | **11.573.121** | **137.990** | **14.780.711** | **218.773.987** | **-** | **218.773.987** |

## 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 $7^{th}$-class public works certificate, which is the highest class available, whereas ETETH S.A. acquired a $6^{th}$-class certificate and PROET S.A. entered the new public works certification registry with a $3^{rd}$-class certificate, which was upgraded to $4^{th}$-class towards the end of 2005. In the year 2007 J&P Avax SA acquired the subsidiary Athena SA which is consolidated in the financial statements of 30/06/07 for the first time.

### 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, 2007 to September 30, 2007 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 |
| I.A.S. 24 | Related Party Disclosures |
| I.A.S. 26 | Accounting and Reporting by Retirement Benefit Plans |
| I.A.S. 27 | Consolidated and Separate Financial Statements |
| I.A.S. 28 | Investments in Associates |
| I.A.S. 31 | 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.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 (c), 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% |
| SC FAETHON DEVELOPMENTS SRL, Romania | 100% |
| ATHENA SA, Athens | 76,07% |

Furthermore, in the consolidated financial statements of J&P Avax SA the following subsidiaries of Athena SA are included using the fully consolidation method:

| Company | % of Athena's SA participation |
|---|---|
| ARCAT SA, Egaleo Attiki | 100% |
| ARCAT North Greece – V. PROIOS SA, Thessaloniki | 60% |
| ERGONET SA, Athens | 51% |
| ATHENA ROMANIA SRL, Romania | 100% |
| ATHENA ENERGIAKI, Athens | 99% |

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 | 30.83% |
| 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% |
| STACY INVESTMENTS Sp.zo.o. | 50,00% |
| CAR PARK N.SMIRNI | 20,00% |
| LEISURE PARKS S.A.(KANOE-KAYAK) | 25,00% |
| CYCLADES ENERGY CENTER, Athens | 45,00% |
| SC ORIOL REAL ESTATES, Romania | 50,00% |
| SALONIKA PARK, Athens | 50,00% |
| 4K REAL ESTATE, Athens | 30.00% |

* The participation in Attica Telecommunications S.A. was sold at 12/4/2007

Furthermore, in the consolidated financial statements of J&P Avax SA the following associates of Athena SA are included using the equity method:

| Company | % of Athena's SA participation |
|---|---|
| LEFKADAS MARINE PORT SA, Greece | 26.64% |
| VAKON SA, Greece | 25.00% |
| SY.PRO S.A., Greece | 25.00% |
| VIOENERGEIA SA, Greece | 45.00% |
| ATHENA MICHANIKI OE, Greece | 50.00% |
| ATHENA EMIRATES LLC, United Arab Emirates | 49.00% |
| NEW UNDERGROUND CAR STATION OLP SA, Greece | 30.00% |

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

Proportionate consolidation by 100% (complete consolidation)

| | | |
|---|---|---|
| 1. | J/V J&P-AVAX S.A. - ETETH S.A., Athens (Gefyra Staurou) | 100.00% |
| 2. | J/V J&P-AVAX AE - ETETH S.A., Athens (Podoniftis) | 100.00% |
| 3. | J/V J&P-AVAX S.A. - ETETH S.A., Athens (S.E.A) | 100.00% |
| 4. | J/V J&P - AVAX S.A. - ETETH S.A., Athens (SMAEK) | 100.00% |
| 5. | J/V J&P - AVAX S.A. - ETETH S.A., Athens (Olympic Ring) | 100.00% |
| 6. | J/V J&P - AVAX S.A. – ETETH S.A., Athens (Suburban Railway) | 100.00% |
| 7. | J/V J&P - AVAX S.A. – ETETH S.A., Athens (Subcontractor Suburban Railway) | 100.00% |
| 8. | J/V J&P - AVAX S.A. – PROET S.A., Athens (Park of Lavrio) | 100.00% |

The Proportionate consolidation by 100% has the same results with the complete consolidation

Proportionate consolidation

| | | |
|---|---|---|
| 9. | J/V J&P-AVAX S.A. - "J/V IMPREGILO SpA -J&P-AVAX S.A.- EMPEDOS S.A.", Athens | 66.50% |
| 10. | J/V J&P-AVAX S.A.-ETETH S.A. -EMPEDOS S.A. -GENER S.A., Salonica | 73.50% |

| | | |
|---|---|---|
| 11. | 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% |
| 12. | J/V J&P-AVAXS.A. - EKTER A.E - KORONIS S.A., Athens | 36.00% |
| 13. | J/V J&P - AVAX S.A. - AKTOR S.A. - VIOTER A.E - TERNA S.A., Athens | 20.00% |
| 14. | J/V J&P-AVAX - VIOTER S.A. - TERNA S.A. , Athens | 37.50% |
| 15. | J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens | 47.00% |
| 16. | J/V AKTOR S.A. - J&P - AVAX S.A. - PANTECHNIKI S.A., Athens | 34.22% |
| 17. | J/V AKTOR S.A. - J&P-AVAX S.A., Athens | 44.00% |
| 18. | J/V PANTECHNIKI S.A. - AKTOR S.A. - J&P-AVAX S.A., Athens | 33.33% |
| 19. | J/V "J/V ΑΕΓΕΚ S.A. - AKTOR S.A. -SELI" -J&P-AVAX S.A., Athens | 20.00% |
| 20. | J/V J&P-AVAX S.A.- VIOTER S.A., Athens | 50.00% |
| 21. | J/V J&P-AVAX S.A. - KL.ROUTSIS S.A., Athens | 50.00% |
| 22. | J/V AKTOR A.T.E - J&P-AVAX S.A., Athens | 50.00% |
| 23. | 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% |
| 24. | J/V J&P-AVAX S.A. -VIOTER S.A.-HELIOHORA S.A., Athens | 37.50% |
| 25. | J/V PANTECHNIKI S.A. - J&P-AVAX S.A. - VIOTER S.A., Athens | 44.33% |
| 26. | 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% |
| 27. | J/V AKTOR S.A. - J&P AVAX S.A., Athens | 52.00% |
| 28. | J/V J&P-AVAX S.A. - ETETH S.A. - EMPEDOS S.A., Salonica | 73.86% |
| 29. | J/V AKTOR S.A. - J&P AVAX S.A. -PANTECHNIKI S.A., Athens | 34.22% |
| 30. | J/V J&P AVAX S.A. - INTL TAPESTRY CENTRE, Athens | 99.90% |
| 31. | J/V ETETH S.A.-TASKOUDIS-POLYMETRIKI Ltd, Athens | 44.00% |
| 32. | J/V ETETH S.A. - STOYANNOS - POLYMETRIKI Ltd, Athens | 44.50% |
| 33. | J/V ETETH S.A. - KL.ROUTSIS S.A., Salonica | 50.00% |
| 34. | J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens | 47.00% |
| 35. | J/V J&P - AVAX A.E - GENERALE LOCATION, Athens | 50.00% |
| 36. | J/V J&P - AVAX A.E - GENERALE LOCATION, Athens | 50.00% |
| 37. | J/V AKTΩP S.A. - PANTECHNIKI S.A. - J&P-AVAX S.A., Athens | 25.00% |
| 38. | J/V AKTOR S.A. - PANTECHNIKI S.A. - J&P - AVAX S.A., Athens | 25.00% |
| 39. | J/V J&P – AVAX SA - DRAGADOS Y CONSTRUCTION, Ethiopia | 50.00% |
| 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 – AVAX SA – AKTOR SA, Athens | 70.58% |
| 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, Athens | 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% |
| 51. | J/V AKTOR A.T.E - AEGEK S.A. - J&P-AVAX S.A. - SELI S.p.A, Athens | 20.00% |

| | | |
|---|---|---|
| 52. | J/V J&P AVAX S.A – J&P Ltd, Cyprus | 75.00% |
| 53. | J/V "J/V AKTOR SA – DOMOTEXNIKH S.A. THEMELIODOMI S.A." – TERNA S.A – ETETH S.A., Salonica | 25.00% |
| 54. | J/V J&P AVAX S.A. – FCC CONSTRUCCION S.A, Athens | 49.99% |
| 55. | J/V ELIASA MICHAIL-GABRYIL-PROET S.A. Athens | 90.00% |
| 56. | J/V ELIASA MICHAIL-GABRYIL- SBERONIS ALEXANDROS -PROET S.A., Salonica | 90.00% |
| 57. | J/V ETETH S.A. – TOMES S.A. | 50.00% |
| 58. | J/V AKTOR ATE-J&P AVAX SA-TERNA SA-IME A' PHASE, Athens | 32.00% |
| 59. | J/V AKTOR ATE-J&P AVAX SA-TERNA SA-IME A' PHASE, Athens | 32.00% |
| 60. | J/V ABU-DHABI J&P AVAX, UAE | 25.00% |

Furthermore, the following are the joint ventures in which the Athena SA participates and are consolidated proportionately:

<u>Proportionate consolidation by 100% (complete consolidation)</u>

| | Company | HEAD OFFICE | % of Athena's SA participation |
|---|---|---|---|
| 61. | J/V ATHENA - ARCHIMIDIS (OLP II) | Athens | 100.00% |
| 62. | J/V ATHENA - SNAMPROGETTI | Athens | 100.00% |
| 63. | J/V ATHENA - ARCHIMIDIS (OLP I) | Athens | 100.00% |
| 64. | J/V ATHENA - ARCHIMIDIS (OLP V) | Athens | 100.00% |
| 65. | J/V ARCHIMIDIS - ATHENA (OLP IV) | Athens | 100.00% |

<u>Proportionate consolidation</u>

| | Company | HEAD OFFICE | % of Athena's SA participation |
|---|---|---|---|
| 66. | J/V ATHENA - KONSTADINIDIS | Athens | 50.00% |
| 67. | J/V ATHENA - FCC | Athens | 50.00% |
| 68. | J/V ATHENA - BARESEL – ATTIKAT | Athens | 34.00% |
| 69. | J/V ATHENA - LAND & MARINE | Athens | 46.88% |
| 70. | J/V ATHENA - ARCHIMIDIS (OLP III) | Athens | 95.00% |
| 71. | J/V ATHENA - GKOYNTAS/SPILIOTOPOULOS | Athens | 70.00% |
| 72. | J/V ATHENA - DOMIKI KRITIS | Athens | 50.00% |
| 73. | J/V ATHENA – ERGOASFALTIKI | Larissa | 50.00% |
| 74. | J/V ATH-THEM.-EL.TECH.-KON.-TSABRAS | Athens | 25.00% |
| 75. | J/V ATH-EL.TECH.-THEM-PASS.-PERIBALLON | Thessaloniki | 28.00% |
| 76. | J/V ATH.-THEM.-EL.TECH. - KTIPIO BITIOFOR | Athens | 33.33% |
| 77. | J/V PLATAMONA | Athens | 19.60% |
| 78. | J/V ATHENA - PROODEFTIKI (CORABIA) | Athens | 60.00% |
| 79. | J/V ATHENA-KOSTADINIDIS (FLISVOS) | Athens | 66.67% |
| 80. | J/V AKTOR - ATHENA - EBEDOS (IBC) | Athens | 26.00% |
| 81. | J/V ATHENA - EKAT ETAN AE | Athens | 55.00% |
| 82. | J/V BIOTER – ATHENA | Athens | 50.00% |

| | | | |
|---|---|---|---|
| 83. | J/V GEFIRA | Athens | 7.74% |
| 84. | J/V ATHENA - THEM. - ATTIKAT (ERMIS) | Athens | 33.33% |
| 85. | J/V THEM.-EL.TECHN.-ATHENA -PASS-GIOVANI | Athens | 26.67% |
| 86. | J/V AKTOR - THEM/DOMI - ATHENA (A403) | Athens | 33.33% |
| 87. | J/V THEM/MI-ATHENA -KOROTZIS (IKAROS) | Athens | 33.33% |
| 88. | J/V KON.-ATH.-EDRASI-DOMIKI (AG.KOSM.) | Athens | 25.00% |
| 89. | J/V ATHENA - AKTOR (MAKEDONIA) | Athens | 70.00% |
| 90. | J/V TSO - ARCHIRODON - ERGONET | Athens | 22.95% |
| 91. | J/V ERGONET - ARCHIRODON | Athens | 25.50% |
| 92. | J/V ARCHIRODON - ERGONET | Athens | 25.50% |
| 93. | J/V TOURIST PORT OF LEUKADA | Athens | 22.50% |
| 94. | J/V MHCHANIKI - ATHENA (MPC) | Athens | 50.00% |
| 95. | J/V DODONI MOCHLOS - ATHENA | Athens | 50.00% |
| 96. | J/V PAPADAKIS - ATHENA (VRILISSIA) | Athens | 50.00% |
| 97. | J/V 6th PROBLITA O.L.TH – A1 | Athens | 41.67% |
| 98. | J/V POSIDON | Athens | 16.50% |
| 99. | J/V PROODEFTIKI - ATHENA (CRAIOVA) | Athens | 35.00% |
| 100. | J/V TERNA - ATHENA (ARACH. - PERISTERI) | Athens | 37.50% |
| 101. | J/V KONS. - ATHENA - (AG. KOSMAS A') | Athens | 50.00% |
| 102. | J/V ATHENA - ROUTSIS (CAR TERMINAL) | Athens | 50.00% |
| 103. | J/V AKTOR - ATHENA - THEMEL. (KALATRAVA) | Athens | 29.00% |
| 104. | J/V ATHENA - ARCHIRODON (ISAP) | Athens | 50.00% |
| 105. | J/V ANEGERSIS KTIRION OSE THRIASIO | Athens | 13.30% |
| 106. | J/V ARCHIRODON - ATHENA (THISIO) | Athens | 50.00% |
| 107. | J/V AKTOR - ATHENA THEMEL. (OAKA) | Athens | 21.10% |
| 108. | J/V ATTIKAT - ATHENA (AG. KOSMAS) | Athens | 40.00% |
| 109. | J/V ERETVO - ATHENA – ROUTSIS | Athens | 25.00% |
| 110. | Κ/Ξ ΑΚΤΩΡ - ΑΘΗΝΑ (ΞΗΡΑΝΣΗ ΙΛΥΟΣ) | Athens | 50.00% |
| 111. | J/V PADECHNIKI - ATHENA (KOS) | Athens | 50.00% |
| 112. | J/V ATHENA-AKTOR (POTI) | Athens | 50.00% |
| 113. | PSITALIA NAFTIKI ETERIA | Athens | 33.33% |
| 114. | J/V AKTOR - THEMELIODOMI - ATHENA (A380) | Athens | 33.33% |
| 115. | J/V AKTOR - ATHENA EBEDOS (IBC MAINTEN.) | Athens | 26.00% |
| 116. | J/V TERNA - ATHENA (IOANNINA - METSOBO) | Athens | 37.50% |
| 117. | J/V ATHENA - MECHANIKI (SKARFEIA) | Athens | 50.00% |
| 118. | J/V ATHENA-AKTOR (LASPI) | Athens | 50.00% |
| 119. | J/V ATHENA - IMEK HELLAS AE | Athens | 99.00% |
| 120. | J/V ATHENA - AKTOR (A425) | Athens | 50.00% |
| 121. | J/V MOCHLOS - ATHENA (TUNNEL S2) | Athens | 50.00% |
| 122. | J/V ATHENA - AKTOR (B΄ PHASE) | Athens | 50.00% |
| 123. | J/V AKTOR - ATHENA (A-417) | Athens | 70.00% |
| 124. | J/V AKTOR - ATHENA (BUCHAREST) | Athens | 50.00% |

The following Joint Ventures for projects completed before 2003 and they are in process of dissolution, are not consolidated due to minor materiality effect in the Group Financial Statements. The financial results (profit or loss) of those Joint Ventures are recorded in the separate Financial Statements of the companies participating in those Joint Ventures.

J/V ATTIKAT A.T.E - PANTEXNIKH SA – J&P AVAX SA-EMPEDOS SA , Marousi,25%, J/V J&P AVAX SA – ATE GNONON, Marousi, 50%, J/V J&P ABAX SA – AKTOR ATE , Athens,50%, J/V J&P-ABAX SA -AKTOR SA , Marousi,50%, J/V ATTIKOY AGOGOY KAYSIMON, Xalandri,26.79%, J/V J&P ABAX SA-ATTIKAT ATE,Marousi, 90%, J/V J&P AVAX SA-GENER SA 65%, J/V AKTOR SA-J&P AVAX SA-EMPEDOS SA - ETETH SA,Athens,50%, J/V AKTOR SA-J&P/ABAΞ AE ,Athens,50%, J/V J&P ABAΞ AE -AKTOR SA ,Marousi,50%, J/V J&P AVAX SA-TERNA SA-EUKLEIDHS ATE,Marousi,35%, J/V AKTOR SA-J&P ABAX SA ,Athens,50%, J/V J&P AVAX SA-AKTOR SA-VAMED ENG.GMBH & KO KG,Athens,33.80%, J/V J&P AVAX SA-EMPEDOS SA ,Kifisia,50%, J/V ELLINIKH TEXNODOMIKH SA-TERNA SA-GNOMON ATE-J&P AVAX SA-IMEC GMBH,Athens,24%, J/V J&P AVAX SA- EDRASH PSHALLIDAS ATE, Athens,50%, J/V AEGEK-J&P AVAX SA-KL. ROUTSIS SA,Athens,40%, J/V J&P AVAX SA-TEXNODOMH AFOI TRAYLOU ABETTE-KL. ROUTSHS SA,Athens,33.33%, J/V J&P AVAX SA- TEXNODOMH AFOI TRAYLOU ABETTE-KL. ROUTSHS SA,Athens,33.33%, J/V MICHANIKI SA-J&P AVAX SA-ATHHNA AETB-MOXLOS SA ,Kalamaki,24.50%, J/V J&P AVAX SA-AKTOR SA ,Athens,48%, J/V J&P AVAX SA-ERETBO AE,Athens,80%, J/V PROODEUTIKH ATE- ATTIKAT ATE-ATEMKE ATE -J&P AVAX SA,Athens,20%, J/V J&P AVAX SA-KL. ROUTSHS SA,Athens,90%, J/V GNOMON ATE-J&P AVAX SA-J/V ATHENA ATEBE-ARXIMHDHS ATE,Kifisia, 33%, J/V J&P AVAX SA-ATHINAIKH TEXNIKH SA-TH. KARAGIANNHS SA,Athens,33.33%, J/V ABAX SA – TEXNODOMH ATE, Mosxato,50%, J/V ERGOY SKOPEYTIRIOY MARKOPOULOU, Marousi,50%, J/V SIGALAS SA-J&P AVAX SA-ALTE SA –A. XARHS & SIA EE, Psixiko, 22.22%, J/V AKTOR SA -J&P AVAX SA-ETETH SA ,Xalandri, 50%, J/V AKTOR SA-J&P AVAX SA-ETETH SA, Thessaloniki,57%, J/V AKTOR SA -J&P AVAX SA ,Athens,80%, J/V J&P AVAX SA-KL. ROUTSHS SA,Athens,66.67%, J/V AKTOR SA -J&P ABAX SA -ETETH SA,Xalandri,49%, J/V J&P AVAX SA-KL. ROUTSHS SA,Athens,66.67%, J/V J&P AVAX SA-EUKLEIDHS – DOMOS SA-PROET SA-BETANET AEBE-J/V J&P AVAX SA-EUKLEIDHS,Athens,39%, J/V J&P AVAX SA-EDRASH PSALLIDAS ATE,Athens,50%, J/V J&P AVAX SA-ETANE ATE Athens,50%, J/V AKTOR SA-J&P AVAX SA-ETETH SA,Xalandri,66.66%, J/V KL.ROUTSHS SA-J&P AVAX SA-KOURTIDHS SA,Athens,33.33%, J/V SYMPAROMARTOYNTA ERGA METRO,Xalandri,26,7873%, J/V J&P AVAX SA-EKTER SA ,Athens,50%, J/V SIGALAS SA-J&P AVAX SA-ALTE SA,Psixiko,33.33%, J/V "J/V SIGALAS SA-GNOMON ATE-J&P AVAX SA,Psixiko,33.33%, J/V 'J/V PANTEXNIKH SA- EMPEDOS SA-EMPEDOS SA-PANTEXNIKH SA-J&P AVAX SA,Psixiko,12.50%, J/V J&P AVAX SA - OLYMPIOS ATE - K.KOUBARAS– N. GERARXAKHS –Z.MENELAOS-N.XATZHXALEPLHS,Athens,15%, J/V AKTOR SA-J&P AVAX SA-N.GERARXAKHS-K.KOUBARAS,Athens,48%, J/V AKTOR SA-J&P AVAX SA-EMPEDOS SA –EKTER SA-DIEKAT ATE-ALTE ATE-TERNA SA,Athens,20%, J/V ATTIKAT ATE-J&P AVAX SA,Amfissa,25%, J/V J&P AVAX SA-GENER SA,Athens,50%, J/V J&P AVAX SA-AKTOR SA ,Marousi,35%, J/V AKTOR SA-J&P AVAX SA,Athens,50%, J/V J&P AVAX SA-EUKLEIDHS SA,Athens,50%, J/V TERNA SA-AKTOR SA-J&P AVAX SA,Athens,1%, J/V TERNA SA-AKTOR SA-J&P AVAX SA,Athens,1%, J/V J&P ABAX SA –J/V KL. ROUTSHS SA-KLAPADAKHS-POLITHS,Athens,50%, J/V 'J/V AKTOR SA-ANASTHLOTIKH ATE-AKTOR SA-ANASTHLOTIKH ATE-LAMDA TEXNIKH SA-J&P AVAX SA-INTERTOP SA –KOURTIDHS SA,Xalandri,28.56%, J/V J&P AVAX SA-N. LIANDRAKHS, Hrakleio ,80%, J/V AKTOR SA -J &P AVAX SA ,Xalandri,40%, J/V J&P AVAX SA-BIOTER SA-IDEAL MEDICAL PRODUCTS SA, Marousi,35.17%, J/V J&P-AVAX SA -GENERALE LOCATION SA ,Marousi,50%, J/V J&P-ABAX SA-GENERALE LOCATION,Marousi,50%, J/V J&P AVAX SA –BIOTER SA,Thessaloniki,65%, J/V AKTOR SA -J&P AVAX SA ,Xalandri,50%, J/V J&P ABAX SA- ELTER SA – SARANTOPOULOS SA, P. Faliro,18%, J/V TEXNODOMH ABETE-J& P ABAX SA-EKTER SA-TELAMON SA ,Mosxato,30%, J/V J&P AVAX SA – GNOMON SA,Kifisia,50%, J/V OAKA TENNIS,Xalandri,16.67%, J/V KARAHLIAS –TRAXANAS-TSEPELH-ZAGARH-J&P AVAX SA,Amfissa,10%, J/V ETETH SA - PROET SA,Athens,100%, J/V KOSYNTHOS SA - PROET SA,Marousi,50%, J/V THEMELIODOMH SA -PROET SA,Kifisia,30%, J/V PROET SA-M.S. ELIASA –A.PORFYRIDHS-GKORYTSA,Marousi,95%, J/V PROET SA-. ELIASA –A.PORFYRIDHS -NEOKTISTA,Marousi,95%, J/V PROET SA-MPETANET ABEE,Marousi,90%, J/V PROET SA-ANAGNOSTOPOULOS BAS. Tou NIK.,Marousi,90%, J/V PROET SA-KL.ROUTSHS SA ,Marousi,90%, J/V'J/V ELIASA MIXAHL GABRIHL SBERONHS ALEXANDROS '-PROET SA,Marousi,90%, J/V " ETETH SA - EKKON AE ",Athens,50%, J/V " TEGK SA - ETETH SA ",Athens,50%, J/V " AKTOR SA - ETETH SA ",Xalandri,50%, J/V " AKTOR SA - ETETH SA – THEMELH SA - THEMELIODOMH SA " ,Xalandri,30%, J/V "AKTOR SA –PANTEXNIKH SA -ATTIKAT SA -ETETH SA",Xalandri,25%, J/V ETETH SA-PANTEXNIKH SA-THEMELIODOMH SA,Xalandri50%, J/V "ETETH SA-J&P AVAX SA,Athens, 100%, J/V METRIK SA-ETETH SA-MAGIAFAS –XATZHDAKHS- PSATHAKHS OE,Athens,40%, J/V "KL. G. ROYTSHS - ETETH SA-KL. ROUTSHS SA",Athens,10%, J/V "ODYSSEYS ATE - ETETH SA,Athens,16%, J/V "ETETH

SA-GEOMETRIKH SA",Marousi, 50%, J/V ETETH SA-EYKLEIDHS – PARAKAMPSH NAYPAKTOY,Marousi,50%

## C.2a. Property, Plant & Equipment, Investment Property (I.A.S. 16)

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).

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.2b. Investment Property (IAS 40)

J&P Avax group applies IAS 40 for the property regarded as an investment, using the alternative method of valuation, which is the cost model.

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).

During 2007 J&P Avax group decided to change the accounting policy, regarding the valuation of investment property, and specifically to apply the fair value model instead of the cost model.
The Management adopts the opinion that the accounting policy of the fair value model for the investment property valuation provides more credible and relevant information because it is based on up-dated values.

According to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", paragraph 52, the retrospective application of a new accounting policy requires the distinction of the information that:
a)Indicate the prevailing facts at the transaction dates.
b)Would be available when the financial statements of these previous periods were approved to be published.
For certain estimations (e.g. fair value estimation not based on an observable price or observable inputs) the distinction of the information is not possible.
When the retrospective application, or the retrospective restatement would require significant estimation, for which the separation of the information is not feasible, then the retrospective application of the new accounting policy is not feasible too.

The Management examined the prospect to recognize both cases of the change in accounting policy. They deduced that the change could not be accounted retrospectively. Therefore, the accounting policy will be applied on a future basis beginning from 2007.

### 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. The Group provides business segment report.

**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.

## E. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

IASB and IFRIC have published a series of new financial reporting standards and interpretations which are mandatory for financial periods beginning on or after 01.01.2007. The estimation of the Group's and the Company's management regarding the impact of those new standards and interpretations is as follows:

**IFRS 7 – Financial Instruments: Disclosures, and a complimentary amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures**
(effective for financial years beginning on or after 01.01.2007)

IFRS 7 introduces additional disclosures regarding financial instruments to improve information on those instruments, and more specifically it requires the disclosure of qualitative and quantitative information on exposure to risks arising from financial instruments (credit risk, liquidity risk and market risk). IFRS 7 replaces the disclosure requirements provided by IAS 32 (Financial Instruments: Disclosure and Presentation).

The amendment to IAS1 introduces disclosures about an entity's targets, policies and capital management procedures.

The Group and the Company will apply all amendments provided by IFRS 7 on the annual financial statements of 1/1 – 31/12/07.

**IFRS 8 – Operating Segments**
(effective for financial years beginning on or after 01.01.2009)

IFRS 8 replaces IAS 14 (Segment Reporting). The information reported will be the same as that used internally by management for evaluating the performance of operating segments and allocating resources to those segments. The Group and the Company are in the process of evaluating the effect of IFRS 8 on its financial statements. The EU has not as yet endorsed IFRS 8.

**IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies**
(effective for financial years beginning on or after 01.03.2006)

IFRIC 7 is not relevant to the Group's operations.

**IFRIC 8 – Scope of IFRS 2**
(effective for financial years beginning on or after 01.05.2006)

IFRIC 8 is not relevant to the Group's operations.

**IFRIC 9 – Reassessment of Embedded Derivatives**
(effective for financial years beginning on or after 01.06.2006)

IFRIC 9 is not relevant to the Group's operations.

**IFRIC 10 – Interim Financial Reporting and Impairment**
(effective for financial years beginning on or after 01.11.2006)

IFRIC 10 may have an impact on financial statements should any impairment losses be recognized in interim financial statements in relation to goodwill or investments in equity instruments available for sale or non-quoted equity instruments carried at cost, as these impairment losses may not be reversed in later interim or annual financial statements. The EU has not as yet endorsed IFRIC 10.

**IFRIC 11 – Group and Treasury Share Transactions**
(effective for financial years beginning on or after 01.03.2007)

IFRIC 11 provides instructions about whether the allowance agreements that are dependent on the price of shares, should be recognised in the financial statements as cash payments or as payments with participation titles. This is a significant distinction as major differences arise in the accounting treatments. For example, cash payments are recognized at the fair value in each balance sheet date. On the contrary, in case of payment with participation titles the fair value is valuated at the date of the allowance and is recognized in the period where the service was rendered.

**IFRIC 12 – Service Concession Arrangements**
(effective for financial years beginning on or after 01.01.2008)

IFRIC 12 outlines the approach of entities providing public services through concession agreements to the application of existing IFRSs in accounting for the obligations and rights assumed through those concession agreements. According to IFRIC 12, those entities should not account for the infrastructure as property, plant and equipment, but should recognise a financial asset and / or an intangible asset. The Group and the Company are in the process of evaluating the effect of IFRIC 12 on its future financial statements. The EU has not as yet endorsed IFRIC 12.

## NOTES TO THE ACCOUNTS

### 1. Turnover

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 |
| Turnover | 426.259.957 | 188.399.327 | 242.508.178 | 89.353.937 | 206.824.150 | 86.854.098 | 120.458.156 | 45.430.070 |
| Sale of products | 11.468.519 | 5.310.508 | 4.893.177 | 1.383.806 | 100.968 | 58.298 | 110.737 | 31.182 |
| Sale of services | 15.036.079 | 12.223.809 | 2.690.187 | 1.294.905 | 10.671.493 | 8.268.783 | 6.648.734 | 5.685.816 |
| | **452.764.554** | **205.933.643** | **250.091.541** | **92.032.647** | **217.596.611** | **95.181.179** | **127.217.627** | **51.147.068** |

The Company sold its entire shareholding (30.8406%) in Attica Telecommunications S.A to HellasOnLine S.A on 23.04.2007. The sale of 100% of the shares of Attica Telecommunications to HellasOnLine was agreed at a total consideration of €46,3 million Euros. From the sale of Attica Telecommunications there is a profit for the Group amount 8.340.835,93 euro and for the Gompany 11.899.636,80 euro respectivelly.

### 2. Income/(Losses) from Associates/Participations

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 |
| Dividends from associates | | - | | - | 15.229.598 | 3.725.810 | 10.707.854 | 1.041.881 |
| Profit/(loss) from associates | 25.161.776 | 5.595.807 | 18.779.679 | 5.513.529 | 11.899.637 | - | (105.078) | (105.078) |
| | **25.161.776** | **5.595.807** | **18.779.679** | **5.513.529** | **27.129.235** | **3.725.810** | **10.602.776** | **936.803** |

### 3.Net finance cost

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 |
| Interest income | 521.328 | 261.921 | 282.709 | 50.408 | 76.866 | 73.104 | 578 | (24.300) |
| Interest expense | (12.333.413) | (6.251.921) | (5.039.781) | (1.745.128) | (7.446.881) | (3.761.081) | (2.931.869) | (925.778) |
| | **(11.812.085)** | **(5.990.000)** | **(4.757.072)** | **(1.694.720)** | **(7.370.015)** | **(3.687.977)** | **(2.931.291)** | **(950.078)** |

### 4.Tax

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 | 1.1-30.9.2007 | 1.7-30.9.2007 | 1.1-30.9.2006 | 1.7-30.9.2006 |
| Income tax | (7.309.398) | (2.562.305) | (4.857.741) | (2.332.594) | (936.677) | (38.072) | (799.947) | (146.257) |
| | **(7.309.398)** | **(2.562.305)** | **(4.857.741)** | **(2.332.594)** | **(936.677)** | **(38.072)** | **(799.947)** | **(146.257)** |

## 5. Segment Reporting

### Primary reporting format - business segments

The Group is active in 3 main business segments:

- Construction
- Concessions
- Other activities (Real estate development and other activities)

The figures per business segments for the period ended 30 September 2007 are as follows:

| | Construction | Concessions | Other activities | Total |
|---|---|---|---|---|
| Total gross sales per segment | 448.034.319 | - | 11.031.836 | 459.066.155 |
| Inter-segment sales | (6.196.995) | - | (104.606) | (6.301.601) |
| **Net Sales** | **441.837.324** | **-** | **10.927.230** | **452.764.554** |
| **Operating Results** | **37.220.535** | **-** | **(392.325)** | **36.828.210** |
| Other net operating income/(expenses) | 2.314.522 | | (192.299) | 2.122.223 |
| Administrative expenses / Selling & Marketing expenses | (16.102.090) | (7.722.504) | (1.606.505) | (25.431.098) |
| Income/(Losses) from Investments in Associates | - | 24.805.943 | 355.833 | 25.161.776 |
| **Profit from operations** | **23.432.967** | **17.083.439** | **(1.835.295)** | **38.681.111** |
| Net financial income / (loss) | | | | (11.812.085) |
| **Profit before tax** | | | | **26.869.026** |
| Tax | | | | (7.309.398) |
| **Profit after tax from continuing and discontinued operations** | | | | **19.559.628** |
| **Profit from discontinued operations** | - | 761.709 | - | **761.709** |
| **Profit from continuing operations** | **23.432.967** | **17.845.148** | **(1.835.295)** | **18.797.919** |
| **Depreciation** | 10.013.903 | 106.688 | 125.121 | 10.245.712 |

The figures per business segments for the period ended 30 September 2006 are as follows:

| | Construction | Concessions | Other activities | Total |
|---|---|---|---|---|
| Total gross sales per segment | 245.896.411 | - | 5.301.811 | 251.198.222 |
| Inter-segment sales | (1.023.267) | - | (83.413) | (1.106.680) |
| **Net Sales** | **244.873.144** | **-** | **5.218.397** | **250.091.541** |
| **Operating Results** | **28.667.642** | | **(470.634)** | **28.197.008** |
| Other net operating income/(expenses) | 644.057 | | (5.787) | 638.270 |
| Administrative expenses / Selling & Marketing expenses | (15.580.463) | (5.201.358) | (961.517) | (21.743.338) |
| Income/(Losses) from Investments in Associates | - | 18.694.288 | 85.391 | 18.779.679 |
| **Profit from operations** | **13.731.236** | **13.492.930** | **(1.352.547)** | **25.871.619** |
| Net financial income / (loss) | | | | (4.757.072) |
| **Profit before tax** | | | | **21.114.547** |
| Tax | | | | (4.857.741) |
| **Profit after tax from continuing and discontinued operations** | | | | **16.256.806** |
| **Profit from discontinued operations** | **-** | 1.435.445 | **-** | **1.435.445** |
| **Profit from continuing operations** | **13.731.236** | **14.928.375** | **(1.352.547)** | **14.821.361** |
| **Depreciation** | 6.692.423 | 99.185 | 95.772 | 6.887.380 |

**6. Property, Plant and Equipment**

**GROUP**

| **Cost** | **Land** | **Buildings** | **Machinery & Equipment** | **Vehicles** | **Furniture & Fittings** | **Assets under construction** | **Total Tangible Assets** |
|---|---|---|---|---|---|---|---|
| Balance 31.12.2006 | 10.201.129 | 29.143.596 | 44.637.033 | 6.927.551 | 4.432.650 | 1.531.087 | 96.873.047 |
| Acquisition of subsidiary | 3.227.305 | 8.362.601 | 30.237.504 | 30.877.462 | 3.530.961 | 323.673 | 76.559.506 |
| Acquisitions during the 1.1-30.09.2007 period | 127.500 | 281.012 | 20.813.161 | 11.649.028 | 1.149.333 | 1.093.786 | 35.113.820 |
| Transfer | (320.661) | (97.471) | | | | | (418.132) |
| Disposals during the 1.1-30.09.2007 period | - | 25.464 | 2.932.827 | 231.232 | - | 18.823 | 3.208.346 |
| **Balance 30.09.2007** | **13.235.273** | **37.664.273** | **92.754.871** | **49.222.809** | **9.112.944** | **2.929.723** | **204.919.894** |
| | | | | | | | |
| **Accumulated Depreciation** | | | | | | | |
| Balance 31.12.2006 | - | 1.432.673 | 19.597.105 | 3.920.950 | 2.423.598 | 3.919 | 27.378.245 |
| Acquisition of subsidiary | | 4.488.425 | 14.562.780 | 12.746.781 | 2.867.235 | | 34.665.221 |
| Depreciation charge for the 1.1-30.09.2007 period | - | 882.745 | 6.338.390 | 2.118.539 | 773.223 | | 10.112.896 |
| Disposals during the 1.1-30.09.2007 period | - | - | 1.989.120 | - | 160.860 | 3.919 | 2.153.899 |
| **Balance 30.09.2007** | **-** | **6.803.842** | **38.509.156** | **18.786.269** | **5.903.195** | **-** | **70.002.463** |
| | | | | | | | |
| **Net Book Value** | | | | | | | |
| **Balance 30.09.2007** | **13.235.273** | **30.860.431** | **54.245.715** | **30.436.540** | **3.209.749** | **2.929.723** | **134.917.432** |
| Balance 31.12.2006 | 10.201.129 | 27.710.922 | 25.039.928 | 3.006.601 | 2.009.053 | 1.527.168 | 69.494.802 |

**COMPANY**

| **Cost** | **Land** | **Buildings** | **Machinery & Equipment** | **Vehicles** | **Furniture & Fittings** | **Assets under construction** | **Total Tangible Assets** |
|---|---|---|---|---|---|---|---|
| Balance 31.12.2006 | 7.820.806 | 25.588.471 | 28.241.967 | 6.087.125 | 3.207.544 | 18.570 | 70.964.483 |
| Acquisitions during the 1.1-30.09.2007 period | - | 47.486 | 18.028.287 | 11.295.467 | 845.743 | - | 30.216.983 |
| Transfer | (22.032) | (97.471) | | | | | (119.503) |
| Disposals during the 1.1-30.09.2007 period | - | 24.162 | 299.772 | 18.544 | 40.380 | 18.570 | 401.428 |
| **Balance 30.09.2007** | **7.798.774** | **25.514.324** | **45.970.482** | **17.364.048** | **4.012.907** | **-** | **100.660.535** |
| | | | | | | | |
| **Accumulated Depreciation** | | | | | | | |
| Balance 31.12.2006 | - | 826.046 | 12.179.222 | 3.592.173 | 1.928.142 | 3.919 | 18.529.501 |
| Depreciation charge for the 1.1-30.09.2007 period | | 598.297 | 3.914.717 | 1.469.110 | 547.138 | - | 6.529.262 |
| Disposals during the 1.1-30.09.2007 period | - | - | 113.973 | 17.909 | 4.602 | 3.919 | 140.403 |
| **Balance 30.09.2007** | **-** | **1.424.343** | **15.979.966** | **5.043.374** | **2.470.678** | **-** | **24.918.360** |
| | | | | | | | |
| **Net Book Value** | | | | | | | |
| **Balance 30.09.2007** | **7.798.774** | **24.089.981** | **29.990.516** | **12.320.674** | **1.542.229** | **-** | **75.742.175** |
| Balance 31.12.2006 | 7.820.806 | 24.762.425 | 16.062.745 | 2.494.952 | 1.279.402 | 14.651 | 52.434.982 |

**7. Investment Property**

| | GROUP | | | COMPANY | | |
|---|---|---|---|---|---|---|
| | Land | Buildings | Total | Land | Buildings | Total |
| **Cost** | | | | | | |
| Balance 31.12.2006 | 7.525.656 | 294.015 | 7.819.672 | 279.356 | 85.202 | 364.558 |
| Acquisitions during the 1.1-30.09.2007 period | 1.657.818 | 5.308 | 1.663.126 | - | 5.308 | 5.308 |
| Revaluation (Note 7a) | 2.352.182 | 100.151 | 2.452.333 | 642.806 | 9.745 | 652.551 |
| Transfer | 320.661 | 97.471 | 418.132 | 22.032 | 97.471 | 119.503 |
| Disposals during the 1.1-30.09.2007 period | - | - | - | - | - | - |
| | **11.856.317** | **496.945** | **12.353.263** | **944.194** | **197.726** | **1.141.920** |
| Acquisition of subsidiary | 3.392.402 | 498.806 | 3.891.208 | **-** | **-** | **-** |
| **Balance 30.09.2007** | **15.248.719** | **995.751** | **16.244.471** | **944.194** | **197.726** | **1.141.920** |
| **Accumulated Depreciation** | | | | | | |
| Balance 31.12.2006 | - | 47.056 | 47.056 | - | 20.076 | 20.076 |
| Depreciation charge for the 1.1-30.09.2007 period | - | - | - | - | - | - |
| Revaluation | | (47.056) | (47.056) | - | (20.076) | (20.076) |
| Disposals during the 1.1-30.09.2007 period | - | - | - | - | - | - |
| Acquisition of subsidiary | | 31.385 | 31.385 | - | - | - |
| **Balance 30.09.2007** | **-** | **31.385** | **31.385** | **-** | **-** | **-** |
| **Net Book Value** | | | | | | |
| **Balance 30.09.2007** | **15.248.719** | **964.366** | **16.213.086** | **944.194** | **197.726** | **1.141.920** |
| Balance 31.12.2006 | 7.525.656 | 246.959 | 7.772.616 | 279.356 | 65.126 | 344.482 |

## 7a. Change of Accounting Policy of Investment Property

The Group of J&P AVAX, which has adopted the IAS 40 for the accounting treatment of investment properties, has applied the alternative method of measurement, which is the Cost Method.

During 2007 the Group of J&P AVAX has decided to change the accounting policy concerning the measurement policy of Investment Property and specifically to apply the Fair Value policy instead of Cost policy used.
The Management adopts the opinion that the chosen policy of fair values for valuation of Investment Property provides reliable and more relevant information, because it is based to market values.
For the above purpose, the Group has assigned to Independent Real Estate Chartered Surveyors, in Greece and abroad, the real estate revaluation project based on Fair (Market) Values of the Group's Investment Property.

According to IAS 8, «Accounting Policies, Changes in Accounting Estimates, and Errors», paragraph 52, retrospectively applying a new Accounting Policy requires distinguishing information that:
a) provide evidence of circumstances that existed on the date(s) as at which the transaction occurred, and
b) would have been available when the financial statements for that prior period were authorized for issue.

For some types of estimates (e.g. for an estimate of Fair Value not based on an observable price or observable inputs), it is impractical to distinguish these types of information.

When the retrospective application or the retrospective restatement would require making a significant estimate for which it is impossible to distinguish these two types of information, it is impractical to apply the New Accounting Policy retrospectively.

Following this, the Management considered how to account for each of the two aspects of the accounting change. After taking into consideration the reports of the Independent Real Estate Chartered Surveyors, **it determined that it was not practical to account for the change retrospectively**.

**Conclusively, the Management decided that it should apply the new policy prospectively from the start of 2007, and subsequently the adoption of the new policy has no effect on previous years.**

The effect on the **current year** is **to increase the current amount of «Investment Property»**, at **the start of the year** at Group level by €2.499.389 (at company level by €672.627), **increase the opening deferred tax liability** by €617.154 (at company level by €131.666), **revaluation of opening balance of retained earnings** by €2.017.167 (at company level by €540.961), **decrease of depreciation expense** by €5.245 (at company level by €2.070), **decrease the tax expense** by €21.589, and **decrease of the after tax profit for the year** by €108.098 (at company level by €2.070).
The effects on accounts of Balance Sheet Statement, Income Statement, and Statement of changes in Equity are analyzed below on Tables 1, 2, 3, and 4:

### Table 1: Accounts of Balance Sheet Statement of J&P AVAX

| | 30/06/2007 | | 31/03/2007 (restatement) | | 31/03/2007 | | 31/12/2006 | |
|---|---|---|---|---|---|---|---|---|
| | Group | Company | Group | Company | Group | Company | Group | Company |
| Investment Property | 16,251,158 | 1,139,850 | 11,117,736 | 1,016,207 | 8,618,347 | 343,580 | 7,772,616 | 344,482 |
| Total Assets | 870,132,035 | 492,788,088 | 595,765,284 | 395,905,612 | 593,265,895 | 395,232,985 | 534,040,050 | 360,340,088 |
| Deferred Tax Liability | 14,374,391 | 1,516,268 | 2,500,071 | 1,476,018 | 1,882,917 | 1,344,352 | 3,410,377 | 1,352,232 |
| Total Liabilities | 639,528,268 | 308,427,739 | 395,661,748 | 209,607,115 | 395,044,594 | 209,475,449 | 344,429,984 | 175,988,201 |
| Retained earnings | 17,426,164 | 7,207,237 | 22,145,706 | 11,108,883 | 20,236,637 | 10,565,852 | 12,511,420 | 9,272,121 |
| Share Capital & Reserve | 230,603,766 | 184,360,349 | 200,130,370 | 186,300,567 | 198,221,301 | 185,757,536 | 189,610,066 | 184,351,888 |

## Table 2: Application of Fair Value Model for Property Investment

| | FAIR VALUES 30/6/2007 | | | ACCOUNTING VALUES 30/6/2007 | | |
|---|---|---|---|---|---|---|
| | LAND | BUILDINGS | TOTAL | LAND | BUILDINGS | TOTAL |
| **J&P AVAX** | **944,194** | **195,656** | **1,139,850** | **301,388** | **165,835** | **467,223** |
| ETETH | 142,165 | 135,000 | 277,165 | 142,165 | 38,653 | 180,818 |
| J&P DEVELOPMENT | 4,627,780 | 164,220 | 4,792,000 | 2,838,308 | 143,181 | 2,981,489 |
| CONSOLID.ISTRIA/CONCURENT | 2,530,381 | - | 2,530,381 | 2,503,784 | - | 2,503,784 |
| BUPRA | 2,841,530 | - | 2,841,530 | 2,971,679 | - | 2,971,679 |
| FAETHON | 810,410 | - | 810,410 | 786,953 | - | 786,953 |
| | **11,896,459** | **494,876** | **12,391,335** | **9,544,277** | **347,669** | **9,891,946** |

| | DIFFERENCE BETWEEN FAIR AND ACCOUNTING VALUE | | RESULTING DEFERRED TAX ASSET/(LIABILITY) | | | | |
|---|---|---|---|---|---|---|---|
| | CONCERNING FAIR VALUE RESERVE | CONCERNING INCOME STATEMENT 1/1-30/6/07 | CONCERNING NET WORTH | CONCERNING INCOME STATEMENT FOR THE PERIOD | TOTAL EFFECT TO RETAINED EARNINGS 1/1/2007 | DEPRECIATION OF PERIOD 1/1-31/3/2007 | TOTAL EFFECT TO NET PROFIT 1/1-31/3/2007 |
| **J&P AVAX** | **672,627** | **-** | **(131,666)** | **-** | **540,961** | **2,070** | **2,070** |
| ETETH | 96,347 | - | (24,087) | - | 72,260 | 495 | 495 |
| J&P DEVELOPMENT | 1,810,511 | - | (452,628) | - | 1,357,883 | 2,680 | 2,680 |
| CONSOLID.ISTRIA/CONCURENT | 31,380 | (4,783) | (5,021) | 765 | 26,359 | - | (4,018) |
| BUPRA | - | (130,149) | - | 20,824 | - | - | (109,325) |
| FAETHON | 23,457 | - | (3,753) | - | 19,704 | - | - |
| | **2,634,321** | **(134,932)** | **(617,154)** | **21,589** | **2,017,167** | **5,245** | **(108,098)** |

## Table 3: Extract from Income Statement

| | 30/06/2007 | 31/3/2007 (restatement) | 31/03/2007 | 31/12/2006 |
|---|---|---|---|---|
| **GROUP** | | | | |
| Earnings before tax | 18,933,200 | 8,447,290 | 8,576,977 | 28,168,735 |
| Tax expenses | (4,747,093) | (1,513,673) | (1,535,262) | (8,756,679) |
| After tax profits from continued operations (a) | 14,186,107 | 6,933,617 | 7,041,715 | 19,412,056 |
| After tax profits from discontinued operations (b) | 761,709 | 606,671 | 606,671 | - |
| After tax profits (from continued and discontinued operations) (a)+(b) | **14,947,816** | **7,540,288** | **7,648,386** | **19,412,056** |
| **Attributable to:** | | | | |
| Equity holders of the parent | 15,023,993 | 7,617,118 | 7,725,216 | 19,530,705 |
| Minority interest | (76,177) | (76,830) | (76,830) | (118,649) |
| | 14,947,816 | 7,540,288 | 7,648,386 | 19,412,056 |
| **COMPANY** | | | | |
| Profit before tax | 9,043,314 | 1,725,028 | 1,722,958 | 9,783,357 |
| Tax expenses | (898,605) | (429,228) | (429,228) | (2,118,940) |
| After tax profit | **8,144,709** | 1,295,800 | **1,293,730** | **7,664,417** |

## Table 4: Consolidated Statement of changes in Equity

| **Group** | Share Capital | Share Premium Account | Revaluation Reserve of participations and other Assets | Statutory and other Reserves | Translation Exchange Differences | Retained Earnings | Share Capital & Reserve | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance of 31.12.2006 as previously reported | -40,260,000 | -115,403,624 | -453,870 | -20,499,929 | 317,870 | -12,511,420 | -188,810,972 | -799,094 | -189,610,066 |
| Change of accounting policy for investment property (Fair value) (Table 2) | | | | | | -2,017,167 | -2,017,167 | | -2,017,167 |
| **Balance of 31.12.2006 as it has been restated** | **-40,260,000** | **-115,403,624** | **-453,870** | **-20,499,929** | **317,870** | **-14,528,587** | **-190,828,139** | **-799,094** | **-191,627,233** |
| Balance of 31.3.2007 as previously reported | -40,260,000 | -115,403,624 | -453,870 | -20,499,929 | -644,978 | -20,236,638 | -197,499,037 | -722,264 | -198,221,301 |
| Change of accounting policy for investment property (Fair value) (Table 2) | | | | | | -1,909,609 | -1,909,069 | | -1,909,069 |
| **Balance of 31.3.2007 as it has been restated** | **-40,260,000** | **-115,403,624** | **-453,870** | **-20,499,929** | **-644,978** | **-22,145,707** | **-199,408,106** | **-722,264** | **-200,130,370** |

| **Company** | Share Capital | Share Premium Account | Revaluation Reserve of participations and other Assets | Statutory and other Reserves | Translation Exchange Differences | Retained Earnings | Share Capital & Reserve | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance of 31.12.2006 as previously reported | -40,260,000 | -115,403,624 | -565,681 | -18,734,514 | -115,948 | -9,272,122 | -184,351,888 | | -184,351,888 |
| Change of accounting policy for investment property (Fair value) (Table 2) | | | | | | -540,961 | -540,961 | | -540,961 |
| **Balance of 31.12.2006 as it has been restated** | **-40,260,000** | **-115,403,624** | **-565,681** | **-18,734,514** | **-115,948** | **-9,813,083** | **-184,892,849** | | **-184,892,849** |
| Balance of 31.3.2007 as previously reported | -40,260,000 | -115,403,624 | -565,681 | -18,734,514 | -227,865 | -10,565,852 | -185,757,536 | | -185,757,536 |
| Change of accounting policy for investment property (Fair value) (Table 2) | | | | | | -543,031 | -543,031 | | -543,031 |
| **Balance of 31.3.2007 as it has been restated** | **-40,260,000** | **-115,403,624** | **-565,681** | **-18,734,514** | **-227,865** | **-11,108,883** | **-186,300,567** | | **-186,300,567** |

On 30/06/2007 the previously mentioned revaluation of opening balance by €2.017.167 (at company level by €540.961), had been separately illustrated to the statement of changes in equity as fair value reserve. According to IAS 40, the relevant change is embodied to retained earnings, a fact which is illustrated rightly to the financial reports of 30/09/2007.

**8.Goodwill**

| | **GROUP** |
|---|---|
| | **30.09.2007** |
| Balance 31.12.2006 | 632.170 |
| Acquisition of ATHENA S.A (Note 8a) | 1.696.161 |
| Balance 30.09.2007 | **2.328.332** |

**8a. Acquisition of ATHENA SA**

The strategic partnership with ATHENA SA was planned and carried out as part of J&P-AVAX SA Group's ongoing quest for new business opportunities and strengthening in specific areas of activities. The move boosts J&P-AVAX's presence in marine works, environmental and energy projects, which ATHENA SA has a long record and expertise in, while also enhancing its chances of winning new projects in those sub-markets in Greece and abroad. ATHENA SA on the other hand joins a larger, internationally-oriented group and should be expected to improve its overall creditworthiness and negotiating power with the financial sector. Benefits may be expected in the following areas:

- economies of scale from the purchase of raw materials on more favourable terms and boosted capacity to simultaneously carry out a larger number of projects of all budget sizes

- synergies from the combination of the two companies' capital equipment in projects to be carried out jointly as well as the contribution of expertise of human resources in various business areas, thereby improving the success rate in tenders for projects in Greece and international markets alike

- financial cost savings for ATHENA SA due to improved negotiating power versus the banking sector in securing loans and making other business transactions required for everyday operations, such as issuing performance bonds etc

- boost in the aggregate stake in important concession projects

Already controlling 27,795,641 shares of ATHENA SA, or around 56,45% of its total stock and voting rights, J&P-AVAX SA launched on 21.06.2007 a Mandatory Public Tender pursuant to Law 3461/2006. According to the Public Tender, J&P-AVAX SA commits to purchasing all shares of ATHENA SA which were not under its control, that is 21,443,381 shares or around 43,55% of ATHENA SA's total shares, as of that date. The offered price per ATHENA SA share is €1.67 paid in cash. In case J&P-AVAX SA controls over 90% of ATHENA SA's total shares upon the end of the Public Tender period, it retains its right for a squeeze-out of minority shareholders, pursuant to article 27 of the afore-mentioned law.

The Acquisition percentage at the Balance Sheet Day of the Consolidated Financial Statements of the Group ( 30/09/07 ), the acquisition cost, and the Goodwill incurred by the acquisition of the ATHENA SA, are presented on the table below:

| Date of acquisition | Percentage of acquisition for the period (%) | Purchsae of shares for the period - Cash | Acquisition Expenses for the period | Cost of acquisition for the period | Proportion of Net Fair Value acquired | Proportion of deferred tax asset | Goodwill for the the period |
|---|---|---|---|---|---|---|---|
| 12/6/2007 | 50,60% | 41.609.379,32 | 273.840,66 | 41.883.219,98 | 39.489.974,93 | 1.202.174,32 | 1.191.070,73 |
| 30/6/2007 | 11,05% | 9.082.306,69 | 33.317,58 | 9.115.624,27 | 8.641.907,84 | 262.530,16 | 211.186,27 |
| 30/9/2007 | 14,42% | 11.751.870,16 | 55.131,38 | 11.807.001,54 | 11.170.501,12 | 342.595,92 | 293.904,50 |
| **Total** | **76,07%** | **62.443.556,17** | **362.289,62** | **62.805.845,79** | **59.302.383,89** | **1.807.300,41** | **1.696.161,49** |

The Goodwill resulted from the above acquisition was determined based on the Fair Values of the Consolidated Balance Sheet of the acquired Group of ATHENA ATE at 30/09/2007, 30/06/2007 and 12/06/2007 and is temporary. The Fair Value Assessment process of the Identifiable Assets, Liabilities and Contingent Liabilities of the Acquired Group and the subsequent final assessment of the Goodwill is in progress, relating to the fact that the Group has elected to apply the right provided by the IFRS 3 for finalising the above evaluations within 12 month period after the acquisition date, due to the foreign activities of ATHENA ATE (Europe and Middle East), for which the Fair Value Assessment was impractical due to the time shortage between the Acquisition Date at 12/06/07 with Consolidation date 30/06/2007 and the publication of the Consolidated Financial Statements of the Group at 31/08/2007.

The following accounts of the acquired Group of ATHENA ATE are included in the Income Statement of the Group J&P AVAX as follows:

| | **Total 13.6 – 30.9.2007** |
|---|---|
| Turnover | 55.130.163 |
| Earnings before tax | 1.060.159 |
| Earnings after tax | **320.435** |
| The earnings after taxes are distributed to: | |
| − Shareholders of parent company | 311.920 |
| − Minority interest rights | 8.515 |
| | **320.435** |

Had the acquisition date of Athina SA group been the beginning of the period (with an equity stake of **76.07%**), J&P AVAX Group results would include the following items of the acquired Group:

| | |
|---|---|
| Percentage (%) | **76,07%** |
| | **1.1 – 30.9.2007** |
| Turnover | 137.022.310 |
| Earnings before tax | 4.817.025 |
| Earnings after tax | **1.233.069** |
| The earnings after taxes are distributed to: | |
| − Shareholders of parent company | 840.624 |
| − Minority interest rights | 392.445 |
| | **1.233.069** |

**Valuation of the acquired Group of Athina ATE in fair values during the 1st and 2nd consolidation with J&P-AVAX SA Group (after the control acquisition)**

| **Assets** | **Consolidated Athina ATE 30/06/07** | **Adjustments in fair values** | **Fair Value of Consolidated Athina ATE 30/6/07** | **Fair Value of Consolidated Athina ATE 30/9/07** |
|---|---|---|---|---|
| Fixed Assets | 41.455.699 | 672.503 | 42.128.202 | 41.785.328 |
| Participations in associates | 4.733.090 | -1.274.589 | 3.458.501 | 3.513.107 |
| Financial assets available for sale | 26.549.001 | 0 | 26.549.001 | 26.729.002 |
| Investment property | 3.859.823 | 0 | 3.859.823 | 3.859.823 |
| Other long-term receivable | 679.781 | 0 | 679.781 | 696.253 |
| Inventories | 9.642.612 | 0 | 9.642.612 | 10.405.681 |
| Trade accounts receivable | 138.802.674 | -12.005.159 | 126.797.515 | 138.170.116 |
| Cash and cash equivalents | 7.660.119 | 0 | 7.660.119 | 22.183.043 |
| Long-term debt | -22.228.633 | 0 | (22.228.633) | (53.543.771) |
| Deferred tax liabilities | -8.137.538 | 0 | (8.137.538) | (9.345.598) |
| Other long-term liabilities | (2.032.190) | (516.759) | (2.548.948) | (2.927.593) |
| **Total Assets and Long term Liabilities (A)** | **200.984.438** | **-13.124.004** | **187.860.435** | **181.525.391** |
| Suppliers and other payables | -51.484.996 | 0 | -51.484.996 | -56.926.645 |
| Short-term Debt | -28.572.284 | 0 | -28.572.284 | -26.583.216 |
| Other short-term liabilities | (29.595.843) | - | (29.595.843) | (20.550.195) |
| **Total Short-term liabilities (B)** | **-109.653.123** | **0** | **-109.653.123** | **-104.060.056** |
| | - | - | - | - |
| **(A)+(B)** | **91.331.314** | **-13.124.004** | **78.207.311** | **77.465.335** |
| **Deferred tax asset (due to adjustment to fair value)** | **-** | **2.375.839** | **2.375.839** | **2.375.839** |
| **Net Fair Value** | **91.331.314** | **-10.748.165** | **80.583.150** | **79.841.174** |
| | | | **38,35%** | **23,93%** |
| **Minority interest right from Athina acquisition over the fair value** | | | **30.903.637** | **19.105.992** |

**9. Intangible Assets**

**GROUP**

| **Cost** | Software |
|---|---|
| Balance 31.12.2006 | 1.102.285 |
| Acquisition of subsidiary | 427.899 |
| Acquisitions during the 1.1-30.09.2007 period | 225.858 |
| Disposals during the 1.1-30.09.2007 period | 101.270 |
| **Balance 30.09.2007** | **1.654.772** |
| **Accumulated Depreciation** | |
| Balance 31.12.2006 | 830.595 |
| Acquisition of subsidiary | 193.981 |
| Amortisation charge for the 1.1-30.09.2007 period | 132.816 |
| Disposals during the 1.1-30.09.2007 period | 93.390 |
| **Balance 30.09.2007** | **1.064.002** |
| **Net Book Value** | |
| **Balance 30.09.2007** | **590.769** |
| Balance 31.12.2006 | 271.690 |

**COMPANY**

| **Cost** | Software |
|---|---|
| Balance 31.12.2006 | 1.069.329 |
| Acquisitions during the 1.1-30.09.2007 period | 181.320 |
| Disposals during the 1.1-30.09.2007 period | - |
| **Balance 30.09.2007** | **1.250.649** |
| **Accumulated Depreciation** | |
| Balance 31.12.2006 | 805.944 |
| Amortisation charge for the 1.1-30.09.2007 period | 107.756 |
| **Balance 30.09.2007** | **913.700** |
| **Net Book Value** | |
| **Balance 30.09.2007** | **336.949** |
| Balance 31.12.2006 | 263.385 |

**10. Investments in Subsidiaries/Associates and other companies**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Investments in subsidiaries | - | - | 126.612.194 | 63.706.961 |
| Investments in associates | 99.289.027 | 85.275.059 | 46.741.841 | 47.210.394 |
| Other participating companies | 9.612.807 | 8.490.120 | 9.386.580 | 8.295.393 |
| | **108.901.834** | **93.765.178** | **182.740.615** | **119.212.748** |

**11. Investments available for sale**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Investments in associates | 26.729.002 | - | - | - |
| | **26.729.002** | **-** | **-** | **-** |

**12. Other non-current assets**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Other non-current assets | **1.329.986** | **597.531** | **299.032** | **308.092** |

**13. Deferred tax assets**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Deferred tax assets | 6.434.774 | 3.723.544 | 3.259.695 | 2.945.886 |
| | **6.434.774** | **3.723.544** | **3.259.695** | **2.945.886** |

**14. Inventories**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Finished & semi-finished goods | 4.490.700 | 2.261.681 | - | - |
| Work in progress | 11.352.306 | 14.532.576 | - | 214.643 |
| Raw materials | 17.865.975 | 10.599.355 | 6.670.103 | 4.110.624 |
| Advances for purchase of inventory | 515.020 | 2.904.847 | - | 644.485 |
| | **34.224.001** | **30.298.458** | **6.670.103** | **4.969.752** |

**Work in Progress**

| | GROUP | |
|---|---|---|
| | 30.09.2007 | 31.12.2006 |
| Buildings for disposal after construction | 8.292.722 | 7.600.771 |
| Expenses incurred concerning future works (work in progress) | 3.059.584 | 6.931.805 |
| | **11.352.306** | **14.532.576** |

**15. Construction contracts**

| | GROUP 30.09.2007 | GROUP 31.12.2006 | COMPANY 30.09.2007 | COMPANY 31.12.2006 |
|---|---|---|---|---|
| Construction contracts | 188.527.449 | 90.694.507 | 70.524.250 | 39.888.217 |

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.

### 16. Trade and other receivables

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Trade Receivables | 200.344.147 | 126.034.566 | 100.102.349 | 71.476.607 |
| Receivables from subsidiaries | 2.971.020 | - | 51.891.490 | 33.698.404 |
| Receivables from associates | 14.555.081 | 6.200.324 | 8.846.979 | 5.030.683 |
| Receivables to other participating companies | 1.088.926 | - | | - |
| Other receivables | 148.988.618 | 50.262.575 | 37.753.854 | 23.532.423 |
| | **367.947.793** | **182.497.465** | **198.594.672** | **133.738.117** |

### 17. Cash and cash equivalent

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Cash in hand | 2.705.714 | 1.129.371 | 442.055 | 350.424 |
| Cash at bank | 72.284.187 | 53.162.716 | 4.686.865 | 5.884.003 |
| | **74.989.901** | **54.292.088** | **5.128.920** | **6.234.427** |

### 18. Trade and other payables

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Trade payables | 183.417.406 | 105.093.070 | 58.895.704 | 40.593.274 |
| Advances from clients | 43.675.238 | 34.620.032 | 10.933.485 | 10.238.505 |
| Other current payables | 82.465.936 | 16.520.156 | 27.959.982 | 13.030.608 |
| | **309.558.579** | **156.233.258** | **97.789.171** | **63.862.387** |

### Other current payables

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Social security funds | 3.759.492 | 2.359.496 | 1.987.731 | 1.432.834 |
| Dividend payable | 6.234.868 | 78.882 | 5.890.767 | 78.882 |
| Payables to subsidiaries | 511.878 | - | 3.018.707 | 3.841.338 |
| Payables to Associates | 5.495.929 | 3.337.486 | 4.982.179 | 2.332.333 |
| Payables to other participating companies | 1.958.048 | 39.909 | - | - |
| Other payables | 64.505.722 | 10.704.384 | 12.080.598 | 5.345.221 |
| | **82.465.936** | **16.520.156** | **27.959.982** | **13.030.608** |

**19. Income tax and other tax liabilities**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2007** | **31.12.2006** | **30.09.2007** | **31.12.2006** |
| Income tax payable | 1.475.546 | 3.258.376 | 459.900 | 599.991 |
| Other taxes payable | 11.040.855 | 16.011.863 | 2.930.225 | 8.423.052 |
| | **12.516.400** | **19.270.239** | **3.390.125** | **9.023.043** |

**20. Bank overdrafts and loans**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2007** | **31.12.2006** | **30.09.2007** | **31.12.2006** |
| Loans | 147.439.297 | 141.527.301 | 69.550.726 | 78.586.033 |
| | **147.439.297** | **141.527.301** | **69.550.726** | **78.586.033** |

**21. Bank loans**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2007** | **31.12.2006** | **30.09.2007** | **31.12.2006** |
| Loans | 213.543.771 | 20.000.000 | 150.000.000 | 20.000.000 |
| | **213.543.771** | **20.000.000** | **150.000.000** | **20.000.000** |

The Parent Company of J&P Avax SA and the subsidiaries J&P Development and Athina ATE have completed the issuance of bilateral bond loans, based on Euribor interest rate plus premium, according to the L.3156/2003 and 2190/1920 as follows:

| Companies of the Group | Approval of bond | Tenor | Purpose |
|---|---|---|---|
| J&P Avax SA | 150 | 7 | Refinance of the existing short-term loan |
| J&P Development SA | 10 | 7 | Refinance of the existing short-term loan |
| Athina ATE | 50 | 7 | Refinance of existing loan, repayment of syndicated loan and withdrawal of certain guarantees and specifically the first preferred mortgage of 8.500.00€ over company's land and buildings. |

The Parent Company of J&P Avax SA and the subsidiaries J&P Development and Athina ATE have the right of an early repayment (Call Option), part or total of the bond loans with no extra charge.

**22. Deferred income**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2007** | **31.12.2006** | **30.09.2007** | **31.12.2006** |
| Diferred income (Subsidies) | 133.316 | 234.151 | 41.713 | 100.346 |
| Income for the period | (49.210) | (100.835) | (31.285) | (58.633) |
| | **84.106** | **133.316** | **10.428** | **41.713** |

**23. Deferred tax liabilities**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2007** | **31.12.2006** | **30.09.2007** | **31.12.2006** |
| Deferred tax liabilities | 16.558.335 | 3.410.377 | 1.355.351 | 1.352.232 |
| | **16.558.335** | **3.410.377** | **1.355.351** | **1.352.232** |

## 24. Provisions for retirement benefits

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2007** | **31.12.2006** | **30.09.2007** | **31.12.2006** |
| Provision at beginning of period | 3.368.004 | 2.786.263 | 2.685.273 | 2.190.540 |
| Acquisition of subsidiary | 1.233.815 | - | - | - |
| Expense recognised in the reporting period | 289.796 | 581.741 | - | 494.733 |
| **Provision at end of period** | **4.891.615** | **3.368.004** | **2.685.273** | **2.685.273** |

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 3.84% to 4.30%, which are the yield to maturity for Greek government bonds with maturities matching the relevant retirement years |
| Salary growth rate | 3.00% |
| Probability of voluntary termination | 5% to 20%, depending on retirement year |
| Probability of termination | 9% to 30%, depending on retirement year |
| Probability of retirement at age of 65 | 5% to 86%, depending on retirement year |

**25. Other provisions and non-current liabilities**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Other provisions | 1.656.605 | 487.487 | 883.270 | 437.520 |
| Non-current liabilities | 9.171 | - | - | - |
| | **1.665.776** | **487.487** | **883.270** | **437.520** |

A number of litigation claims are outstanding against the Group for a variety of reasons and their final outcome cannot be foreseen at this point. A provision of 517.000€ was therefore made for the Group.

**26. Share capital**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Paid up share capital | 45.039.813 | 40.260.000 | 45.039.813 | 40.260.000 |
| Share premium account | 146.676.671 | 115.403.624 | 146.676.671 | 115.403.624 |
| | **191.716.484** | **155.663.624** | **191.716.484** | **155.663.624** |

The share capital increase approved at the Extraordinary Shareholders' Meeting held on 23.08.2007 was concluded on 12.09.2007, the issue being reserved for and partly covered by a total of 17 investors, comprising the former major shareholders and senior managers of recently acquired ATHENA SA. The Company raised €33,856,860 in cash through the issue of 4,454,850 new common registered shares with a par value of €0.58 apiece at an issue price of €7,60.

**27. Revaluation reserves**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |
| Revaluation of participations and other assets | 453.870 | 453.870 | 565.681 | 565.681 |
| | **453.870** | **453.870** | **565.681** | **565.681** |

**28. Minority interest**

| | GROUP |
|---|---|
| | 30.09.2007 |
| Beginning balance 1/1/2007 | 799.094 |
| Minority interest from acquisition of Athina A.T.E. 30/9/2007 | 19.105.992 |
| Period movement J&P-Avax | (173.907) |
| Minority interest from third parties of Athina A.T.E. | 729.635 |
| | **20.460.814** |

**29. Memorandum accounts - Contingent liabilities**

| | GROUP | COMPANY |
|---|---|---|
| | **30.09.2007** | **30.09.2007** |
| Letters of Guarantee | 727.151.956 | 427.456.701 |
| Other memorandum accounts | 49.903.198 | 43.485.483 |
| | **777.055.154** | **470.942.184** |

## 30. Encumbrances - Concessions of Receivables

- Payables to EMPORIKI BANK, ALPHA BANK, NATIONAL BANK OF GREECE, EUROBANK, PIRAEUS BANK, ATTICA BANK, GENIKI BANK, PANELLINIA BANK and PROTON BANK S.A., based upon the loan facility signed between the banks and ATHENA ATE on April 27th 2006 for financing contigent liabilities arising from called guarantee letters, are covered from the following collateralised securities:

a. Pre-notation of mortgage a' series amounting to € 8.500.000,00 upon the following assets:

- Plot in the area of Kalivia in Attica of 27.500 sq.m., including building structures of 2.726 sq.m. of which the Company has the indiviso ownership of 30%
- Plot in the Sousaki area of Ag. Theodoroi in Corinth of 12.532 sq.m., including building structures of 1.272 sq.m. in addition to a dock and a marina
- Plot in the Boutako area of Thiva of 46.467,54 sq.m.
- Plot (land parcel) in the area of Klisa Koukie-Patima in Koropi Municipality of Attica of 2.227 sq.m.
- Plot (land parcel) in the area of Klisa Koukie-Patima in Koropi Municipality of Attica of 1.423,20 sq.m.
- Plot (land parcel) in the area of Klisa Koukie-Patima in Koropi Municipality of Attica of 1.921 sq.m.
- Plot (land parcel) in the area Prineri of Mitilini of 5.380,93 sq.m.
- Plot in the area Koumerki, in Thivaion Municipality of 16.462 sq.m., including a building structure of 1.272,92 sq.m.
- Plot (land parcels) in the area of Afidnes Community in Attica of 2.560 sq.m.
- Plot (land parcel) upon the 6th km of the National Road Athens-Larisa of 26.985 sq.m., including a building structure of 625 sq.m.
- Offices and a warehouse in the area Anthimou Gazi 46 in Larisa of 225,70 sq.m.
- Warehouse and a parking space in the area Kassandra in Larisa of 992 sq.m.

b. Concession-pledge in favor of banks regarding the dividend withdrawal right equivalent to 1.682.676 shares owned by the Company (7,74%) in GEFYRA S.A., which have already been pledged on favor of the European Investment Bank.

c. Concession-pledge of Company receivables amounting to approximately € 16.000.000,00 against Mr Athanasiou and Mrs Amalia Protopapa based upon the Arbitrary Decision 21/2005 which was ratified from the Decision 2471/2006 of the Athens Court of Appeal. From the collected amount, 25% will be allotted to the debtor (ATHENA S.A.), under the condition that the repayment schedule of the a' loan consideration is paid on time and no other incident regarding the indictment of the loan occurs.

d. Concession-pledge of debtor receivables that emerge from the contract "UPGRADE OF NATURAL GAS TERMINAL STATION IN REVITHOUSA" amounting to approximately € 16.000.000,00 plus V.A.T. The collected amounts will allotted to the debtor (ATHENA S.A.) under the condition that the repayment schedule of the a' loan consideration is paid on time and no other incident regarding the indictment of the loan occurs.
Amounts in € thousand

- The Company signed a concession contract regarding the contract no. 1159321 dated 24/7/2006 which involves the execution of the ATHERINOLAKKOS PHASE B' project for the amount of € 36.623.050,00 at a percentage of 50% to EMPORIKI BANK and 50% to MARFIN BANK and ensured a) a loan amounting to € 2.500.000,00 and b) the issue of a documentary credit amounting to € 2.500.000,00 from EMPORIKI BANK and an interest bearing credit up to the amount of € 5.000.000,00 from MARFIN BANK. Untill the issuance of the financial statements the balance of the loan in EMPORIKI BANK was zero and in MARFIN BANK 929.616,82€.
- Upon the assets of a subsidiary company there are encumbrances dated 31/12/2006 and 30/9/2007that amount to € 1.320.545,47 for the securitization of bank loans.

**31. Post balance sheet date events**

1) On October the 18th, 2007 the company completed the acquisition of non-listed company Anema SA which owns 98% of FERA EE, and also acquired directly from FERA EE the remaining 2%. FERA EE owns property (land and building) on Amarousiou-Halandriou Avenue, to be used as operational asset for the Group. The total consideration was agreed at €10,804,173. The fair values of the net assets acquired are as follows:

| | **GROUP** |
|---|---|
| | 30.09.2007 |
| Fair value ANEMA S.A. (excl. provisions) | 10.854.332 |
| Fair Value FERA E.E. (excl. provisions) | 217.000 |
| Less: Provisions for Tax / Social Insurance liabilities | -267.159 |
| | **10.804.173** |
| Purchase Consideration | 10.804.173 |
| Goodwill | **0** |